

# South Butler County School District

## Negotiations Update – District’s Health Care and Monthly Employee Premium Contribution Proposal

October 5, 2016

In an effort to provide the public with accurate information regarding the status and progress of the negotiations with the South Butler County Education Association (PSEA/NEA), the District has put together this Negotiations Update which summarizes the District’s health care and employee premium contribution proposals.

- In August, 2015, the teachers asked the Pennsylvania Labor Relation Board to direct the parties to participate in the Neutral Fact Finding process. The Labor Board granted the teachers’ request and appointed Mr. Marc Winters to serve as the Neutral Fact Finder. Mr. Winters held a hearing at which time each party made lengthy presentations regarding the outstanding negotiation issues and their respective position regarding each issue. On September 28, 2015, Mr. Winters issued his Neutral Fact Finding Report. On October 6<sup>th</sup>, the Association rejected the Report; on October 7<sup>th</sup>, the Board accepted the Report; on October 14<sup>th</sup>, the Board accepted the Report for a second time; and, on October 16<sup>th</sup>, the Association rejected the Report for a second time. If the Association had accepted the Neutral Fact Finder’s Report, negotiations would have ended and the Report would have become the basis for a new Collective Bargaining Agreement.
- Two of the issues addressed by the Neutral Fact Finder were modifications to the existing health care plan and increases to the monthly employee premium contributions. Mr. Winters recommended that effective July 1, 2016, the parties implement the health care plan proposed by the District, which is discussed in more detail below; and, that the monthly employee premium contributions be increased as follows:

**2014-2015** – No increase, monthly premium contributions to remain at \$40.00 for individual; \$45.00 for employee/spouse and employee/child(ren); and, \$50.00 for family coverage.

**2015-2016** -- No increase, monthly premium contributions to remain at \$40.00 for individual; \$45.00 for employee/spouse and employee/child(ren); and, \$50.00 for family coverage.

**2016-2017** – Monthly premium contributions to increase by \$10.00 to \$50.00 per month for Individual coverage; and, \$60.00 per month for all other coverage levels.

**2017-2018** – Monthly premium contributions to increase by \$10.00 to \$60.00 per month for Individual coverage; and, \$70.00 per month for all other coverage levels.

**2018-2019** – Monthly premium contributions to increase by \$10.00 to \$70.00 per month for Individual coverage; and, \$80.00 per month for all other coverage levels.

- This year, the annual cost of the health care plans provided to the teachers are as follows:

<b>Individual</b>	<b>Employee - Child(ren)</b>	<b>Employee - Spouse</b>	<b>Family</b>
<b>\$7,166</b>	<b>\$16,348</b>	<b>\$18,083</b>	<b>\$19,592</b>

**The average cost to the District for the teachers’ health care is \$16,526 per covered teacher.**

- The health care plan currently being provided to the teachers is a Highmark PPO Health Care Plan with the in-network employee costs as follows:

In-network Deductible	\$250/\$500
Copay for Emergency Room (waived if admitted)	\$50
Copays for Physician Office Visits	\$15
Copays for Specialist Office Visits	\$25
Copays for Diagnostic /Lab Tests/X-rays	\$10
Copays for Spinal Manipulation Services	\$15
Copays for Prescription Drugs	\$5 generic/\$35 brand formulary/ \$50 brand non-formulary

- Under the District’s proposed Health Care Plan, the teachers will continue to be provided with the Highmark PPO Health Care Plan ... same network, same list of doctors, access to the same facilities, same preventive care levels, etc. However, the above listed in-network deductibles and copays are eliminated and replaced with maximum in-network out of pocket limits. This change helps the District control health care costs while minimizing the financial impact to the teachers and maintaining benefit levels. The chart below illustrates the minimum and maximum financial responsible to the teachers with the District’s Health Care Plan.
- If you combine the monthly employee premium contributions with the maximum out-of-pocket limits proposed by the District, the teachers’ minimum and maximum out-of-pocket costs are listed below.

<b>Minimum:</b>		
If a teacher and/or the family members have no health care utilization, other than preventative care services which are covered 100% by the District, the health care plan would cost that teacher as follows:		
2016-2017	Individual	<b>\$50 per month</b>
	Family	<b>\$60 per month</b>
2017-2018	Individual	<b>\$60 per month</b>
	Family	<b>\$70 per month</b>
2018-2019	Individual	<b>\$70 per month</b>
	Family	<b>\$80 per month</b>

<b>Maximum:</b>		
If a teacher and/or the family members have \$1,000,000 of health care utilization, other than preventative care services which are covered 100% by the District, the most that the health care plan would cost that teacher is as follows:		
2016-2017	Individual	<b>\$134 per month</b>
	Family	<b>\$227 per month</b>
2017-2018	Individual	<b>\$144 per month</b>
	Family	<b>\$237 per month</b>
2018-2019	Individual	<b>\$154 per month</b>
	Family	<b>\$247 per month</b>

- Most teachers will experience health care utilization which will fall somewhere between the minimum and maximum out-of-pocket limits list above.

- Since the last Bargaining Session on September 27th, the Board has offered the teachers numerous additional bargaining dates in both October and November. The Board will continue to modify its Proposals, as appropriate, in an effort to reach a new Collective Bargaining Agreement with the teachers. The Board will continue to provide the community with periodic updates regarding the status and progress of negotiations, including explanations of the District's proposals.