

Mr. Chair and members of the committee, thank you for allowing me to testify today. My name is Michael McKenzie and I'm here to talk about S.F. 247 or PEIP. Specifically, I believe S.F. 247 should be defeated.

I have been a teacher for 23 years, most recently teaching AP Economics and Criminology at White Bear High School. I am currently the President and Head Negotiator for the White Bear Lake Teachers Association as well as a member of the White Bear Lake School District Insurance Committee. This committee has representatives from every employee group within the district.

I want to tell you about our experience with PEIP in White Bear Lake. I've been a member of the White Bear Insurance committee for more than ten years. In that time, we've seen our health insurance premiums greatly increase, most years by double digits and a couple years by more than 17%. In addition, over the years we've been forced to accept lessor coverage and increased co-pays in an attempt to control costs.

When PEIP became law, I decided to pursue a PEIP bid since our Health Partners contract was expiring. Our district was very reluctant to provide us with the necessary data. They did not want us to include PEIP in our insurance process. They tried to convince us not to proceed, blamed Health Partners for delays, threatened to charge us for the information, and generally dragged their feet releasing the information we needed to secure a PEIP bid. Eventually, they gave us the data after we pointed out we had a legal right to it.

As soon as we got this data, Health Partners moved into high gear. They immediately contacted me about meeting with them. When we met, they presented a PEIP clone policy at very good rates in an attempt to keep our business. Through negotiations with them we were able to secure some very important incentives for us to stay.

- 1) They lowered our rates about 23%,
- 2) They kept our coverage the same as it had been, which was slightly better than PEIP or their PEIP clone,
- 3) They included favorable caps on future premium increases and
- 4) They included a new basic policy that would have no monthly out of pocket premium cost to our employees after our district contribution.

In the end, we didn't choose PEIP for our insurance policy. However, just having the competitive bid from PEIP greatly helped us to negotiate a very favorable policy and premium with Health Partners. This year alone, these changes will save the employees of White Bear Lake School District almost \$2 million (\$1,953,888.80).

I believe that the current law served White Bear Lake and many other public entities well. I urge you to leave the law as is and defeat S.F. 247.

Thank you. I'm happy to answer any questions you have of me.