

K. Kosty 7/12/16
L. Pett 7/12/16
D. Harper 7/12/16

Tentative Agreement
July 12, 2016

Insurance Negotiations for 2017 Plan Year

The Combined Negotiation Team for EEA and Escambia ESP accept the following recommendations from the Employee Benefits Committee.

1. Plan Design Changes:

We recommend the following plan design changes: a) Increase the out-of-pocket maximums for all plans an additional \$250 for single coverage and \$500 for family coverage, and b) Adjust prescription co-pays in the Base HRA to \$15/\$40/\$100 and in the HRA \$500 to \$12/\$35/\$75. We believe the changes to the out-of-pocket maximums affect relatively few individuals, as the majority of employees do not reach these levels. We believe the changes to prescription co-pays are necessary to encourage employees become more consumer-driven when making prescription drug choices. ACCEPT

2. Premium Schedules: ACCEPT

Premium Schedule 2 (Scenario 9), which contains the following attributes:

- o Maintains contribution levels at 72% for the District and 28% for employees
- o Eliminates a "free" coverage option for employees
- o Increases premiums on single tiers from \$10 - \$20 per month
- o Results in lower increases on other tiers than Premium Schedule 1
- o Begins to address the dual-spouse premium concern

3. Dual Spouse Premiums:

We have begun the process of addressing the disparity of the employee portion of the dual spouse premiums. The consultant initially provided us with premium schedules which addressed the issue almost in its entirety. These schedules resulted in employee premium increases of up to \$246 per month for dual spouse family coverage. Recognizing the hardship this may create, we asked the consultant to scale back the increases to 75% of what was initially presented. The attached schedules include the scaled-back premiums. We do not feel this compromises our effort to normalize the premiums. Our goal for the coming year is to develop a methodology for determining the premium levels, and implement any remaining necessary adjustments during our negotiations for recommendations for the 2018 year. ACCEPT

4. Overhead and Wellness Incentive Funding:

The consultant has informed us that our premiums cannot be designed to generate revenue sufficient to offset costs related to overhead and the wellness incentives. These costs must be funded separately. You will note that each premium schedule includes \$1.19 million in additional funding at the bottom of the schedule. This amount is included in the overall District contribution of 72% of total funding. As this amount will not be funded by the District through the premium schedule, we recommend this amount be funded by the District through the trust, with expenses paid from the trust and the corresponding revenue transferred into the trust, preferably monthly based on actual costs, or in some other manner most convenient to the Finance Department.

ACCEPT

KPK 7/12/16
LJP 7/12/16
OAH 7/12/16

Changes to Article XIV and Article XI – Employee Benefits are attached ACCEPT

NEW B: The Board will pay a minimum of 90% (rounded to the nearest dollar) of the monthly premium of the lowest cost single coverage plan. The wellness bonus is also an expense incurred by the District which increases the aforementioned percentage paid by the Board. The total contributions towards premiums and wellness incentives schedule contribution levels shall be maintained at 72% for the Board and 28% for employees paid to the Benefit Trust Fund. (Underlined and added portion added by District). In the 2017 calendar year, should the participation in the Wellness Program exceed expectations, the additional cost shall be borne by the District.

Section 1, Paragraphs B – H shall be re-lettered C – I.

NEW E: In case an employee and spouse are both employed by the District, both in permanent full-time positions, the employees may each elect individual insurance coverage, or may elect to combine the Board's individual contributions to be applied to the cost of another tier of coverage (~~2-Board-0-Dependents Dual Spouse, 2-Board-1-Dependent, 2-Board Dual Spouse~~-Family Coverage). Any remaining balance necessary to fully fund the cost of these additional tiers and coverage shall be payroll deducted from the salary of the employee in whose name the coverage is registered. ACCEPT

NEW J: No change to first paragraph

1. The committee shall monitor the self-insurance employee benefits plans, review and develop proposals for changes, modifications and improvements to the plans, and submit all proposals or recommendations to the bargaining teams for changes no later than June 1 for negotiations. Such proposals shall include ~~a plan option for health insurance with a premium that shall be offset to zero cost with~~ a wellness incentive to the employee to be bargained in accordance with the rule set forth in Chapter 447 of Florida Statutes. All employees shall be eligible to participate in the wellness program, and upon completion shall be also eligible for the incentive. Both parties agree to meet once a month from January to June to negotiate insurance details. If no agreement has been reached by May 31, both parties agree to meet bi-weekly in June, July and August. At any point during the negotiations either party may impasse as defined in Chapter 447. If an agreement on a proposal is not reached by the bargaining teams by the second week after students return, the Employee Benefits Committee will develop a proposal to be voted on by the bargaining units. If approved by both bargaining units, the proposal will be considered ratified and then presented to the School Board for approval. Should the proposal fail to pass the matter shall be returned to the bargaining teams for further negotiations. ACCEPT
2. If at any time during the life of this agreement the employee Benefit Trust Fund excess reserves are projected to fall below a level(determined by an actuary) acceptable for state approval with the plan year, both parties agree that the Superintendent will immediately convene the Employee Benefits Committee to make recommendations that will ensure the appropriate financial stability of the plans regardless of the date. Such recommendations shall be negotiated in accordance with the rules set forth in Chapter 447 of Florida Statutes. ACCEPT

APK 7/12/16
LSP 7/12/16
OJ 7/12/16

Part of the Insurance Agreement:

To help employees complete their wellness assessment, the school district agrees for the 2016 – 2017 school year to work with Marathon Health to provide flexible hours at the Wellness Center from August 3, 2016 – August 12, 2016.