



## MTI 2020-21 MMSD Health Insurance Update

March 24, 2020

### **BOE Approves Changes to Health Insurance: MTI's Advocacy Successfully Defends Continuation of GHC and Retiree Health Coverage but Most Employee Premium Contributions to Double and Deductible Added to GHC Effective July 1**

Over the past months, MTI leadership has been researching the various health insurance changes being considered by the MMSD, collecting employee feedback, and sharing that feedback with District administration and the BOE. The following feedback was shared by MTI in advance of the BOE Regular Meeting conducted on-line **Monday, March 23**:

- **MTI strongly opposed forcing future MMSD retirees off of MMSD group insurance coverage at retirement and on to the unproven LAHP** option administered by the Department of Employee Trust Funds (ETF). Doing so would expose future retirees to potentially significant risks (escalating premiums and/or reduction in benefits). The LAHP has only been around in its current configuration since 2018 and has less than 250 participants across the state. This is an unproven insurance option, with low participation and a risk pool (i.e. higher cost retirees) designed to drive premium increases and/or benefit reductions.
- **MTI strongly opposed dropping GHC in exchange for Quartz** and forcing over 8,000 employees and family members to switch health plans and primary care physicians. GHC has a forty (40) year relationship with the MMSD and District employees and forcing so many employees to change health plans and primary care physicians would create significant stress and disruption.
- **And just yesterday (March 23) MTI sent the following message to the BOE:**  
*Since our previous communications on this issue, our city, state and nation have been gripped by a pandemic where our public health is of utmost priority. **Given the current health crisis, we urge the Board of Education to maintain the status quo on health insurance providers, plan design, and employee premium contributions.** Given all of the uncertainties, disruption, and stress in our community, now is not the time to make modifications in health coverage. Those decisions are better left to the days ahead once we navigate the current crisis and have a better idea what our new world looks like.*

**At the March 23 BOE meeting, the BOE acknowledged the concerns expressed by MTI by 1) allowing future retirees to remain in the MMSD health plans, and 2) maintaining GHC and Dean as healthcare options for District employees.**

**However, in order to address their budget shortfall, and on the recommendation of District Administration, the BOE also approved doubling the employee premium contribution for most employees and adding a \$100 single, \$200 family deductible to the GHC plan. These changes will take effect July 1, 2020.**

## Potential Financial Impact on Changes to Employee Premium Contribution

Employee Type	Current HMO	Current POS	Proposed HMO	Proposed POS
EA, SEA, SSA, Food	<b>1.25%</b> GHC Single, \$6.94/month GHC Family, \$18.53/month	<b>2.5%</b> GHC Single, \$20.12/month GHC Family, \$53.73/month	2.5%	5%
Clerical Technical, Teacher, Custodial	<b>3%</b> GHC Single, \$16.66/month GHC Family, \$44.48/month	<b>6%</b> GHC Single, \$48.30 GHC Family, \$128.96/month	6%	12%
NUP	<b>5%</b>	<b>10%</b>	10%	20%
Admin	<b>10%</b>	<b>20%</b>	12%	24%

The chart above shows: 1) the current employee premium contributions charged various employee groups for health insurance, and 2) the “doubling” of most employee premium contributions (*note that the dollar amounts are approximate and may change slightly*).

For example, an SEA with a GHC Single HMO plan currently pays **\$6.94** per month for coverage and could see that amount double to **\$13.88**.

A teacher with GHC Family HMO plan currently pays **\$44.48** per month for coverage and could see that amount double to **\$88.96**.

A clerical employee with GHC Family POS plan currently pays **\$128.96** per month for coverage and could see that amount double to **\$257.92**.

\*These rates assume 12 monthly payments. Dean rates are higher than GHC.

## Potential Financial Impact of \$100 single/\$200 family Annual Deductible for GHC

In addition to doubling most employee premium contributions, the BOE approved adding deductibles to the GHC plan whereby covered employees would pay the first \$100 of costs for a single plan and the first \$200 of costs associated with a family plan per year (this is an annual deductible and certain services would be excluded from the deductible).

## Contact the MMSD Benefits Department for Additional Information

The information contained in this document was prepared by MTI staff with the information available to us at the time of publication. MTI advises members with questions or concerns about these changes to contact the MMSD Benefits Department for additional information.