



**FOCUS ON ISSUES**  
**ISSUE #1: HEALTH AND WELFARE BENEFITS**

**October 12, 2011**

## Background

The language in the contract for health and welfare benefits states that:

“For the 2011-2012 school year (“Plan Year 2012”), the amount of out-of-pocket expense per unit member for the health benefit plan premiums (based on a tenthly contribution) shall be the amounts...” of the 2010-2011 monthly out-of-pocket contribution “increased as necessary to absorb premium increases, if any, for Plan Year 2012...” This means that UTP bargaining unit members will be responsible for any increase to the premiums of the Blue Shield/Medco or Kaiser health plans, effective January 1, 2012.

On November 22, 2010, UTP and PUSD signed a Memorandum of Understanding stating that the out-of-pocket contributions for the 2011 Plan Year would be as follows:

	<b>Kaiser</b>	<b>Blue Shield</b>
Single	\$13	\$96.12
2-party	\$28	\$207.94
Family	\$68	\$306.80

Shortly thereafter, on December 1, 2010, the UTP Bargaining team negotiated that a portion of the Federal Education Jobs Act funds be used to reduce the Blue Shield out-of-pocket contributions for the 2011 Plan Year. The reductions resulted in the following out-of-pocket contributions:

	<b>Kaiser</b>	<b>Blue Shield</b>
Single	\$13	\$48.06
2-party	\$28	\$103.97
Family	\$68	\$153.40

## Plan Year 2012

The Federal Education Jobs Act funds were one-time monies that reduced the costs for the 2011 Plan Year only. Thus the out of pocket contribution for 2012 Plan Year, will

equal the 2011 rate (without the use of the Federal Education Jobs Act funds) plus the premium increases that Blue Shield/Medco and Kaiser have established for the Plan Year 2012.

On October 7, 2011, the UTP bargaining team met with Alliant, the insurance broker for the District, to review the premium renewal rates for Plan Year 2012. The following table illustrates what the of out-of-pocket expense per unit member for the Blue Shield POS with Medco Prescription, and the Kaiser health benefits plans is projected to be effective January 1, 2012, if no changes are made. **Currently, the rates include retirees.**

Please note: The UTP Contract states that the Medco Rx Prescription Plan of active members will be made available to current and ongoing retirees over 65, including one dependent, at the unit member prescription rate.

	<b>Kaiser</b>	<b>Blue Shield</b>
Single	\$13	\$ 133.55
2-party	\$28	\$ 209.79
Family	\$68	\$ 287.02

If we were to separate the rates of retirees and active members, the out-of-pocket expense per **ACTIVE** unit member would be as follows:

	<b>Kaiser</b>	<b>Blue Shield</b>
Single	\$13	\$ 85.56
2-party	\$28	\$161.81
Family	\$68	\$239.03

If we were to implement the following plan design changes:

- Increase Medco Rx co-pays to Retail \$5/\$15/\$35 Mail \$5/\$15/\$35
- Blue Shield Tier 2 (PPO in-network) increase Deductible from \$250/\$750 to \$500/\$1,000
- Blue Shield Tier 3 (PPO out-of-network) increase Deductible from \$500/\$1,500 to \$750/\$1,750

the out-of-pocket expense per **ACTIVE** unit member would be as follows:

	<b>Kaiser</b>	<b>Blue Shield</b>
Single	\$13	\$ 68.36
2-party	\$28	\$135.09
Family	\$68	\$206.53

If we were to change carriers from Blue Shield to United Health Care (formerly PacifiCare), the monthly out-of-pocket expense per **ACTIVE** unit member would be as follows:

	<b>United Health Care HMO</b>	<b>United Health Care PPO</b>
Single	\$ 0.00	\$ 41.69
2-party	\$ 0.00	\$106.35
Family	\$ 0.00	\$115.84

The option above is only available if (1) all units (UTP, CSEA, and APSA) agree to drop Blue Shield and move to United Health Care and (2) the retirees are excluded from this plan.

## Membership Survey

UTP Site Representatives will conduct Small Group Meetings at the school sites at lunch and/or after school during October 14-20, 2011, regarding the proposed changes to the health plans. If you do not have a site representative at your school site, then the UTP organizing Team will conduct the Small Group Meetings.

During October 14-20, 2011, UTP will conduct a survey via Survey Monkey regarding the proposed changes to the health plans. Members may access the survey through a link on the UTP website at [www.utofp.org](http://www.utofp.org) from a private computer (NOT A DISTRICT COMPUTER) and complete the survey no later than **October 20, 2011**. It is vital that all members who wish to have their opinion considered on this important issue take the survey, since the decisions made based on this survey can potentially affect our out-of-pocket health care contributions for many years to come. The majority of unit members who participate in the survey will determine the consensus and the direction on the issues contained in the survey. UTP is a democratic union, and a majority of UTP members who participate in the survey will determine whether any of the changes are made or not.

Once the UTP Bargaining Team concludes the survey, we will determine the UTP proposal regarding Health and Welfare Benefits for 2012 Plan Year. Once we reach a Tentative Agreement, it will then be subject to ratification by the UTP membership and the Board of Education.

The online Open Enrollment period will be held between the dates of November 15-30.

Your January 2012 pay warrant will reflect the new out-of-pocket rates.

### **UTP Bargaining Team**

**Rosette Aghoian, Chairperson – 1<sup>st</sup> Grade, Webster**  
**Karen Favor, Vice Chairperson – Counselor, Blair**  
**Stephanie Cosey – Special Education, Focus Point / PALS**  
**Jeffrey Leming – 4<sup>th</sup> Grade, Madison**  
**Bethel Lira – Social Studies, Eliot**  
**Alvin Nash – UTP President**  
**Roberto Gallegos – CTA UniServ Director**