

**ISSUE #4**

**ARTICLE XII - COMPENSATION AND HEALTH INSURANCE, Section 3 –  
Commitment of the Parties and APPENDIX E Health Insurance Premiums**

**“Section 3 - Commitment of the Parties**

“The Manatee Education Association agrees to work with the Manatee County School Board to ensure the continued actuarial viability and stability of the insurance fund by negotiating any necessary plan and rate changes.

“The Manatee County School Board will provide the cost of the health insurance plan as defined by the provisions of Appendix E.

“Any change in health insurance benefits and/or premiums will be negotiated between the Board and the Association before the Board takes action on any change.

“Any change in the cafeteria plan shall be negotiated between the Board and the Association. This does not give the MEA the right to negotiate the specific plan administrator.”

**APPENDIX E**

**ISSUE #4 – Health Insurance Premiums – What shall be the Self-Insured Health Insurance Plan premiums for the 2017 plan year effective January 1, 2017?**

**MEA Position:** The proposal presented by MEA does not impact the total premium structure proposed by the consultants to the Health Insurance Committee. MEA recognizes the long history and arduous work of the Health Insurance Committee (HIC). The MEA representatives on the HIC have served for years toward maintaining a stable, viable and affordable health plan for employees. MEA has no interest in returning to the past years where the plan reserves were not in compliance with state requirements. The MEA proposal does modify the Board Contribution and the Employee Contribution for Employee plus Spouse and Employee plus Family coverage. We contend that the prior TA not ratified by employees asked for too much of a shift of premiums to employees needing health insurance coverage for a spouse or family. The TA not ratified proposed that the entire plan increase, of approximately \$5,000,000, be paid through increased employee premiums for all employees needing coverage for a spouse or family for the 2017 plan year that coincides with the 2016-17 contract year. The District contribution in the TA not ratified was actually a slight reduction compared to the 2016 plan premium structure. MEA believes that this request went too far. The MEA proposal reflects a sharing of this increase through both Board contributions and employee contributions. Within the MEA proposal, bargaining unit Employees covering a spouse or family would still be required to contribute more than \$2,680,000 in additional premiums with the District contributing the remaining \$1,780,000 toward coverage for a spouse or family. The MEA proposal is found behind Tab 7 as MEA Exhibit 7-2.

The MEA proposal reflects an average annual increase of \$774.16 (a 30% increase) and an overall increase of \$1,782,888 to the bargaining unit members. The Tentative Agreement rejected by the

1 bargaining unit employees had an average annual increase of \$1,163.94 (a 45% increase) for an overall  
2 annual increase of \$2,680,548 to bargaining unit members. The difference between the proposals is  
3 \$389.78 on average for teachers annually at a cost of \$897,660 over the TA not ratified. MEA Exhibit 7-3  
4 shows the comparison between the TA and the MEA proposed premium structure.

5 **EMPLOYEE ONLY AND EMPLOYEE PLUS CHILDREN TIERS:** The MEA proposal does not change the  
6 premium structure from the Tentative Agreement not ratified for the Employee Only and Employee plus  
7 Children tiers. The reduction in employee contribution to premium in the Employee plus Children is  
8 justified due to the shift from requiring an employee only covering children to pay the family premium  
9 to being able to pay only the contribution at the Employee plus Children tier. The proposal is to  
10 maintain the TA premiums for employees selecting these tiers regardless of the Plan level, Bronze, Silver  
11 or Gold.

12 **EMPLOYEE PLUS SPOUSE TIER:** Although, the proposal reduces the premiums for both the Employee  
13 plus Spouse and the Employee plus Family tiers when compared with the TA structure, Employees  
14 selecting these tiers will still face large increases in premiums with the MEA proposal, just not as large as  
15 within the TA. The MEA proposal still calls for an increase in the monthly employee premium  
16 contribution for Employee plus Spouse coverage of between \$166 and \$195 per month depending on  
17 the plan chosen. This more than doubles the prior premium of the Employee plus one tier of the current  
18 plan premiums. The Bronze Plan Employee plus Spouse tier has the highest increase of 122% increase in  
19 premium. This is the result of moving the Employee plus Spouse to a separate tier rather than including  
20 an Employee covering a Spouse within the current Employee plus One tier. The data supports the claim  
21 that coverage for a Spouse is more costly to the plan than coverage for a child. The Tentative Agreement  
22 contained monthly increases for the Employee plus Spouse tier of between \$188 and \$228 per month  
23 depending on the plan chosen with the Bronze plan having the highest increase, a 143% increase in  
24 premium. MEA proposes a modest decrease from the TA not ratified of between

25 **EMPLOYEE PLUS FAMILY TIER:** The greatest dollar modification from the Tentative Agreement included  
26 within the MEA Health Insurance premium was for Employee plus Family coverage. The Tentative  
27 Agreement not ratified proposed to increase the monthly employee contribution for family coverage as  
28 much as \$296 per month increase, a 56% increase in the Gold Plan. The TA proposed a monthly increase  
29 for family coverage in the Silver plan of \$284 per month, a 68% increase, and for the Bronze plan a  
30 monthly increase of \$265 per month, a staggering 106% increase over the previous contribution. These  
31 large increases were the result of a \$252 decrease in the Board contribution for the Employee and  
32 Family tier in the Bronze Plan. In addition these large increases in premiums paid by employees are the  
33 result of a proposed decrease in the Board contribution for family coverage, not due to any data  
34 supporting a higher premium rate for families. Within the TA not ratified, the Board employee  
35 contribution for the Employee plus Family tier within the Bronze plan was increased more than \$252 per  
36 month for each employee choosing Family coverage. This shift in premium more than doubled the  
37 employee contribution for Employee plus Family coverage in the Bronze plan. The MEA proposal  
38 reduces the amount of the shift in contribution from the Board for Employee and Family coverage and is  
39 the most significant modification from the Tentative Agreement. Although MEA proposes a reduction  
40 from the TA, the employee contribution for Family coverage still reflects a sizable increase in premiums.