

SUMMARY OF VSBA STATE INSURANCE PROPOSAL

Below is a summary of the insurance proposal presented by the Vermont School Boards Association. In sum, it: would saddle all school employees with 30 percent premium contributions; balloon all school employees' out-of-pocket costs more every year; make it harder for the lowest-paid school employees to obtain health insurance; and shift most of the risk of future premium increases to school employees.

Duration:

The contract proposal is for two years.

Eligibility:

Employees working at least 60 percent time qualify for pro-rata coverage. Support staff working less than 80 percent time qualify for single coverage only and must purchase coverage for other family members wholly at their own expense. **UNKNOWN:** Are subsidies for less 80 percent FTE support staff who currently qualify for all tiers going to be eliminated? **UNKNOWN:** How long is the probationary period before becoming eligible for coverage to start? **UNKNOWN:** How long does coverage extend for employees who change employers?

Tiers of coverage:

Employees may select any tier of coverage to insure themselves, their spouse and their children. Support staff working less than 80 percent time, however, qualify for single coverage only and must purchase coverage for other family members wholly at their own expense. **UNKNOWN:** Are domestic and civil union partners and step-children permitted to be covered?

Premium cost-sharing:

All employees will be responsible for paying 30 percent of the premium. Any premium increases annually above 8 percent will be paid for entirely by employees.

Out-of-pocket expenses:

A health savings account will be established for each employee who selects the VEHI Gold CDHP or Silver CDHP. There is no out-of-pocket assistance for employees who select other plans. Year 1: Employees who qualify for HSA plan will be responsible for 35 percent of all out-of-pocket expenditures in year 1, receiving either \$1,625/\$3,250 (employee liability of \$875 or \$1,750). Year 2: Employees who qualify for HSA plan will be responsible for 40 percent of all out-of-pocket expenditures, receiving either \$1,500/\$3,000 (employee liability of \$1,000 or \$2,000). HSA contributions will be made quarterly.

Cash-in-lieu of insurance benefit:

"Expressly prohibited."

Third-party-administrator:

Health Savings Account system does not offer automatic payment to providers. The employer will pay third-party administrator charges.