

## School system won't shift more health care costs to employees in 2012

Teachers union president says lower-than-expected claims produced savings in 2011

by Andrew Ujifusa and Erin Cunningham | Staff Writers

The County Council's plan to have school employees pay more for their health care has failed, and at least one council member is crying foul.

Doug Prouty, president of the Montgomery County Education Association, said Friday that unexpectedly low insurance claims from Montgomery County Public Schools teachers and other school workers have led to savings in the fiscal 2011 budget that can be applied to fiscal 2012.

But Councilman Marc Elrich blasted the school system, saying it had not told the truth about its budget.

"That means they lied about their budgetary needs," said Elrich (D-At large) of Takoma Park of the Board of Education. "That just goes to show you how nontransparent and fudged the school budget is. They just discovered \$18 million lying around? That's b-----t."

As part of its budget agreement last month, the council cut \$18.7 million from the funding stream the school board budgeted for school employees' benefits for 2012.

Council members said the move was intended to force the school system to make its employees pay a higher share of their health care costs. This would save money in future years, not just in fiscal 2012, council members said.

But even though the school system budgeted for an increase in health care claims, Prouty said the school system's initiatives over the year to improve employee health, such as a Wellness Program, have helped lead to lower overall insurance claims. The school system's health programs include fitness and weight-loss initiatives.

He also highlighted the fact that about two-thirds of school system employees were in lower-cost HMOs, where employees and employers pay a lower share of the costs.

"I think it shows that the work that we've done to contain costs has yielded fruit for a number of years and continues to do so," Prouty said.

Asked if he knew when the school system discovered the savings, Prouty declined to comment. But he did say that the system monitors claims throughout the year and had been aware that they were coming in at lower-than-expected levels.

The school system has approved changes with its unions to achieve savings in two other benefit areas for fiscal 2012 -- employee pensions and retiree health benefits.

Combined, the 2012 savings in the pension and retiree health benefits areas are roughly \$1.25 million, leaving about \$17.4 million that could be attributed to unexpected health care savings in 2011.

However, Prouty said he could not confirm that \$17.4 million was the actual savings from the reduced claims.

The school system's budget director, Marshall Spatz, said there had been less of a health care cost inflation than the 7 percent the school system predicted for 2011, although he could not say how much less.

He also said the school system was working with consultants to determine why claims came in lower than expected.

But Elrich said the county government's inspector general or an independent auditor should have the authority to investigate the school system's budget. The school board has said the county government does not have that authority.

"But if you have fudged numbers, you don't have the ability to hold them accountable," Elrich said. "You can't do anything."

Councilman George L. Leventhal (D-At large) of Takoma Park said the reduced cost of health care to the school board will factor into the council's budget decisions next year.

The council approves a budget for the school system, but the school board decides how the money is spent. The council approved \$1.37 billion in county funding for schools for 2012, \$45 million lower than for 2011 and \$127 million less than the school board's request.

"If someone tells you they just found it, I don't believe a word," Elrich said. "That means the whole budget process is bogus."