

INSURANCE : NO PROTECTIONS IN THE PAST

There is a lot of uneasiness about insurance right now.

We understand. We've all been affected by rising costs.

During negotiations, we brought your concerns to the table and made it clear we needed some protections as well as a clear path forward. As a result, we have some productive updates to the insurance section of our contract.

It's significant because in the past...THERE WERE NEVER ANY INSURANCE PROTECTIONS IN OUR CONTRACTS.

But that won't be the case anymore.

Some important context: Before our last contract, our insurance had always been revisited/retooled every year. And the District has always had the final say in what changes got made, end of story. Neither our members nor union leadership had any role in making those decisions.

If you look at the 2018-21 contract, you'll see a few items that look kinda like protections:

- [1] 105% reopener clause, and
- [2] An Advisory Insurance Committee.

In truth, the 105% reopener clause was put in our contract for the benefit of *the district* to limit their costs. In the past, it was used to eliminate access to CVS pharmacies, increase premiums, increase deductions, and reduce benefits.

And the Advisory Committee was, well, *advisory*, and that's it; they had no real power to impact the final decisions; the District were the deciders.

In our 2021-26 contract, an insurance freeze was put into place. This was a gambit by Dr. Norrell to sweeten the pot for members who were upset about the spousal carve out: *If you vote YES for the spousal carve out, the District will freeze the district vs staff percentage splits for five years.* It worked. The contract was approved, the spouses cut, and the freeze initiated.

On the surface, the freeze seemed like a good deal. But many did not foresee the complications that would occur down the road, including trying to transition back out of it to a renormalized annual renewal process; exactly the situation we are in right now.

Another consequence of the freeze was that those who use the HMO had their costs frozen at their highly inflated rates. In truth, they should be even cheaper than the PPO plans.

And so what looked to be a protection just froze some problems in place - and while it created cost consistency of staff - it also kicked other problems down the line to now.

And so the task we're faced with is finding the smoothest, least disruptive way to transition out of the freeze, back to normalized district/staff percentage splits, while also improving our plans, reducing costs as much as possible, and doing so democratically and with safeguards in place.

This is what we tried to do in the proposed contract. We did this in part by offering:

- [1] A transition timeline, and
- [2] New protections.

#### NEW CONTRACT TIMELINE

To break the timeline down, we'll:

\*Select a new insurance broker based on which offers us the highest quality plans at the best rates. We've had the same broker for 17 years without shopping around for something better. That's just stupid. We should see what better offers we get!

\*A Insurance Joint Committee - consisting of representatives from the Union, Admin, other employee groups, as well as non-represented employees, etc - which will:

- [A] Review insurance cost data, claims history, and projections
- [B] Evaluate plan design and cost-containment strategies
- [C] Make recommendations regarding insurance plans, premium contributions, and related matters.

\*Decisions made by the Committee (subject to Board approval, of course!) will be made by mutual agreement, i.e. by consensus. The stipulation is that both parties mutually agree that the proposed changes are more FAVORABLE to both employees and the District.

\*We will remain locked into our current percentages for 2026-27, then:

\*One long session of insurance from January 1, 2027 through June 30, 2028 (18-month period), then:

\*We move to 12 month insurance cycles (but now from June 30 - July 1).

#### INSURANCE PROTECTIONS IN THE 2026-30 CONTRACT

Some of the protections the new contracts adds are:

[1] Insurance Joint Committee: What's important about the committee is that it's *joint* not "advisory," which means decisions are made by consensus. This places our members into the process in a way they haven't never been involved in the past.

[2] Grievable Language: The proposed contract says, "The Joint Insurance Committee may recommend, and the parties may mutually agree, subject to Board approval, to changes that are *more favorable* to both employees and the District. And the Committee will make recommendations on a consensus basis."

If, somehow, the Joint Committee is not used and/or an awful insurance plan is rammed through which is not "more favorable to both employees and the District," there is language in place that makes a grievance possible.

[3] Percentage Floors: Our comparisons with other districts showed that it is quite typical for there to be 60%/40% district/staff percentage splits. That said, we demanded and were given transition floors above those levels.

<b>Coverage Tier</b>	<b>FY28 (1/1/27-6/30/28) Employee % / Employer %</b>	<b>FY29 (7/1/28-6/30/29) Employee % / Employer %</b>	<b>FY30 (7/1/29-6/30/30) Employee % / Employer %</b>
Employee Only	11% / 89%	13% / 87%	15% / 85%
Employee + Spouse	15% / 85%	16% / 84%	18% / 82%
Employee + Children	15% / 85%	16% / 84%	18% / 82%
Family	16% / 84%	18% / 82%	20% / 80%

It is important to note that while the old contract stated that we were frozen at an 11%/89% split - with staff paying 11%, the district paying 89% - this was in fact *an average across all the plans*. The reality of the situation is that some plans currently held by members have them paying more than 11%.

For example:

Full-time staff with an HMO - w/Family are currently paying 23% (not 11%).

Full-time staff with an HMO - Single are currently paying 21% (not 11%)

Full-time staff with a PPO - w/Spouses are paying 15% (not 11%).

Full-time staff with PPP - w/Family are paying 12% (not 11%).

Please reference [this document](#) for the exact current splits for all the plans.

[4] New Insurance Cycle: The Insurance Cart Will No Longer Be Before The Horse.

By this we mean that, in the past, our contract would always get negotiated *before* the insurance would be finalized for the upcoming year.

That meant always flying blind when it came to what changes might occur to the insurance for the upcoming year.

But will no longer be the case. After one long insurance session from January 1, 2027 - June 30, 2028 (18-months), we'll then go to a 12-month insurance cycle but now from June 30 - July 1.

What this means is that moving forward, when we're negotiating a contract, we'll be operating from a position of knowledge about what is coming the upcoming year, which will allow us to negotiate accordingly during contract negotiations.

This is a huge win.

[5] No 105% provision.

As stated above, this provision was for the benefit of the District (not staff) and was historically used to make cuts to our benefits and add more costs for us to pay. In our new contract, this provision has been removed. Bye-bye, don't let the door hit ya on the tush on the way out! Now, if we make a deal in our contract, that deal stands, come heck or high water, no out-y clause for the District.

[6] Admin Gets What We Get

One other thing: The administrators get the same insurance we do. So if we get terrible plans, they get terrible plans. You think they want terrible plans? No. We sink or swim together. But don't worry: The plan is to *swim*.

IN SUM

We cannot waffle, stall, or refuse to move forward. We have to rise to the moment of producing real, concrete language that gets us out of this freeze back into a new normal.

Along with our democratization of the process, we also have the opportunity to create a new normal that is even better than the old normal.

And with this contract, we believe that's what we've done.

PS: And no, no, a thousand times no, there's not even an inkling of an iota of a notion of going back to UnitedHealthcare®.