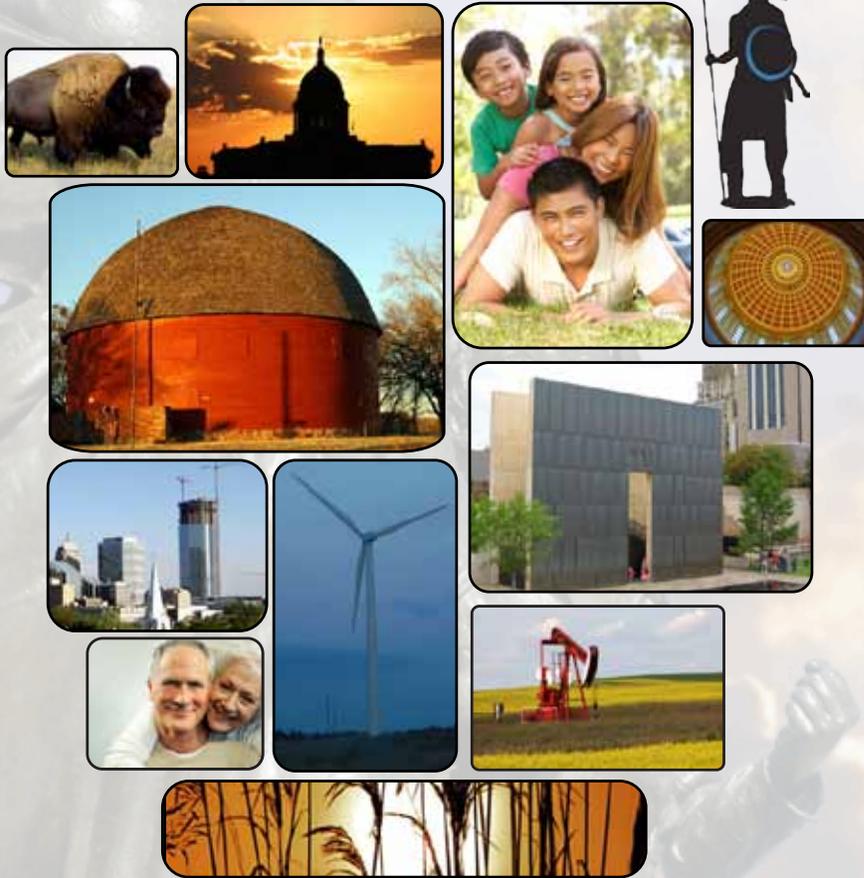


OKLAHOMA
EMPLOYEES
Benefits Council
of the Office of State Finance



Serving Oklahoma's
State Employees and Families

ANNUAL REPORT
SUMMARY
2010

EMPLOYEES Benefits Council



ANNUAL REPORT SUMMARY 2010

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OUR MISSION

To provide state employees flexible benefits designed for choice and cost effectiveness, superior administration and promotion of healthy lifestyles.

OUR VISION

To be the foremost authority in flexible benefits with results of attaining the highest level of customer satisfaction.

This report, assembled by Oklahoma Interactive, is issued by the Employees Benefits Council as authorized by its Executive Director. The report was prepared at a cost of \$2783. Two printed copies and an electronic PDF have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.



DEAR STATE EMPLOYEE,

Our state’s difficult economic situation continued in 2010 and is still with us today. However, the benefits offered to state employees and their families remain strong and experienced a number of positive developments in the past year.

- As a result of intensive negotiations and careful assessments of benefit levels, the increases in overall average health insurance premiums for health maintenance organizations were significantly lower than the national average.
- Your benefits office collaborated with the Office of Personnel Management and Oklahoma Public Employees Retirement System to create a Total Compensation Survey. The survey coincided with the individualized Total Compensation Statements, which were distributed to all state employees in April. The survey, taken electronically through EBC’s Benefits Administration System and through paper submissions, was requested by Governor Brad Henry as a way to determine the perceived value of the benefits package. To the question “How important is the benefits package in your decision to work for the State?,” 92 percent of respondents indicated it is either important or very important.
- In 2010, Congress passed the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act. The reform measures combined are known, simply, as the Affordable Care Act. The legislation brought some early, popular provisions to the benefits package. State employees can now have healthcare coverage for eligible children up to age 26. In addition, state employees and their families can get more preventive medical services at no out-of-pocket cost.
- Online enrollment continued its winning streak, breaking its record yet again. In October, 78 percent of all state employees used the convenient process to analyze and select their benefits. Online enrollment helps employees choose the benefit options that best fit their individual situation.



The Employees Benefits Council (EBC) is proud of these accomplishments. Balancing benefit levels, cost and choice isn’t easy. Nevertheless, we remain dedicated to providing state employees and their families with quality and affordable benefits choices.

I encourage you to keep up with EBC news and activities via our web site, www.ebc.ok.gov, and our quarterly “Benefits Buzz” newsletter. If you have questions, concerns or comments, please contact EBC by phone at (405) 232-1190, toll free at (800) 219-8115, or email us. Email addresses and staff phone numbers are available on the “Contact Us” page of our web site.

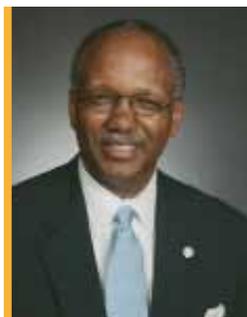
Sincerely,

Bryce Fair
Council Chairman
Appointee of the President Pro Tempore of the Senate

COUNCIL MEMBERS



Weldon Davis
 Council Vice-Chairman
 Gubernatorial Appointee
 Served since 2007



Oscar B. Jackson, Jr.
 Administrator and Cabinet Secretary
 for Human Resources and
 Administration, Office of Personnel
 Management; Served since 1992



Cliff Peden
 Council Secretary, Appointed
 by the Speaker of the House
 of Representatives
 Served since 2007



FELLOW STATE EMPLOYEES,

I am proud to report that your benefits office has been able to maintain the outstanding, current level of benefits for you and your family in the worst economic time since the Great Depression. While other states have reduced their employees' compensation and/or cut benefits, we at EBC take great pride in the State of Oklahoma's reputation for offering a very popular benefits package that helps attract and retain quality employees. All this is done with minimal impact on state agency budgets. In fact, for 2011, your agency didn't have to dig any deeper to fund the benefits part of your total compensation. Thanks to EBC's work collaborating with the private sector – letting market forces work without government intervention – the overall benefit allowance did not increase this year. That didn't happen by accident. With the unfailing

support of our Council, the staff of your benefits office works tirelessly to achieve a difficult balance of costs. We're determined to protect the needs of state employees and your families, while at the same time weighing the financial challenges of state agencies.

I was greatly honored to have been chosen and to serve on Governor Frank Keating's Government Performance Team in 1995. Four words were repeated over and over again during that experience: "Work better, cost less." Those four words made a permanent impression on me and I frequently emphasize the concept to my staff. "Work better, cost less" is not just a slogan here at EBC; it's how we serve the State of Oklahoma and its employees every day. Although not required, your state's benefits office voluntarily reduced its non-appropriated budget the last two years! In addition to voluntarily reducing its budget, EBC has streamlined its operations by reducing management and administrative personnel by 17 percent.

Efficiency is everywhere at your benefits office. It's small – only 38 full-time employees. EBC properly accounts for about 400 Million dollars of premiums each year. It's the agency that gives us online enrollment, which is a great form of efficiency, saving time and paper. Your benefits office is the state government's Section 125 administrator, allowing premiums to be paid pre-tax and saving you money. EBC makes our flexible spending accounts possible – an efficient, tax-saving way for state employees and families to pay for medical and daycare expenses. And EBC is the home of OKHealth, the state's ONLY comprehensive, personalized wellness program. Healthier employees have fewer medical claims – the main cost driver of healthcare premiums.

As your benefits office, it's our belief state employees and their families deserve the very best benefits package money can buy and the best possible customer service. We will continue offering you affordable benefits choices and coverage you can count on.

Philip K. Kraft
Executive Director
Oklahoma Employees Benefits Council



WHO WE ARE

The Employees Benefits Council (EBC) is your benefits office. We design, select, and administer benefits for you and your family. You know us for our commitment to service, choice, and innovation. The State of Oklahoma realizes that employee benefits attract and help retain qualified employees. This is why the state is committed to providing benefits tailored to fit the needs of you and your family.

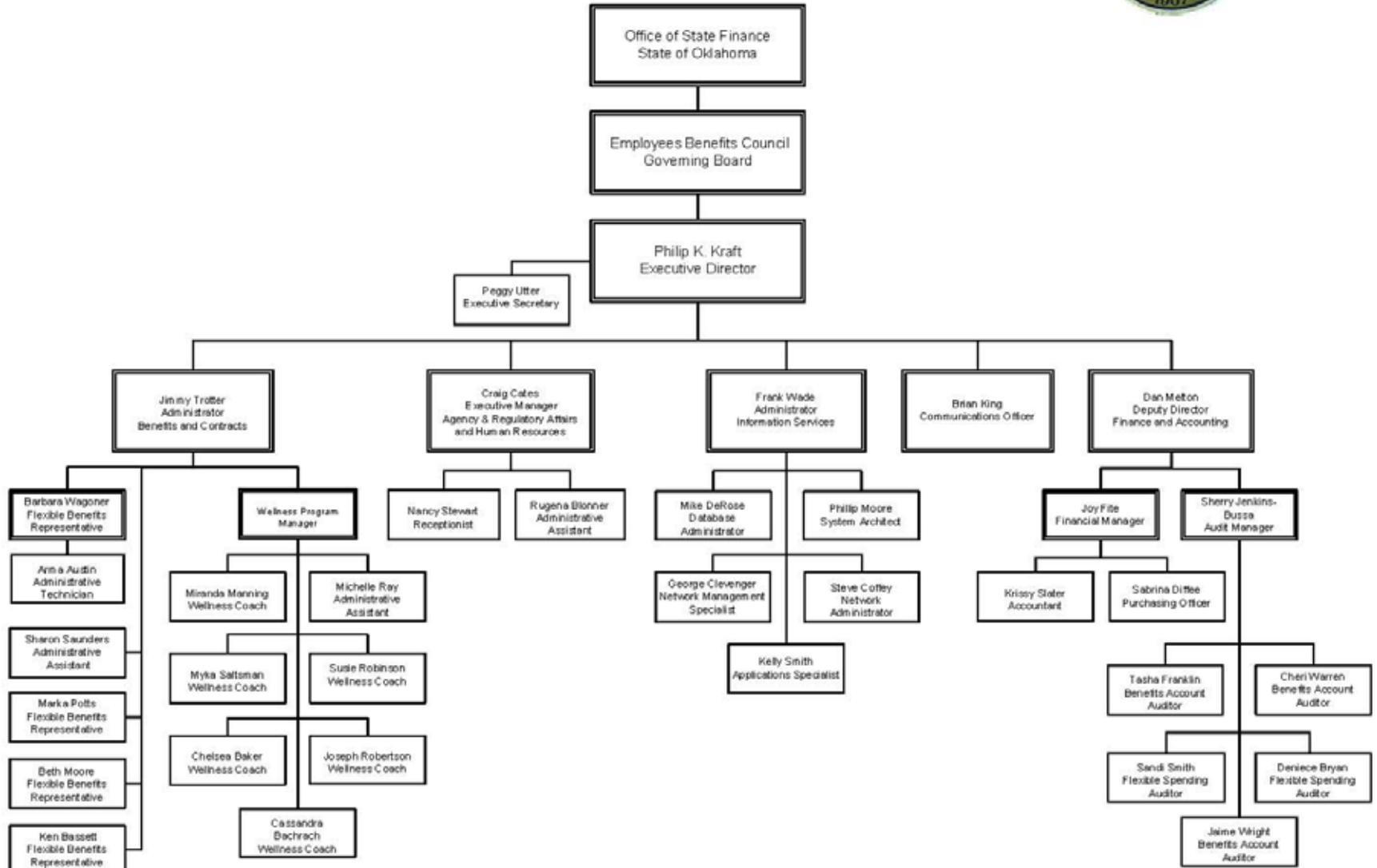
EBC is a non-appropriated state agency created in 1992. Currently, EBC provides services to nearly 35,000 active state employees and their families with only 36 employees and a budget of approximately \$5.3 million annually. EBC is governed by a five-member Council of professionals. The Council consists of the following: Chairman Bryce Fair, appointed by the President Pro Tempore of the Senate; Vice Chairman Weldon Davis, a gubernatorial appointee; Secretary Cliff Peden, appointed by the Speaker of the House of Representatives; Ex-Officio member Oscar B. Jackson, Jr., Administrator and Cabinet Secretary for Human Resources and Administration, Office of Personnel Management; and a gubernatorial-appointee position that was vacant during 2010.

EBC operates under the leadership of Executive Director Philip K. Kraft and is organized into six divisions.

- **The Agency and Regulatory Affairs & Human Resources** division is responsible for legislative matters, interagency relations, open records and open meetings compliance, administrative rules, strategic planning, special projects, payroll coordination, developing and implementing agency policies, providing recruitment and selection services, and administering staff training and development programs.
- **Finance and Accounting** manages areas of accounting, payroll and flexible spending accounts.
- **The Benefits and Contracts Administration** division handles plan eligibility, contracting and enrollment.
- **Information Services** is responsible for network and applications architecture, information infrastructure, email systems, the online Benefits Administration System (BAS) and flexible spending account systems.
- **The Wellness division** coordinates and develops wellness activities in state government through the State Wellness Program to encourage participation by employees in health promotion programs. The centerpiece of these efforts is the OKHealth Wellness Program, a web-based, one-on-one health coaching program. Many participants get started in the program through free, on-site health screenings.
- **Marketing and Communications** manages publications such as the annual option period enrollment guide and video, public information, media relations and the quarterly "Benefits Buzz" newsletter.

Individual agency benefits representatives, known as **Benefits Coordinators**, are also very important parts of who we are. Benefits Coordinators are a vital link to the Council because they integrate benefits functions at the agency level.

ORGANIZATIONAL CHART





HEALTH, DENTAL AND VISION

As a state employee you have choices. Those choices are made possible by the Employees Benefits Council. Each year, you select among plans that fit your insurance needs. Required “core” coverages (health, dental, disability, and basic life insurance) are provided within the guidelines set by law. Choices are available in health and dental plans. Optional benefits include vision choices, supplemental life insurance, coverage for dependents, flexible spending accounts and wellness programs participation. Life insurance and disability coverage are administered by HealthChoice. The state provides you with a benefit allowance to purchase these benefits.

For 2010, the number of HMO carriers available to state employees remained at four. Each HMO offered a standard (higher premium, lower co-pay) as well as an alternative (lower premium, higher co-pay) plan. Through aggressive contract renewal negotiations, EBC was able to offer affordable medical plans to employees and their families while minimizing increases in the state’s benefit allowance. We continually evaluate the marketplace, identifying additional benefit choices.

For Plan Year 2010, HMO coverage was offered across much of the state. Approximately 90 percent of active state employees had a choice of at least one HMO. Of those, 45 percent enrolled in an HMO. For Plan Year 2010, EBC provided coverage through the following carriers:

HEALTH PLANS

Aetna (HMO)*
 CommunityCare (HMO)
 GlobalHealth (HMO)
 HealthChoice (PPO)
 PacifiCare (HMO) (*now known as UnitedHealth*)

DENTAL PLANS

Assurant Dental
 CIGNA Dental
 Delta Dental
 HealthChoice Dental

VISION PLANS

Humana (formerly CompBenefits)
 Primary Vision Care Services
 UHC Vision (formerly Spectera)
 Superior Vision Services
 Vision Service Plan

* Declined to bid for Plan Year 2011 and is not currently available



INVISIBLE BRACELET FINDS BIG SUCCESS IN DEBUT YEAR

OPTIONAL BENEFIT OFFERED AGAIN IN 2011

Once again, the Employees Benefits Council showed its commitment to protecting the health and well being of Oklahoma's state employees and their families by offering a new benefit. For the first time in 2010, active state employees and eligible dependents had the opportunity to choose the unique protection provided by an Early Medical Alert known as Invisible Bracelet.

Like a virtual medical ID bracelet, the Invisible Bracelet can help save lives during emergencies. It involves an eight-digit code that appears on a keychain fob and/or a sticker to be placed on the back of a driver's license or other identification card. The fob can also be attached to a child's backpack.

If a participant is unconscious or otherwise unable to be understood, emergency medical service providers can enter the person's code on a secure, HIPAA-compliant web site and get valuable information in seconds, including emergency contacts, medications, allergies, chronic conditions and insurance. The information first responders find is entered by the participant and "Auto Reminders" are in place to make sure health information and emergency contacts are up to date.

The Invisible Bracelet optional benefit is a pre-tax deduction for employees who choose premium conversion. During the initial offering, 14,547 Invisible Bracelets were requested (6,654 employees and 7,893 dependents). Invisible Bracelet is a product of Docvia, LLC, which is headquartered in Tulsa.



EAT BETTER, MOVE MORE, STRESS LESS

Do three things – eat better, move more and stress less – and watch your health improve! Of course, those things are much easier said than done. That’s where the Employees Benefits Council’s OKHealth Wellness Program comes in.

OKHealth is a free resource for state employees to better manage their health, in turn lowering health care utilization and reducing health insurance premiums. In January 2006, EBC implemented the OKHealth wellness program as a benefit for employees to address unhealthy behaviors and learn to live healthier lifestyles. Now in its seventh year of being available to all active state employees, the OKHealth program continues to promote healthy lifestyle choices and encourage healthy behaviors and attitudes. The OKHealth program has helped thousands of employees lower their risks for cardiovascular disease and diabetes.

The OKHealth program offers employees a unique and effective solution for better health by incorporating lifestyle, disease management, and health mentoring into a single, comprehensive, one-on-one coaching program. Employees are required to complete an online detailed health risk assessment, which stratifies participants into one of five risk tiers, based on potential health problems. Each risk tier determines the frequency of coaching visits as well as goals and action plans for the employee.

With direction from a dedicated staff of professional health coaches, employees participating in the program at twelve months have already been successful in lowering elevated blood pressure, LDL cholesterol, triglycerides, weight, blood glucose, and quitting tobacco use.

To encourage participation in the program, employees are eligible to receive wellness incentives. The first incentive includes an initial visit to a primary care physician and lab work at no out-of-pocket cost to the participants. The second wellness incentive is a discount at a participating fitness center. A third possible incentive offered by some agencies is the OKHealth pay incentive. More than 60 state agencies have elected to offer pay incentives and are authorized to pay participants \$100 (Bronze), \$300 (Silver), or \$500 (Gold) for successfully completing the program. There are many other ancillary benefits from having healthy employees including less absenteeism and increased productivity.

HEALTHY VISION



Oklahoma is near the bottom of national health rankings in a number of key areas: third in cardiovascular deaths, third in tobacco use, fifth in obesity, and 11th in cancer deaths. OKHealth’s overall goal is for state employees to become the healthiest in the nation.

FREE HEALTH SCREENINGS

Free health screenings events helped boost participation in the OKHealth wellness program in 2010. Nearly 300 state employees and legislators took advantage of the free screenings during nine separate events. For the first time in 2010, free health screenings were offered in conjunction with EBC's "Benefits on Tour" stops in Norman, Tulsa and Stillwater.

The free health screenings were introduced in November 2009 with a flurry of events in 11 Capitol Complex buildings in a span of 18 days. They are conducted by OKHealth coaches and health professionals with LifeCheck Laboratory, L.L.C. of Oklahoma City.

Flyers promoting the events explain to state employees that the screenings are a great way to get on the fast track to feeling better. One of the key components to the success of the screenings is the convenience. They are usually performed in the same building where participants work. Blood pressure measurements, as well as heart rate, body fat, temperature, height, weight and blood draws that are required to get started in the OKHealth program are all taken just steps from employees' offices. The screenings eliminate the need to schedule and wait for a doctor's office visit, lab tests and lab results to get started in the program.



Photos from top to bottom: 1) Executive directors Steven Thompson (left) of DEQ and Philip K. Kraft of EBC shake hands and pose for a photo after Thompson's free health screening on Oct. 29, 2010. 2) State Rep. Anastasia Pittman holds a body fat analyzer as Karl Nigg, CEO and Managing Partner of LifeCheck Laboratory, checks the readings during an EBC free health screenings event at the State Capitol Feb. 18, 2010. 3) OKHealth coaches Chelsea Baker and Joe Robertson visit with a state employee at DEQ's Safety Fair, which included free health screenings for the OKHealth Wellness Program. 4) State Sen. Ron Justice gets his blood pressure checked by Cindy Pickens of LifeCheck Laboratory during an EBC free health screenings event at the State Capitol Feb. 18, 2010. 5) A State Department of Health employee wraps up her free health screening by visiting with OKHealth coaches Myka Saltsman (left) and Miranda Manning during an event at the Department of Environmental Quality in Oklahoma City on Oct. 29, 2010.



BENEFITS ADMINISTRATION SYSTEM (BAS)

Council is very proud of its Benefits Administration System (BAS). This unique, customized system is unlike any other in the country and has received numerous awards. By using it, employees are able to have more personal control and access to their benefits. The previous benefits system had limitations inherent with a mainframe environment. This system was replaced by BAS in 2002. EBC now houses and maintains the Internet-based benefits system. The system uses state of the art technology to provide a user-friendly environment, a convenient method to access benefits-related information, faster online data entry, more effective interface with other agencies and carriers, and far superior accounting and reporting capabilities. BAS interfaces with the state's PeopleSoft computer network known as CORE.

All state agency Benefits Coordinators have been trained on the new system and currently use it to process new employee benefit enrollment and mid-year change information for existing employees. In addition, all employees can use the online enrollment each year to enter their benefit elections, verify their flexible spending accounts and peruse the state's online benefits enrollment system. This is the seventh year EBC has made the online system available to active state employees. As the benefits office for state employees, EBC completed the option period for Plan Year 2010 with a record-breaking 78 percent (26,988) of statewide employees choosing their benefits online. In surveys, of which 10 percent of employees participated, the online enrollment was given high marks with 99 percent of employees recommending online enrollment to other employees.

EFFICIENTLY HANDLING THE MONEY

PRETAX BENEFIT PURCHASES

EBC provides state employees a valuable benefit through taking advantage of a federal law that permits employers to make benefits choices available to employees without subjecting those employees to taxation on the amount contributed toward the purchase of benefits. For Plan Year 2010, state employees used this tax strategy to purchase more than \$388 million in benefits.

FEDERAL INSURANCE CONTRIBUTIONS ACT (FICA) SAVINGS*

The State of Oklahoma and its employees have saved an average of \$2.96 million per year in Social Security and Medicare FICA taxes through the benefit plans offered by EBC. Employees participate in their benefit plans on a pretax basis, thereby reducing FICA taxes.

** Under the Federal Insurance Contributions Act (FICA), 12.4 percent of an employee's earned income, up to an annual limit, must be paid into Social Security, and an additional 2.9 percent must be paid into Medicare. For 2010, that limit was \$106,800. State employees pay only half the FICA bill (6.2 percent for Social Security + 1.45 percent for Medicare). The state contributes the other half. So, that means 7.65 percent of an employee's paycheck is withheld and the state pays another 7.65 percent on the employee's behalf. If an employee chooses to pay for out of pocket premiums on a pre-tax basis through premium conversion, the state's and employee's FICA obligation decreases.*

FLEXIBLE SPENDING ACCOUNTS

You can take advantage of additional tax savings through participation in EBC's flexible spending health and dependent care accounts. The amount placed in these accounts lowers your income subject to taxation. These accounts allow you to contribute to an account before taxes to fund certain qualifying medical and dependent care expenses. For Plan Year 2010, combined contributions to these accounts were approximately \$17.3 million. Participation in these accounts amounts to significant tax savings for state employees. These funds can be distributed automatically through our direct deposit services. In all, 13,038 employees utilized a flexible spending health care account during Plan Year 2010 for health-related expenses and over 700 state employees utilized a dependent care account. Employees are able to review their flexible spending account activity through the Benefits Administration System at www.ebc.ok.gov. 2010 marked the fifth year EBC has offered a flexible spending account debit card that makes participation in these tax saving accounts easier. Enrollment in the debit card program increased 15 percent during 2010.



CONSULTANT REPORT

The national average required increase in 2011 HMO premiums, according to various sources, was projected to range from 10.0 to 10.6 percent. That said, actual rates will likely be much less than that, as plan sponsors continue to mitigate increases in premiums through plan design changes.

Of the four HMOs in place in 2010, only three submitted proposals for 2011, with Aetna declining to do so, given their inability to sustain competitive rates. The average proposed increase in HMO premiums for the EBC Standard plan averaged 9.6 percent for 2011. However, through thorough evaluation and aggressive negotiations, the final increase in the Standard rates averaged 6.5 percent. These rates of increase were achieved despite the fact that plan designs were adapted to fully comply with the Patient Protection and Affordable Care Act (PPACA), irrespective of whether the plans were eligible for grandfathered status. These changes expanded dependent eligibility and enhanced preventive benefits.

Based on final rates and enrollment as of the award of the contracts for 2011, it is estimated that the process reduced the annual benefit allowance that otherwise would have been observed by some \$8.7 million.

Continuing cost shifting from Medicare/Medicaid and the uninsured, increased utilization of expensive (but often effective) technology, the aging of the workforce, costly new drugs and declining health of the general population all continue to contribute to the continuing escalation in healthcare costs. PPACA also introduced incremental costs, given such issues as the increase in dependent eligibility to age 26 and 100-percent coverage for designated preventive services.

Employee benefit plans continue to remain susceptible to the financial pressures from these external forces. In order to keep their health plans affordable, many employers continue to modify benefits. Co-pays, deductibles and coinsurance levels continue to rise. In addition, availability of, and participation in, consumer-driven health plans continues to rise. These trends are likely to continue for the foreseeable future as employers attempt to balance affordability, provider choice and adequate levels of insurance protection.

Beyond plan design changes, there are two other key factors that are contributing to the easing of premium increases. The first is the favorable impact on prescription drug costs attributable to an increased availability and use of generics. The second factor, while difficult to quantify, is the general effects of employers' efforts around population health management – that is, wellness, prevention and disease management initiatives.

There continues to be significant movement among employers to implement comprehensive population health management programs, such as the OK Health Mentoring Program. The more progressive employers, including the State of Oklahoma, are integrating incentives for certain behaviors, and in more limited cases, achieved improvements in health status indicators. Specifically, the participation rate in OK Health increased in 2010, driven in part by the availability of free, onsite health screenings statewide.

In its efforts to continue to improve quality of care and enhance the value of employee benefits, EBC identified and offered a new technology to all state employees. This technology involves a bracelet that an employee may obtain which contains a unique ID, and which in turn allows health care professionals to access that employee's electronic health record, as a means to improve the delivery of care.

The Benefits Administration System developed by the EBC continues to provide an efficient, effective means to administer benefits for state agencies and employees. This system continues to show increased utilization, and has resulted in increased participation in the health care flexible spending accounts, benefitting both the State and its employees. In fact, the EBC was recognized for its innovation and progressive approach by a respected association of benefits professionals.

In conclusion, Gallagher Benefit Services, Inc., the Employees Benefit Council's benefit consultant and actuary, is proud to be associated with an organization the caliber of the EBC. Based on our experience in working with many governmental plans, it is our observation that the EBC remains among the more progressive governmental benefit administrative agencies, offering a unique set of services to State agencies and their employees. We continue to support EBC's mission of providing State employees with "flexible benefits designed for choice and cost effectiveness, superior administration and promotion of healthy lifestyles."



Gallagher Benefit Services, Inc.

ONLINE ENROLLMENT

Efficiency got a big boost from Oklahoma's state employees in the fall of 2010. Seventy-eight percent of active state employees made their benefits choices online during the Option Period that was open from October 4 to October 29. In 35 agencies, including the Employees Benefits Council, 100 percent of employees took advantage of online enrollment.

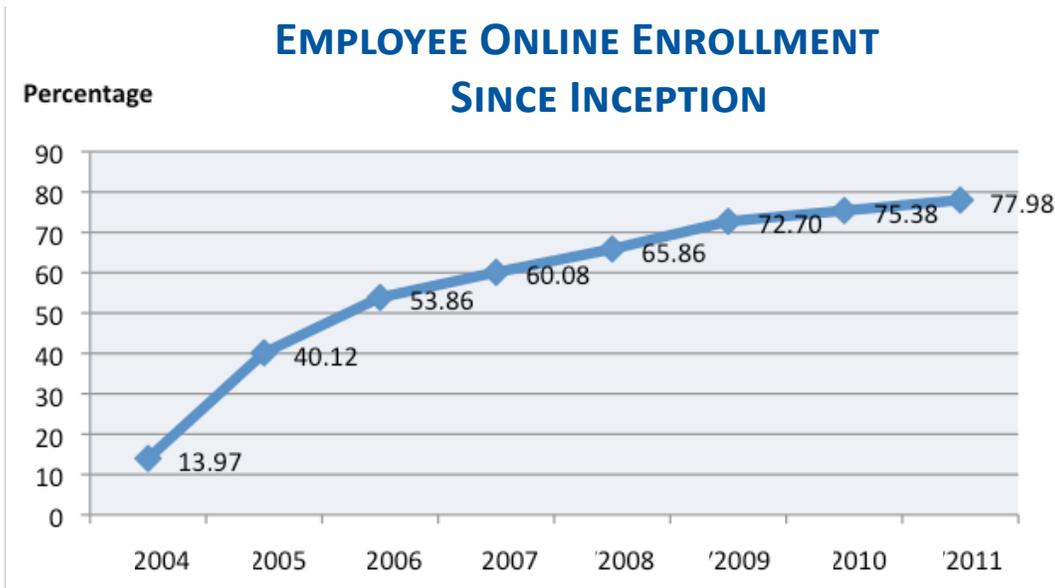
In all, 26,988 employees used the online Benefits Administration System to make their selections for 2011. The new record of 77.98 percent was a 2.6-percent increase over the Option Period in 2009. In previous years, online enrollment brought participation rates of 14, 40, 54, 60, 65.8, 72.7 and 75.38 percent.

During the Option Period, state employees were able to change or maintain coverage choices in health, dental and vision plans, as well as life insurance for themselves and their families. Employees also had opportunities to participate in the Invisible Bracelet early medical alert program, health care and dependent care flexible spending accounts, a mass transportation account, the OKHealth Wellness Program and SoonerSave retirement plans.

One online feature that receives consistent praise is the Enrollment Calculator (see image above). The tool in the Benefits section of the EBC Web site allows users to compare costs and see how their benefit allowances would be used.



online enrollment



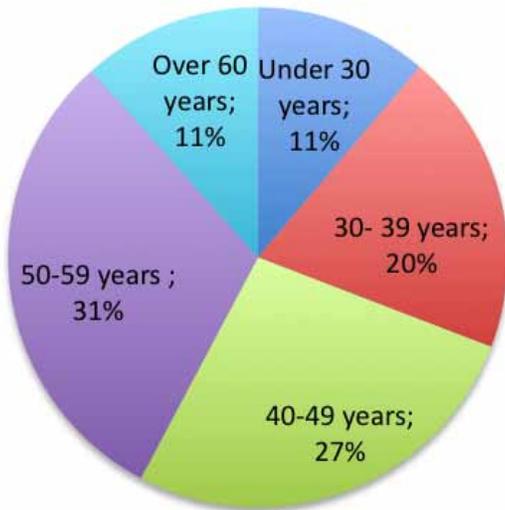


STATISTICAL DATA

AGE AND GENDER INFORMATION

For Plan Year 2010, the average age of active state employees was 46.57 years, which increased slightly from 46.34 during Plan Year 2009.

PERCENTAGE OF POPULATION



AVERAGE AGE OF ACTIVE STATE EMPLOYEES

46.34 years

AGE CATEGORY PERCENTAGE OF POPULATION

Under 30 years: 11.2 percent
 30 to 39 years: 19.6 percent
 40 to 49 years: 26.9 percent
 50 to 59 years: 30.6 percent
 Over 60 years: 11.6 percent

GENDER DISTRIBUTION: UNCHANGED

Male: 42 percent
 Female: 58 percent

FLEXIBLE SPENDING ACCOUNT FUNDS

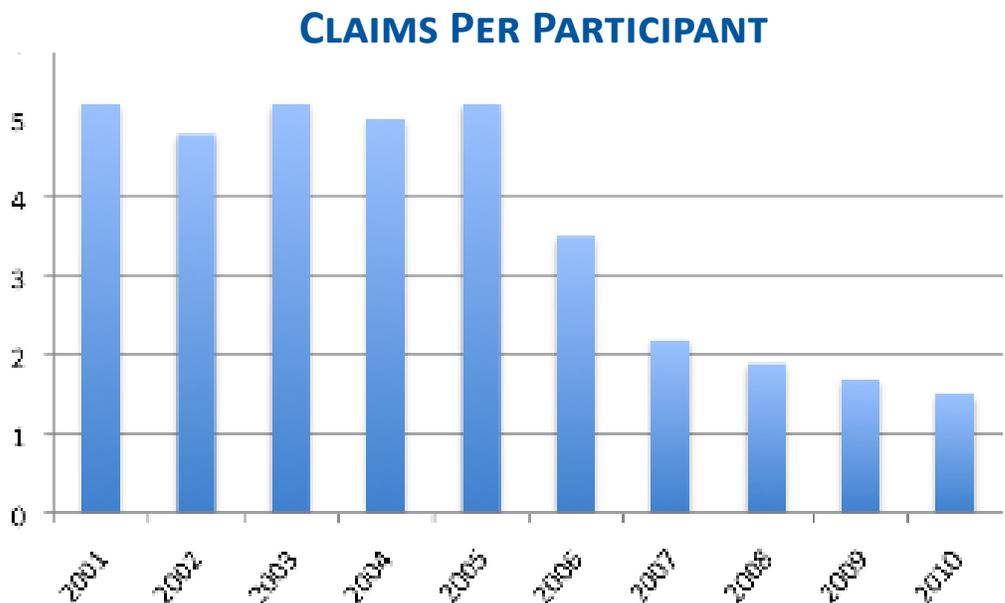
FUND UTILIZATION

The table below outlines the total contributions made to flexible spending medical and dependent care accounts by active state employees for the past 10 years, in millions.

Year	Medical	Daycare
2002	\$5.0	\$1.91
2003	\$5.5	\$1.9
2004	\$6.2	\$1.98
2005	\$6.9	\$1.99
2006	\$8.9	\$2.1
2007	\$11.6	\$2.4
2008	\$13.8	\$2.4
2009	\$14.7	\$2.4
2010	\$17.3	\$2.5
2011	\$15.7	\$2.4

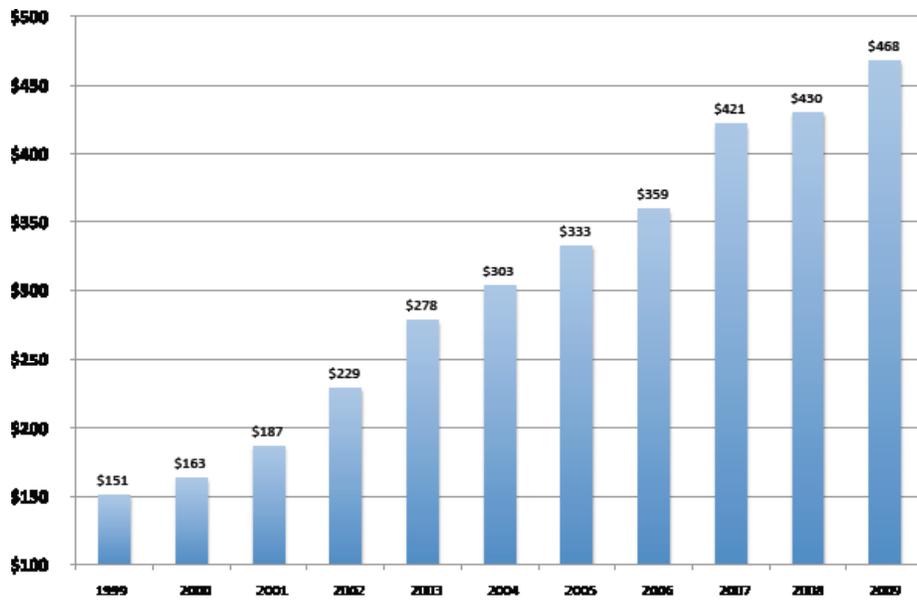
MEDICAL REIMBURSEMENT PAPER CLAIMS

The chart below outlines the average number of paper claims per participant each year for medical reimbursements from flexible spending accounts over the past 10 years. It demonstrates how the process has become more efficient as more claims are reconciled electronically. In 2006, EBC’s Flexible Spending Account debit card program was awarded a Governor’s Commendation.





AVERAGE PREMIUM-EMPLOYEE



(All Carriers/Employee Only – Rounded Monthly Premium)

HEALTH PREMIUM COMPARISON

Health insurance premiums have sustained a continuing increase since the late 1990s. The chart above shows average employee-only health insurance premium costs for all carriers (HMO and HealthChoice’s Medical) over an 11-year period.

HONORS AND AWARDS

Perhaps the most meaningful awards are those presented by peers, especially ones at the national level. The state's benefits office was presented with the "Exemplary Efforts in Benefits Profession" Award from the State and Local Government Benefits Association (SALGBA) at the group's 27th annual conference in Denver.

In announcing the award, SALGBA officials specifically mentioned the OKHealth Wellness Program, EBC's long-time support of SALGBA, and presentations of timely, relevant topics at annual conferences. The award is presented to a jurisdictional entity in recognition of its implementation of a benefits program that has substantially reduced costs, increased member awareness, improved member education, and enhanced member wellness during the last calendar year. It is one of four awards presented annually by SALGBA and the only one that goes to a group.

"Oklahoma's Employees Benefits Council is one of SALGBA's most respected group members," said Rick French, president of SALGBA's Board of Directors. "It is a benefits office that 'thinks outside the box' and demonstrates its commitment to continually improving the benefits for Oklahoma's state employees. EBC is a leader in our industry, exemplifies how to effectively serve a large employer group, and they are most deserving of this prestigious recognition."

The Benefits Enrollment Guide for Plan Year 2010 was honored with a Gold MarCom Award from the Association of Marketing and Communication Professionals.



2010
MARCOM
AWARDS
GOLD





VISION FOR THE FUTURE

In 2011 and beyond, the Employees Benefits Council faces a number of challenges. Each year, the top challenge is negotiating fair prices for high quality benefits. This is especially true when our Great State is not in good financial shape, as was the case in 2010.

“Throughout our thorough and intense contract negotiations, the Council carefully considers how the decisions we make affect agencies’ budgets,” said Oscar B. Jackson, Jr., EBC Council member, Administrator of the Office of Personnel Management and Cabinet Secretary for Human Resources and Administration as the 2011 rates were announced. “However, we also maintain a high priority on offering a competitive benefits program and balancing the costs between the state and its employees. I’m proud to say that in 2011, an estimated 93 percent of employees will continue to have 100 percent of their benefits paid by the state.”

The tireless, meticulous work will be demanded again because health care costs are expected to climb faster than inflation again in 2011. The status quo won’t be good enough, however, because we are constantly looking for new, better and more efficient ways to serve state employees and their families.

One type of healthcare plan that has attracted recent interest among Oklahoma lawmakers and policy makers is the consumer-driven health plan (CDHP) model. It gives enrollees more control over the healthcare they receive and encourages them to “shop around” among providers (doctors, hospitals, pharmacies, etc.) to find the best prices and service. The system is designed to control costs through competition as providers compete to have the lowest prices.

The CDHP model often features an optional health savings account (HSA) component. The HSA is funded with employer (state) money and employees can also make contributions to their own accounts. The HSA helps offset the high deductible associated with CDHPs and other eligible medical expenses such as copays and prescriptions. Since HSAs belong to the individuals, the accounts roll over from year to year, even into retirement.

The CDHP/HSA model is especially successful for the State of Indiana, which is now recognized as the national leader for implementing the plan in state government. In its fifth year, Indiana’s program is now used by 85 percent of its state employees and their families. EBC would like to replicate Indiana’s success and is working with legislators to overcome current statutory barriers that prevent EBC from implementing an Indiana-type plan.

EBC’s consistent goal is to make everything done by the agency work better and cost less while maintaining the high quality of service state employees and their families expect and deserve.

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