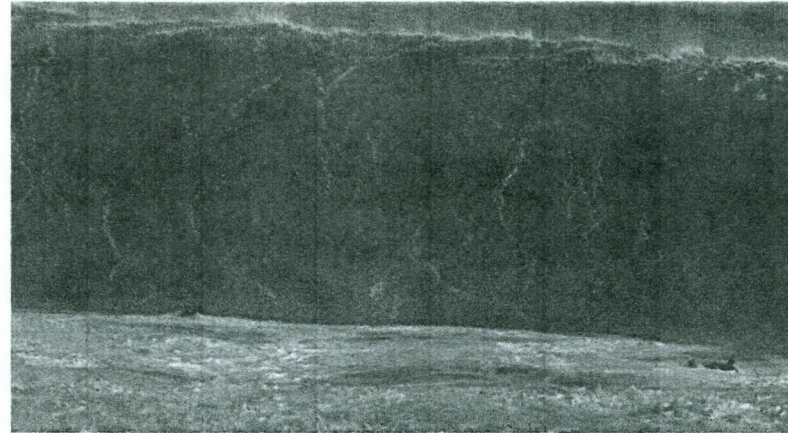


ROUGH WATERS AHEAD



PEIA

WHAT TO EXPECT

EACH YEAR

- FISCAL YEAR JULY 1-JUNE 30
- DATA GATHERING/GUIDANCE FROM THE GOVERNOR AUG./SEPT.
- OCTOBER BOARD MEETING
- NOVEMBER PUBLIC HEARING
- DECEMBER BOARD MEETING

RECENT HISTORY

- | | |
|-----------------------|-------------------|
| • DECEMBER 2011 | 12-13 FISCAL YEAR |
| \$18 M-\$5 M EMPLOYEE | |
| • DECEMBER 2012 | 13-14 FISCAL YEAR |
| • DECEMBER 2013 | 14-15 FISCAL YEAR |
| • DECEMBER 2014 | 15-16 FISCAL YEAR |
| • DECEMBER 2015 | 16-17 FISCAL YEAR |

PARTICIPANTS

2012-2013

229,557

2015-2016

233,189

3,632 ADDITIONAL PARTICIPANTS

INFLATION

\$1,000,000,000 PLAN

6% INFLATION =

+\$60,000,000

EVERY YEAR

RESERVE FUND

**PEIA HAS DRAWN DOWN THE RESERVE FUND
THE PAST FEW YEARS.**

**BY LAW, THE RESERVE FUND CANNOT GO
BELOW A CERTAIN LEVEL.**

**THERE IS NO HELP THIS YEAR FROM THE
RESERVE FUND.**

TRIPLE WHAMMY

**NO ADDITIONAL FUNDS FROM THE
LEGISLATURE**

3,632 ADDITIONAL PLAN PARTICIPANTS

**PEIA CAN NO LONGER DRAW FROM THE
RESERVE FUND**

LIKELY CUTS

- \$40 MILLION – MEDICAL BENEFIT CUTS
- \$26.6 MILLION -- RX BENEFIT CUTS
- \$4.2 MILLION -- INCREASE PREM. RETIREES
- \$21 MILLION -- RETIREE BEN. CUTS
 - MEDICARE
 - NON-MEDICARE (SAME AS ACTIVES)

UH-OH



2016 ELECTION YEAR

TO GET RE-ELECTED, IT IS LIKELY MONEY FOR A
RAISE WILL BE FOUND.

\$50 MILLION
\$500/PERSON

RAISE DEDUCTIBLE

- \$250 \$10 MILLION
- \$150 \$3.44 MILLION
- \$125 \$1.72 MILLION
- OR
- \$1,000 \$40 MILLION

RAISE MAX OUT-OF-POCKET

\$1,500

\$8.8 MILLION

WE ARE DROWNING



SCENARIOS?

- APPLY THE \$50 MILLION RAISE TO PEIA NEEDS INSTEAD
- PEIA WOULD STILL NEED TO CUT YOUR BENEFITS BY \$40 MILLION
- \$25 MILLION - 10% REMAINING CREDIT
- \$30 MILLION - 10% REMAINING CREDIT
- \$35 MILLION - 10% REMAINING CREDIT

SCENARIOS

- RAISE PREMIUMS FOR EVERYONE IN ORDER TO DISTRIBUTE THE PAIN EQUITABLY
- NO. BECAUSE OF THE 80/20 RULE, WE CANNOT RAISE PREMIUMS

SCENARIOS

- CHANGE THE 80/20 LAW TO 70/30.
- NO BECAUSE WE RISK 70/30 BECOMING 60/40, THEN 50/50 AND WORSE.

SCENARIOS

- CHANGE THE LAW SO THAT THE LEGISLATURE MUST CONTRIBUTE A CERTAIN DOLLAR AMOUNT PER PARTICIPANT.
- DIFFICULT

SCENARIOS

- TAKE ACTION
 - ATTEND PEIA OPEN HEARINGS EN MASSE
 - PRESSURE YOUR LEGISLATORS TO ATTEND THE OPEN HEARINGS
- THIS WOULD BE ONLY A FIRST STEP

EDUCATE!

- INFORM YOUR FRIENDS AND COLLEAGUES ABOUT THE COMING CUTS
- ENCOURAGE FRIENDS AND COLLEAGUES TO ATTEND LOCAL PEIA OPEN HEARINGS
- ENCOURAGE LOCAL LEGISLATORS TO ATTEND OPEN PEIA HEARINGS

TAKE ACTION

THIS IS YOUR PAYCHECK
THIS IS YOUR FAMILY'S HEALTH
THIS IS YOUR HEALTH
DO NOT SIT THIS ONE OUT
START BY ATTENDING AN OPEN
HEARING. BE THERE.

TOGETHER, WE CAN

