

EID Employee Medical Benefits Far Exceed National Averages

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To: undisclosed recipients

Subject: EID employee medical benefits far exceed national averages

This morning's SacBee business news article outlines one of the million dollar cost factors contributing to EID's 11% EID water rate increase effective today:

"In 2012, according to an annual survey by the [Kaiser Family Foundation](#), premiums for employer-sponsored health insurance averaged \$5,615 a year for single coverage and \$15,745 for [family coverage](#). The employee's share of the premium averaged \$951 for individual coverage and more than four times as much, \$4,316, for family coverage."

<http://www.sacbee.com/2013/01/01/5085656/ruling-clarifies-health-coverage.html>

This Kaiser Foundation information demonstrates that nationally the average employee pays 17% of their employee-only medical premiums and 27% of their dependent medical coverage. In contrast, EID employees currently pay nothing toward their own medical coverage and will pay 10% of the dependent coverage in 2013 (after previously paying nothing for dependent coverage).

Yet EID General Manager Jim Abercrombie portrays EID's medical benefits for 2013 as a "\$430,000 savings" to ratepayers, even though EID's total budgeted 2013 medical premiums increase \$40,000. See his following documented claim and the actual 2013 budget: "*...changes negotiated for medical benefits given to employees and retirees estimated to save the District \$430,000 in 2013*"

<http://www.eid.org/modules/showdocument.aspx?documentid=3213>, page 108

Opinion: It is unfair for EID to increase water rates 102% for 2010-2015 before first requiring employees to pay their 17% employee and 27% dependent fair shares of medical premium costs. Adherence to national employee medical premium sharing averages would reduce EID rates \$1.1 million annually.

Of equal concern, it is not forthright for General Manager Abercrombie to mislead ratepayers by claiming \$430,000 of savings when costs actually increase \$40,000 for that very same budget line item.

Abercrombie's cumulative savings claims of more than \$20 million since he became General Manager simply are not borne out by 102% of rate increases. (See following link for some of these "savings" that Abercrombie claimed and extensively advertised): http://www.fixeid.org/Documents/meeting-commitments_6-10-11.pdf