

ARTICLE XIV - INSURANCE
PROGRAM

A. Hospitalization Insurance: The Huron Valley Board of Education shall provide hospitalization insurance for all employees covered by this Master Agreement. The Board further agrees to provide up to full family coverage to employees and their dependents not otherwise covered under another group health plan. Eligible dependent children may be covered until the end of the calendar year in which they turn 26 subject to insurance company requirements. on the following basis:

1. ~~In the 2011-2012-2017-2018 school year, insurances shall remain the same except as follows~~ The following insurance plans shall be offered to all HVEA employees in the 2017-2018 school year:

- a. ~~All HVEA employees shall be offered MESSA Choices PAK with single/family annual deductible of \$300/600, \$500/1,000, a SaverRX prescription co-pay of \$10/40, and office visit co-pay of \$20. Members shall select either PAK A or PAK B.~~
- b. MESSA Choices PAK with single/family annual deductible of \$1,000/2,000, 10% co-insurance, a SaverRX prescription co-pay of \$10/40, and office visit co-pay of \$20.
- c. MESSA ABC-Plan 1 with single/family annual deductible of \$1,300/2,600, ABC RX.
- d. MESSA ABC-Plan 3 (Bronze affordable district plan) with single/family annual deductible of \$3,500/7,000, ABC RX.
- e. PAK-B benefits waiving health/hospitalization with proof of other group health plan coverage.

Effective January 1, 2018, members will be offered the following replacement product choice health plan options:

Add new plans/riders for 1/1/18

- a. MESSA Choices PAK with single/family annual deductible of \$500/1,000, a Saver RX prescription co-pay of \$10/40, and office co-pay of \$20.
- b. MESSA Choices PAK with single/family annual deductible of \$500/1,000, 10% co-insurance, Mandatory Mail Order and 3-Tier RX prescription riders
- c. MESSA Choices PAK with single/family annual deductible of \$1,000/2,000, 10% co-insurance, Mandatory Mail Order and 3-Tier RX prescription riders, and office visit co-pay of \$20.
- d. MESSA ABC-Plan 1 with single/family annual deductible of \$1,350/2,700, ABC RX
- e. MESSA ABC-Plan 2 (Bronze affordable district plan to be determined annually) with single/family annual deductible of \$2,000/4,000, and 3-Tier RX Rider when available by MESSA on or after January 1, 2018.
- f. PAK-B benefits waiving health/hospitalization with proof of other group health plan coverage.

2. Each employee that participates in the health insurance program shall contribute **their portion of** toward the **medical benefit plan costs inclusive of premium, taxes and fees, and any district health savings account pre-funding under the guidelines and restrictions of Public Act 152 of 2011** ~~the amounts as follows~~

- Single ~~_____~~ \$800 annually
- Two-person ~~_____~~ \$1,000 annually
- Full Family ~~_____~~ \$1,200 annually

a. **Prior to the start of a new Medical Benefit Plan Year, the Board, in compliance with PA152 of 2011, will determine district status for the following plan year under the State hard cap or the 80/20 cost share alternative provision setting the maximum employer contribution limits toward medical benefit plan costs.**

b. Payments for employees' health insurance contributions, as defined above, shall be deducted pre-tax **under the district's Section 125 plan**, as allowable by IRS rules as evenly as possible from **24 pays beginning January 2018** as determined by the board. ~~effective with the first payroll of the 2011-2012 contract year.~~

c. To account for the employee contribution toward the health insurance, the annual employee maximum contribution for **health** flexible spending accounts shall be ~~\$3,100,~~ **\$2,600** or less, if **as dictated by the** IRS, Federal or State regulations. ~~dictate.~~

~~e. Effective July 1, 2011, the maximum annual increase in medical insurance premium paid by the district shall not exceed eight percent (8%) of the current rates. The Association reserves the right to determine how an increase in excess of eight percent (8%) shall be accounted for, i.e., add riders, co-pays, change amount of premium contribution, change in health plan, change carrier, etc.~~

3. Health and hospitalization coverage shall be available on the basis of a twelve month insurance year for each employee and his/her eligible dependents. Domestic partner coverage is available, at the employee's expense, as allowed by the insurance carriers.
4. Hospitalization insurance shall be available to all teachers in the bargaining unit. Provided, however, that any teacher who is otherwise covered for hospitalization insurance shall not be eligible for hospitalization insurance under this Agreement. Insurance for part-time teachers shall be provided on a pro-rata basis. Example: 2/5 teacher, the Board shall pay 2/5 of the insurance premium.
5. New full-time employee insurance shall become effective when MESSA requirements are met.
6. Teachers eligible for Medicare shall have such premiums paid by the Board, provided that the total premium amount does not exceed the amount the teacher would otherwise be eligible for under health insurance.

7. Any teacher not enrolled in a health insurance program provided in this Agreement may elect, at Board expense, to take the following option program: Any of the deductions provided under ARTICLE II, E., parts (2) and (3), up to \$3,281 (2011-12). **The cash-in-lieu of health provision is subject to the member providing proof to the Human Resources Department of other group health coverage not provided on the Exchange.** This allowance shall be increased each year by the same percentage as the increase in the salary schedule. Participants in this option plan shall have the opportunity to readjust choices when subsidy amounts change.
- B. The Board shall select the insurance carrier and support the cost of a forty-five thousand dollar (\$45,000) life insurance policy for every full-time teacher. Further, in the event of the accidental death of a teacher covered under this policy, the effective amount of such coverage shall be doubled, (coverage to specify AD&D). Insurance for part-time teachers shall be provided on a pro-rata basis.
- C. The Board shall provide long-term disability (LTD) insurance to each employee covered by this Agreement. Plan of Benefits:
 1. If the insured person is disabled beyond the one hundred eighty (180) calendar day eligibility period, benefits shall then be payable at the rate of up to 66 2/3% of monthly salary, not to extend beyond age 65. The long-term disability plan will include nervous and mental conditions on the following basis: In-patient, duration of illness; out-patient for up to two (2) years.
 2. Benefits shall commence after one hundred eighty (180) calendar days of illness or disability **if approved by the carrier.**
 3. The LTD insurance shall provide for a social security freeze provision and primary only social security as an offset, and other offsets as established in the carrier's policy.
 4. Teachers who (a) are on an extended sick leave which began before the end of the 2007-08 school year and continued into the 2008-09 school year and (b) have exhausted their sick leave days shall be entitled to the LTD insurance provisions contained in the 2003-2008 Collective Bargaining Agreement.
 5. An employee with a disability is required to seek disability coverage. **Eligibility for long term disability occurs following 180 calendar days of disability. Employees are encouraged to submit their application to the disability company in a timely manner following Central Sick Bank Guidelines to allow sufficient time for the approval process. In the event that approval is delayed while the disability company reviews an employee's application, the employee remains on full pay through Central Sick Bank. However,** to address long term disability applicants that are denied long term disability by the carrier, the parties agree that in such instances, the teacher shall appeal the denial through the process provided by the LTD carrier and that the teacher shall draw days from the Central Sick Bank at a rate equal to that of the LTD salary percentage (currently 66 2/3% of salary) for the number of days necessary to reach the allowable 365 calendar days, extended in equal proportion to receive the maximum 180 paid days, as

specified in the collective bargaining agreement. (Grandfather current employees in the LTD appeal process).

~~Example: an employee uses 120 paid leave days (CSB and personal bank) to fulfill the 180 calendar day elimination period; however, the employee is denied LTD coverage by the carrier. The employee appeals the denial and shall then draw leave days from personal bank and/or CSB at 66 2/3% of a day and the number of days the employee may receive the reduced rate are extended for an equal proportion of time.~~

~~120 days at full pay to reach LTD~~

~~Assumption: Employee has 47 days in personal sick bank LTD claim is denied~~

~~Employee is paid 63 days (47 days x 1.35 — days prorated to 65%)~~

~~Employee is paid for no more than one year from the commencement of the leave~~

- D. The Board shall retain the right to select and name the carrier of this insurance with the following specifications:
1. A reputable insurance company with experience in teacher long-term disability coverage;
 2. Immediate availability of field representatives;
 3. Definite time procedure for pay back which is acceptable to both the Board and the association;
 4. Proven reliability in fulfilling contracts;
 5. Detailed list of claims paid out to each employee, including name, date, reason for payment, in addition to composite figures;
 6. The coverage shall include maternity disability benefits, and eligibility waiting periods as defined in this collective bargaining agreement.
 7. Teachers on long-term disability will have their health insurance only continued for one hundred eighty (180) calendar days beyond the date of eligibility as determined by the carrier. Teachers must complete forms provided by the insurance company to make claims against it. The insurance company shall have the right to demand medical evidence of the inability of a teacher to work from either the employee's personal physician or one named by the company.

- E. LTD information and insurance claim forms will be available at the Human Resources Office. Dental and vision insurance information and insurance claim forms will be available at each building.
- F. The Board shall select the insurance carrier and support the cost of the dental plans set forth for all employees covered by this Master Agreement and their eligible dependents. Domestic partner coverage is available, at the employee's expense, as allowed by the insurance carriers.

1. The Board shall provide:

- a. 80% Class I benefits which shall include the following services: examinations, radiographs, patient consultations, preventative treatment (primary prophylaxis and topical fluoride treatment), fillings, crowns, jackets, oral surgery (primary extractions), endodontic and periodontic services, and
 - b. 50% Class III benefits which shall include orthodontic services at a \$2,500 lifetime maximum benefit per eligible insured person.
2. In addition to the benefits described above, the Board shall provide 80% Class II dental coverage. The Class II coverage shall include these services: bridges, partials and full dentures.

The maximum benefit per person for Basic (Class I) and Major (Class II) combined is \$1,500 per calendar year.

3. Any employee covered by another group dental plan shall not be eligible for the plans outlined in 1 and 2 above, but shall receive the same benefits as set forth in 1 and 2 above in the following manner: 50% Class I benefits, 50% Class II benefits, and 50% Class III benefits.
4. Where applicable, the dental programs described above shall provide for both internal and external coordination of benefits.

The maximum annual benefit for those teachers on a job share will be one-half (1/2) of those listed above.

- G. The Board shall provide, without cost to all employees and their eligible dependents, VSP-2 MESSA vision coverage subject to coverage plan provisions including coordination of benefits, which shall be effective the first day of the month following ratification of this Agreement. Domestic partner coverage is available, at the employee's expense, as allowed by the insurance carriers.

The maximum annual benefit for those teachers on a job share shall be one-half (1/2) of those listed above.

- H. A teacher who fulfills his/her contract and resigns at the end of the school year shall have the insurance coverage listed in this contract continued at district expense through August 31 of the year in which the teacher severs employment.

- I. In the event of the death of a bargaining unit member, the employer shall continue payment of premiums for applicable health and dental insurance, including coordination of benefits, through the then current insurance year, provided that such dependent coverage is not otherwise available to the eligible dependents, and provided the insurance policy permits such continued dependent coverage.
- J. Insurance benefits for a teacher who is laid off or who resigns during the school year for health reasons, or for other mutually agreeable reasons, will be extended to reflect the pro- rata portion of the work year, which was completed.
- K. General Insurance Provisions:
 - 1. The terms and any contract or policy issued by an insurance company hereunder shall be controlling as to all matters concerning benefits, eligibility, and termination of coverage, and other related matters.
 - 2. The Board, by payment of the premium payments, shall be relieved from all liability with respect to the benefits provided by the insurance coverage as above described. The failure of an insurance company to provide any of the benefits for which it has contracted for any reason shall not result in any liability to the Board or the association nor shall such failure be considered a breach by either of them of any obligation.
 - 3. Differences between employees or beneficiaries of employees and any insurance company shall not be subject to the grievance procedure. However, the Board will exert every effort to assist in resolving such problems.
 - 4. The parties shall establish an Insurance Committee (IC) which consists of six (6) members, three (3) members selected by the Board and three (3) members selected by the Association. The IC is charged with the authority to modify the health insurance coverage, change providers, create a "cafeteria plan", and/or self-insure. After consultation with the Board and the HVEA Rep Council, the IC shall select a health insurance program.
- 5. ~~Contribution toward Health Insurance Premiums~~

Employer's Share of HVEA Health Insurance Premiums	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14 8% increase on premium over FY 12/13	Fiscal Year 2014-15 8% increase on premium over FY 13/14
	\$7,081,832	\$6,541,038		
HVEA Employee Contribution Percentage	Varies 7%-10%	12%	15%	20%