



Poway School Employees Association 2018 Health and Welfare Bargaining Update October 26, 2017

PSEA and the District Reach Agreement on Health & Welfare for 2018 Plan Year

Last week, PSEA and the District finalized negotiations over Health & Welfare for employees in both Unit I (Office, Technical, Business Services and Paraprofessional) and Unit II (Operations Support Services) for the 2018 plan year. Benefitted employees should receive their Open Enrollment packet shortly reflecting these changes.

TRICARE

The major change from 2017 to 2018 is that benefitted employees who have TRICARE (a health benefit plan which provides civilian health benefits for U.S Armed Forces military personnel, military retirees, and their dependents) will once more be eligible to opt out of District-provided group health insurance if they choose.

Prior to 2017, benefitted employees who also have TRICARE were allowed to opt-out of District-provided group health insurance. Last year, however, as we were negotiating for the 2017 Plan Year, the District informed PSEA that its health insurance broker (Barney & Barney) believed that federal law prohibited the District from providing incentives (like the "Opt Out Cash To Warrant" benefit) to employees who opt out of District-provided group health insurance have TRICARE . At that time, PSEA could not find any legal authority to rebut the District's concerns, so we agreed to exclude TRICARE recipients from the ability to opt out.

Because we knew this issue affected a lot of PSEA members, we did not leave it at that. Earlier this year, PSEA discovered that the Department of Defense had adopted federal regulations which address this issue and clarified that TRICARE recipients are not automatically excluded from receiving incentives to opt out of cafeteria plans like the one the District offers. We immediately alerted the District to this development, and last week the District agreed to restore the ability to opt out to employees who have TRICARE coverage.

PREMIUM SUPPLEMENT

While Aetna premiums went down for 2018, Kaiser premiums went up by a larger percentage, meaning that on average PSEA members would pay more for medical benefits. In order to insulate PSEA members as much as possible from these premium increases, PSEA successfully advocated for a one-time disbursement of over \$850,000 in additional money for premium supplements, to be taken from our post-retirement benefit funds.

As a result, benefitted classified employees who select Kaiser will pay somewhat more in 2018 than in 2017, but the cost of our health benefits will still remain comparable to that of management and certificated employees.

DENTAL AND VISION FOR UNIT I EMPLOYEES WHO OPT OUT

In 2015, PSEA negotiated a two-year temporary benefit, meant as a pilot program, for employees in Unit I who opt out of group health insurance. Previously, if those employees wanted to purchase dental and vision coverage, they had to pay for it out of their own pocket (rather than the District using its “District contribution” to pay for the cost). Due to PSEA’s efforts, the District agreed that, for Plan Years 2016 and 2017, the District would pay for these benefits using the “opt-out savings” what would otherwise fund our post-retirement benefits.

Neither PFT nor APSM enjoys such a benefit, and unfortunately, we were unable to secure a continuation of this benefit for Unit I for future years. Unit II employees who opt out of medical benefits will still be able to purchase dental and vision at the District’s expense.

AN ACCOUNTING OF OPEB FUNDS

During these negotiations, PSEA once more raised concerns we have been expressing over the last two years about whether the District is contributing all the money it is contractually obligated to contribute to our post-retirement “OPEB” account. Rather than let this issue slip through the cracks again, the District has agreed to work with PSEA over the next few months to fully account for these funds.

NEXT STEPS

With Health & Welfare negotiations for the 2018 Plan Year concluded, PSEA will resume negotiating the remaining open articles in both the expired Unit I and Unit II Agreements. We are confident that, now that there is some stability in District leadership, we will be able to wrap up these two Agreements by the end of this school year.

As always, though, our ability to win improvements for classified employees depends on having an active and engaged membership. If you have not yet signed a PSEA membership card, be sure to contact your PSEA Site Representative, or call the PSEA office at (858) 842-4980.