



# Vermont Healthcare

## BARGAINING TEAM

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Dear Fellow Members,

The shape of the first-ever statewide public school employee healthcare package is clearer today as the arbitrator chose the union-crafted plan over one submitted by the Vermont School Boards Association.

The arbitrator's decision – which is binding on school boards and more than 40,000 school employees and their families – was the final step in negotiations that began more than a year ago. And while the plan begins on July 1, 2020, both sides on the Commission for Public School Employee Health Benefits agreed that most changes to your health insurance won't take effect until January 1, 2021. The exception, however, is that on July 1, 2020 all support staff employees who have premium shares of more than 20 percent will see a reduction in premium share to 20 percent. The pact expires Dec. 31, 2022.

Unlike the process in place when local school boards and local associations reach impasse, the law creating statewide healthcare bargaining forced the arbitrator to choose only one side's proposal rather than craft a pact that takes elements from each.

In short, the new statewide healthcare plan will mandate how much public school employees pay for premiums and out-of-pocket expenses, how out-of-pocket expenses are administered, who is eligible for healthcare, and how grievances related to healthcare are handled.

Here is a brief summary of the provisions of the new healthcare package:

- Locally bargained status quo for eligibility, out of pocket costs, and tiers of coverage remain in effect until Dec. 31, 2020.
- As of Jan. 1, 2021, licensed educators and support professionals working 17.5 hours or more a week are eligible for all tiers of coverage. Local school boards and local associations will bargain premium proration for less-than-full-time employees locally; however coverage of out-of-pocket expenses will be the same regardless of proration.
- As of Jan. 1, 2021, premium shares for teachers and other licensed school employees will be 20 percent; school boards will pay 80 percent for Gold or Silver CDHP plans offered by VEHI. For Platinum/Gold VEHI plans, boards will contribute the equivalent of 80 percent of the premiums for Gold CDHP.
- Premium shares for support staff will remain at locally bargained status quo for the first 18 months of the agreement. On January 1, 2022, premium contributions from support staff will increase by 2 percentage points, with a cap of 20 percent of the premium. However, support staff currently paying more than 20 percent toward premiums will see a reduction to 20 percent effective July 1, 2020.
- All tiers of coverage will be available to all eligible school employees on Jan. 1, 2021 at the prevailing premium split or 20 percent, whichever is less.

- Teachers and other licensed employees enrolled in Gold CDHP policies will face maximum medical and pharmacy out-of-pocket costs of \$400 for single coverage and \$800 for all other tiers. School boards will pay first-dollar amounts of \$2,100 for single and \$4,200 for all other tiers. Out of pocket amounts vary with other policies.
- Support staff employees enrolled in Gold CDHP policies will face maximum medical and pharmacy out-of-pocket costs of \$300 for single coverage and \$600 for all other tiers. School boards will pay first-dollar amounts of \$2,200 for single coverage and \$4,400 for all other tiers. Out of pocket amounts vary with other policies.
- Out-of-pocket expenses for employees enrolled in the VEHI Gold CDHP will be paid through a health reimbursement arrangement. Employees enrolled in the VEHI Silver CDHP will have the option of using a health savings account, at their sole discretion.
- Employees working part-time in two or more districts may merge their FTE to gain access to healthcare coverage.
- School boards will be responsible for paying any administrative charges charged by a third-party administrator of HRAs and HSAs. Payments to providers will be automatic, unless employees request otherwise. Also, the third-party administrator will provide debit cards to facilitate payments to providers if automatic payments aren't an option. Further, instead of district-by-district choices of third-party administrators, the state will transition to a single entity during the course of the agreement.

While we know what the general parameters of the statewide healthcare package look like, we still don't have a final determination of the actual premium rates for VEHI health plans as state regulators are still evaluating proposed rates. Therefore, we can't yet calculate how much money health insurance will cost you. But we do know that for many of you, there will be an increase in the cost of healthcare. Indeed, healthcare costs are tied to the general dysfunction of our entire healthcare system. In fact, even with no changes to your healthcare plans, COSTS WOULD HAVE RISEN ANYWAY. Your team tried hard to craft a plan that is affordable, equitable, and accessible to all school employees.

Going forward, we will strive to make improvements to your healthcare plan, especially making it more tied to your income so that school employees who are lower-paid pay less for healthcare than those who earn more.

We know you have a lot of questions, and over the next several months we will strive to provide answers. Please be on the lookout for a telephone town hall with your healthcare bargaining team on January 15 at 7 pm, and for a more complete analysis of how the new healthcare package will affect you financially. You can also always go to [vthealthbargainingteam.org](http://vthealthbargainingteam.org) for all of the latest information about public school employee healthcare.

In the meantime, don't hesitate to reach out to us with any questions at [healthcarequestions@vtnea.org](mailto:healthcarequestions@vtnea.org). We will do our best to answer you promptly.

Sincerely,

**Your Healthcare Bargaining Team**