

## ISSUE FIVE

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3 *Should the teacher and paraprofessional unit CBAs be modified to reflect the addition of a second HMO health plan? (Article XII)*

### The Special Magistrate's Recommendation

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“The Union concern that migration to this lower premium benefit seems to be that reduced premiums will undermine the joint committee efforts to reduce the deficit in this fund. There is little evidence to support the Union claim of a sufficient enough mitigation that would hurt the fund and the Committee’s objectives. An educational program designed to point out benefit and out-of-pocket differences in the proposed HMO and current plans would help to lessen any migration based solely on lower premiums.

Although the need for a second HMO appears to be the need of AFSCME only, the recommendation should not be against it simply because a lower paid group of employees finds it better suited for them. The unit employees here do not appear to have a sufficient number of lower paid employees who would veer from more costly and benefit rich plans. The need for this HMO plan may also be one limited mostly to AFSCME unit members whose pay scale is presumably much less than the large teachers’ unit. And migration may occur in any event to the current HMO when rates are increased. *This HMO option is recommended.*”

**MEA Position:** Although MEA prefers to delay the implementation of any new health option until the contractual joint Health Insurance Committee has had the opportunity to review the plan design and to hear from the plan’s Third Party Administrator, Actuary and other Districts that have implemented this same plan option about the impact of the new option on the plan and participants, **MEA accepts the Special Magistrate Recommendation pertaining to an additional HMO plan option.** The Committee never reviewed the additional HMO plan recommended by the Superintendent. However the Committee reviewed and rejected a number of plan alternatives prior to making the plan design recommendations. The Superintendent’s additional plan recommendations were done without any discussion with the Committee. MEA is concerned that employees would choose this plan based on low premiums without recognizing the higher deductible, higher out of pocket expenses, generic drug coverage only requirement and other employee costs within this plan design.

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