

KPBSD Proposal January 13, 2016

SECTION 210/ARTICLE 27 HEALTH CARE

The District health care program is self-funded. Program costs are solely a product of administrative expenses and actual claims experience as reported in the District's final annual CAFR.

A Health Care Program Committee (HCPC) shall be composed of four (4) representatives selected by the Kenai Peninsula Education Association, three (3) representatives selected by the Kenai Peninsula Education Support Association, one (1) representative selected by the Kenai Peninsula Administrator Association, and three (3) current employee representatives selected by the Superintendent. The Health Care Committee shall select a chairperson from its membership. The Plan Administrator and Benefits Manager are non-voting advisors to the committee. The HCPC shall select a chairperson from its committee of voting members.

A quorum for the meetings shall require no fewer than nine (9) committee members. The Health Care Program Committee will conduct a formal vote on any matter that could impact the cost or benefits of the health care program or on any matter that would require a change in the summary plan description. Formal votes shall require an eighty percent (80%) vote of the total voting committee members to pass.

The committee shall annually review by-laws in September of each year unless the committee deems that an alternate time would be better. The committee will meet monthly unless this is changed by the committee members in accordance with the committee's by-laws.

The Health Care Program Committee shall be empowered to determine health care benefits different from benefits in the plan in place on January 1, 2016³. The committee will determine and control the health care program for all District employees covered by the program during the term of this agreement including but not limited to the following; benefits and coverage provided, cost containment measures, preferred provider programs, co-payment provisions, evaluating other health insurance programs, and implementing any wellness measures it deems beneficial to employees and the health care program. The District shall not be required to adopt changes made by the HCPC which would result in violations of established laws or regulations.

The Health Care Program Committee shall be advisory to matters related to Broker selection, Third Party Administration and Stop-Loss insurance.

The District shall not be required to adopt changes made by this committee which would result in violations of established laws or regulations.

The District agrees to work with the Health Care Program Committee to provide reasonable time for meetings and provide adequate support, including an expert health care consultant for plan design. Administrative leave will be provided for all participants.

Members who have alternate health insurance coverage meeting the minimum ACA requirements, provided by an entity other than the District Health Plan, may elect to opt out of their entitlement to the District Health Plan. The election to opt out must be made upon initial employment, or, for those currently employed prior to June 30 of any fiscal year for the following fiscal years. Re-enrollment in the District Health Plan will be allowed when a qualifying event occurs or during annual enrollment periods.

The District will provide a High Deductible Health Plan with a deductible of \$1500 per individual/\$3000 per family and maximum out of pocket expenses of \$2000 per individual/\$4000 per family.

Total District dollar share of health plan costs shall be no greater than \$1,500 per month per covered member. is based on the negotiated District percentage as applied to actual plan costs. The District will make contributions to the health care program for each participant on a 12-month basis as follows:

_____ FY13 — 80% per eligible employee per month
_____ FY14 — 83% per eligible employee per month
_____ FY15 — 85% per eligible employee per month

The District will independently calculate and report their contribution amount to the health care committee.

Total employee dollar share of health plan costs shall be any plan costs in excess of \$1,500 per month per covered member. is based on the negotiated employee percentage as applied to actual plan costs. Employee participants will be responsible to the health care program on a 12-month basis as follows:

_____ FY13 — 20% per eligible employee per month
_____ FY14 — 17% per eligible employee per month
_____ FY15 — 15% per eligible employee per month

The health care subcommittee comprised of KPEA, KPESA, and KPAA HCPC representatives, shall determine the employee contribution amount. The formula to calculate the rate, established by KPEA/KPESA bargaining team is set out in Appendix A.

Health Care Reserve Account: A separate employee Employee health care reserve account funds shall be established and maintained. as of the date of ratification of a successor Negotiated Agreement shall be used to offset employee costs as determined by a health care subcommittee comprised of KPEA, KPESA, and KPAA HCPC representatives. The initial amount in this account as of July 1, 2012 will be \$1,246,835. This amount is based on the 2012 CAFR health care reserve account balance of \$3,603,193 divided by two and subtracting \$554,762 (the employee's portion of the rate holiday). Any interest gained on this account shall be retained in this account. \$750,000 of the employee health care reserve account shall be set aside for use at year end for payment of the employee portion of program costs that exceed employee deposits. If the employee health care reserve falls below \$750,000, an amount needed to replenish the fund to \$750,000 will be calculated by the sub-committee and added to the employee's annual rate in the following year. Any amount in the employee health care reserve exceeding the \$750,000 balance will be used to offset future employee costs as determined by the sub-committee.

~~Sub Committee—The Association health care committee representatives (KPEA, KPESA, and KPAA) will have the authority to address the usage of any amount remaining above the \$750,000 requirement stated above. These monies can be used to pay down the employee share of the health care employee contribution or can be placed in the Employee Health Care Reserve account to pay down future costs or overages.~~

Benefits are afforded to the employee, spouse and all eligible dependents.

~~As of July 1, 2016, All all~~ employees who work ~~twenty (20) thirty~~ or more hours per week or at least ~~.50 .75~~ FTE are eligible for year round health benefits and are required, as a condition of employment, to participate in the KPBSD health plan subject to the opt out election described above.

Any employee employed prior to July 1, 2016, working at least twenty (20) hours per week, but less than thirty (30) hours per week or .75 FTE, and receiving Health Plan benefits, shall be grand parented as eligible to continue in the Health Plan provided they continue working at least twenty (20) hours per week. Such employees may elect to opt of the Health Plan prior to June 30 of any fiscal year for the following fiscal years, and will not have the right to re-enroll in the event of a qualifying event or during an annual enrollment period unless they are working at least thirty (30) hours per week.

~~Employees first hired with the District on or after July 1, 2010, for at least twenty (20) hours per week or .50 FTE, but less than thirty (30) hours per week or .75 FTE, may opt out of health care coverage altogether.~~

~~The choice to opt out will be made upon initial employment and will be irrevocable* unless a person is rehired after employment has been terminated more than 1 school year.~~

*Guidelines involving “qualifying event” and “pre-existing conditions” will be followed in accordance to the health plan document.

<http://www.kpbsd.k12.ak.us/employees.aspx?id=10156>

The District shall maintain a “reward” system to protect the plan from inaccurate charges by Service Providers. The District and employee shall evenly divide any monetary benefits resulting from the correction of such charges. Errors made by the plan administrator are ineligible for this reward.

A flexible benefit account program, under the provision of Section 125 of the Internal Revenue Service Code, will continue.