

## Health Benefits Timeline

### 2011-Present

- \* After reaching an impasse on health benefits with the district, CCA proposed contract language that requires employees to be responsible for “excess premium costs” if the reserves fall below 32.5 percent of prior year health claims.
- \* CCA members approved this language in the 2011-14 contract when health insurance reserves were robust. This is still current contract language.

### Fall 2015

- \* CCA and district discussions on health benefits began in fall 2015 due to declining reserves in the self-funded plan.
- \* During Fall 2015, CCA negotiators began work to determine if we could remain self-funded or if we would have to join the larger SISC pool.

### Spring 2016

- \* In Spring 2016, CCA surveyed faculty and faculty retirees. The majority of working faculty said they wished to remain self-funded. Retirees, many on fixed incomes, agreed with staying self-funded but voiced concerns about paying for a district plan when they already were paying for Medicare.
- \* In spring elections, CCA members were asked if they were willing to pay \$190 a month to remain self-funded. A strong majority approved of this.
- \* In April 2016, CCA negotiators made a proposal to remain self-funded. The Board of Trustees rejected this proposal saying it was too expensive for the district.

### Summer 2016

- \* In summer 2016, when it became apparent that CSEA was exploring joining the SISC pool, CCA negotiators studied the possibility of faculty staying self-funded on their own if classified and management employees joined the pool.
- \* CCA learned that no one, including SISC, would recommend this option because a small, self-funded group faces higher risks of increased health costs should a few large claims occur.
- \* In July 2016, CCA announced we had reached a one-year agreement with the district based on the assumption that CSEA and management would join the pool.
- \* Later that month, CSEA held meetings and an election on its proposal to join the pool. The majority of members voted to join the pool.
- \* Management employees are joining it as well.

### Fall 2016

- \* CCA negotiators hold eight campus meetings (four at BC, two at PC, and two at CC) regarding the proposed MOU and the negotiated pool plans and the Sept. 20-21 election. The outcome of the election will determine the direction of faculty health benefits
- \* If the CCA proposal, or Memorandum of Understanding (MOU), fails to be ratified, the district could charge faculty members “excess premium costs” for the current self-funded health plan.
- \* CCA estimates this cost would be \$425 per month, a cost few working and retired faculty could afford.
- \* If the MOU is ratified, faculty and retirees will be asked to choose from six possible plans in the Kern SISC pool by Oct. 1. Changes will take effect on Nov. 1, 2016 and continue through September 30, 2017.

- \* No matter the outcome, CCA will negotiate health benefits as part of our next contract when talks commence in October 2016.

### **Pros of Joining the Pool**

- \* Faculty may pick a health plan they can afford rather than paying \$425 a month for the existing self-funded plan. (An equivalent plan in the pool costs \$255 a month.)
- \* CCA negotiated a basic plan with no monthly out-of-pocket costs other than co-pays and deductibles.
- \* Five of the six plans offered many of the same benefits as the current self-funded plan. The sixth plan, Kaiser, offers low-cost benefits to those who live near a Kaiser Center.
- \* Payroll deductions for more expensive plans would be made on a pre-tax basis for working employees, which may help some at tax time.
- \* KCCD joins the larger 300,000-member SISC pool, which means no health reserve is required.

### **Cons of Joining the Pool**

- \* KCCD employees have to pay for health plans that exceed the cost of the basic plan. For many, this will be the first time they have to compare plans and pay for health benefits. Retirees will be expected to make payments for their health benefits, too.
- \* Co-pays, deductibles, and prescription costs also may be higher depending upon the plan selected.
- \* KCCD employees lose autonomy and must agree to SISC pool-mandated changes in benefits and costs.
- \* We are unlikely to go back to being self-funded once KCCD joins the pool due to high costs of creating a reserve and a lack of health claims history.
- \* Employees may be directed more often to SISC for information rather than rely solely on the district office. They may encounter more bureaucracy.

*Source: CCA PowerPoint that was shared with members at eight campus meetings in Fall 2016.*