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Faculty Senate Resolution 14–10

Halting the Erosion of Health Plans Administered by the Office of Group Benefits (OGB)

Introduced at the request of Southeastern Louisiana University Faculty Senate President James Kirylo and at the request of the Association of Louisiana Faculty Senates

WHEREAS the executive branch of Louisiana government is revising those state health insurance plans that are administered by the Office of Group Benefits (“OGB”) so as to shift more costs to employees, whether by increasing out-of-pocket costs, imposing higher deductibles, assessing prescription fees, or multiplying service exclusions;

WHEREAS estimates indicate that these proposed changes will increase out-of-pocket costs to employees and retirees by approximately forty-seven percent, an unexpected and disproportionate increase that is unjust to and that imposes an extreme hardship on present and former public servants;

WHEREAS the proposed policy changes will result in state workers and retirees paying more and getting less, in startling contrast to and inversion of the “do more with less” motto of the current state administration;

WHEREAS the proposed changes will inflict economic damage on state workers throughout Louisiana, especially those in unclassified or similar positions who have few advocates and who lack other means to defend themselves, and will counteract those small raises or cost-of-living adjustments that employees or retirees have received in recent years;

WHEREAS no satisfactory explanation has been given for the astounding erosion of the OGB reserve fund from six-hundred eighty million dollars to approximately two-hundred twenty-five million dollars in only two years;

WHEREAS the reduction of viable choices among benefit plans will further diminish the ability of Louisiana’s colleges and universities to recruit and retain faculty and to remain competitive with other states in either higher education or in the industries with which higher education collaborates;

WHEREAS the sudden decay of the OGB medical insurance offerings is likely to trigger a rush to transfer to the LSU First plan, a rush that threatens to unsettle the LSU plan and to create costly administrative burdens;

NOW THEREFORE BE IT RESOLVED THAT the LSU Faculty Senate joins with its colleagues in the Southeastern Louisiana University Faculty Senate in opposing the proposed changes to the OGB-administered health plans, at least until proper studies and audits have been completed, and in warning that the proposed changes will be extraordinarily harmful for state workers and retirees; and

BE IT FURTHER RESOLVED THAT the LSU Faculty Senate joins with the Southeastern Louisiana University Senate in cautioning that so dramatic a change in the affordability of health plans for the many thousands of voters and taxpayers who comprise the staff of Louisiana higher education institutions will harm the both the people and the economy of our state.