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State benefits cut into workers' prescription options

When the Idaho Department of Administration began requiring part-time state workers to pay more for health insurance earlier this year, officials said the move would save \$10 million and not affect full-time employees.

But one piece of the policy overhaul affects all workers. State employees, whether part-time or full-time, will have to shell out more for certain prescription drugs.

Sheila Weaver, a Boise State University employee, says annual costs for prescription drugs for her husband will rise from \$670 to \$1,740.

In an e-mail to an employee association, Weaver criticized Department of Administration Director Mike Gwartney for the overhaul.

"Why doesn't Gwartney just put all state employees in front of a firing squad and get it over with already?" she wrote in May to the Idaho Association of Government Employees.

Under the change, about \$5 million of savings will result from moving to a formulary prescription drug plan and revised copayments for workers, said Teresa Luna, chief of staff for the Department of Administration. One savings measure is for workers to cover the difference in prescription costs when generic drugs are available.

"We went to a formulary plan, which means that there is a specific list of prescription drugs that the plan covers from generics through brand names," Luna said in an interview. "Any type of drug you might need is available but it might not be a specific brand name. It's just an effort to save money on the plan."

Luna said the state sets aside a large budget for meds and provided a "very, very generous" drug plan. "Now we've moved to a formulary plan which is typical for most plans."

She cited an example of a worker who might need the drug Nexium, which is no longer on the formulary plan. "But there are other drugs on the formulary that does what Nexium does," she said.

The change took effect July 1, when the fiscal year began. Savings are made by not paying for certain brand name drugs, and paying less to the insurance provider, Luna said.

"It's a cost savings, absolutely. By doing this it allows us to keep our premium increases significantly lower than what we had expected," she said.

In addition to the prescription coverage changes, part-time state employees will also see other changes in their coverage. Starting in November, part-time employees' state-paid portion of their health care premium will be based

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on the hours they work per week.

Representatives for state employees, meanwhile, said the process hasn't been transparent and places an unfair burden on employees.

"I'm concerned there wasn't totally transparency in how they did that," said Alex Neiwirth, an organizer with the Idaho Association of Government Employees. "It's one more example of state employee mistreatment."

Neiwirth expressed concern that affected parties were left out of discussions before the plan's approval.

"For whatever reason, there was no discussion of the other piece of (the state's plan to save \$10 million) - which was that half of it was increasing costs for people who are not using certain prescription drugs."

The contracts were renewed in late May, and employees were notified during open enrollment around that time, Luna said. She added that Blue Cross of Idaho followed up with affected employees.

"The prescription drug plan changes occurred through the contracting process," she said. "This was not anything that was vetted through an employees' association or anything. When we renewed our contracts, this was one of the changes that were made."

Gwartney has in recent years sought sweeping changes to make state policies similar to those in the private sector. At the 2009 Legislature, lawmakers agreed to overhaul retired workers' benefits, but only after a public outcry from retired employees forced them to work out the kinks.

Neiwirth said that since Otter's taken office, his administration tried to reduce benefit packages while increasing the pay for state employees, which studies have shown lags behind the private sector by 15 percent.

"They've shifted the burden onto working families," he said. "The debate needs to be clear, what are the numbers and how much money will really be saved."

Sen. [Dean Cameron](#), R-Rupert and chairman of the joint budgeting panel, said the department had a tough decision to make and it decided to take the best route while preserving state workers' access to health care.

"In reality, that's not different than any private sector business," he said.