

Tentative Agreement
2011 – 2012 LBUSD & TALB Reopener Negotiations

November 1, 2012

The Long Beach Unified School District and the Teachers Association of Long Beach have completed 2011-2012 reopener negotiations for the K-12 and CDC/Head Start bargaining unit members and, subject to ratification, have agreed to maintain the provisions of the current collective bargaining agreements, except as provided below:

1. **Article VI, Section B. Health and Welfare Benefits (K-12 and CDC/Head Start):** Agree to the following cost containment measures, effective January 1, 2013:
 - a. Change the pharmacy program for Blue Shield HMO from self-insured to the HMO pharmacy program. Co-pays for the Blue Shield HMO are currently at a three tier structure, as follows: \$5 generic, \$10 formulary, \$35 non-formulary. The co-pay is for a 30 day retail RX and the 90 day mail order RX. (cost containment value = \$700,000)
 - b. Change the emergency room co-pay for the Blue Shield HMO from \$25 to \$100. The fee is waived if the person is admitted to the hospital. (cost containment value = \$34,000)
 - c. Change the emergency room co-pay for the Kaiser plan from \$0 to \$100. The fee is waived if the person is admitted to the hospital. (cost containment value = \$289,000)
 - d. Change the office visit co-pay for the Kaiser plan from \$0 to \$5. (cost containment value = \$121,000)
 - e. Change the RX co-pay for the PPO plan from 2-tier (current) \$5 for generic and \$10 for formulary/non-formulary, to 3-tier \$0 for generic, \$20 for formulary, and \$50 for non-formulary. The co-pay is for a 30 day retail RX and the 90 day mail order RX. (cost containment value = \$300,000)
2. **Article VI, Section B. Health and Welfare Benefits (K-12 and CDC/Head Start):** The District agrees to offer employees medical health benefits that include at least one PPO and two HMO options. Specific providers, plans and plan designs shall be provided to employees annually prior to open enrollment.

Modifications to providers, plans, and plan designs shall be subject to recommendations by the Health Benefit Committee (HBC) and shall be subject to negotiations by the parties. Specific providers and plan designs will not be outlined in the Agreement although they will be subject to negotiations, and the contractual grievance procedures. (Supersedes Article VI, Section B.2a, b, and c except the first sentence of Section Article VI, B.2).

3. **Article VI, Section B.1 (add)(K-12 and CDC/Head Start):**

The 2013 District annual maximum contribution toward individual unit member insurance premiums for District medical plans for full time employees, employee plus one and family coverage shall be based on the 2013 District PPO rates as adjusted by the cost containment changes included in Section (1). The District's annual maximum contribution excludes District dental and vision insurance.

Beginning the 2014 insurance year (January 1, 2014), and each year thereafter, the District shall increase the prior year's District annual maximum contribution toward individual unit member insurance premiums for District medical plans for full-time employees, employee plus one and family coverage by 3.5%. In the event the elected coverage in a District insurance program exceeds the above stated District maximum annual contribution, the cost difference shall be paid by the unit member through payroll deduction. The Health Benefits committee shall actively work to limit increases greater than 3.5%, through plan design modifications, vendor selection, wellness programs, and member education. In the event that the combination of the annual PPO rate increase and/or cost containment results in premiums below the District maximum annual contribution described above, that difference will mitigate future rate increases.

4. The lowest cost District HMO medical plan offered unit members in any given insurance year shall not be subject to the District annual maximum contribution described in Section (3) above. In the event that the District anticipates that the premiums for the lowest cost District medical HMO plan may exceed the District annual maximum contribution as described in Section (3) above in the succeeding year, negotiations will automatically be initiated to address the excess cost during the next round of negotiations.
5. The above District annual maximum contribution shall be prorated for unit members working less than full-time.
6. All eligible unit members retiring from the District after August 31, 2013 shall receive the same District annual maximum contribution for District medical plans provided to active unit members. Eligible unit members who retire prior to the above date shall not be subject to the District's annual maximum contribution as described in Section (3) above.

7. The District shall apply any health benefit cost containment changes, including plan design changes, implemented for active employees to retirees.
8. **Article VI, Section F (K-12 and CDC/Head Start).** Establish joint TALB/LBUSD Health Benefits Committee :

The parties agree that it is of mutual interest to maintain affordable quality employee health care and address inflationary costs associated with health and welfare benefits. To that end, the parties agree to form an ongoing bargaining subcommittee to focus on health and welfare benefits (medical HMO's, PPO, dental, vision). The specific duties of the subcommittee shall include:

- a. Actively considering health and welfare benefit cost containment measures relating to District PPO, HMO, vision and dental insurance plans for recommendation to the parties. This includes, but is not limited to, co-payments and plan design modifications, active rate bidding by health care vendors/providers, alternative plans. It is the intent that the subcommittee shall use every reasonable effort to maintain the premiums for the lowest cost District HMO medical plan below the District annual maximum contribution described in Section (3) above.
- b. Membership education intended to fully maximize health benefits in a manner that encourages cost containment and quality health care (e.g., use of emergency room for non-emergency matters, use of generics, etc.).
- c. Ongoing data sharing regarding comparable costs and health plans with similar districts.
- d. Timelines for meetings consistent with making necessary recommendations for ongoing negotiations and health benefit renewal dates.
- e. Identifying an additional \$800,000 in cost containment and plan changes for TALB unit members for implementation no later than January 1, 2014. These cost containment changes will reduce the premiums for the affected plans beginning January 1, 2014 and are intended to mitigate individual unit member premium contributions as described in Section (3).

In addition, the parties agree the following shall apply to the operations of the committee:

- f) Committee representation shall be limited to a maximum of 4 representatives from each party. The parties shall utilize consultants and/or facilitators as mutually agreeable. Team members shall agree to joint training on labor-management facilitation, health benefit design, and how to assess benefit plans and look for cost savings while maintaining quality health care.

- g) Subject to state and or federal regulations, the parties agree that all data and communications regarding health and welfare benefit programs shall be shared openly between the parties, including discussions regarding bidding and renewals.

9. Article V, Section A.2.b, Section 1.1 (Head Start Work-Year):

- a. 2012/2013 Work Year: The work year shall be reduced by five (5) days thereby changing the Head Start teachers' work year from 193 to 188 days. The above reduction shall result in a proportionate reduction in salary. The salary reduction will be phased in beginning with QW 9. The reduced days shall be as follows: June 17, 18, 19, 20 and 21, 2013.
- b. 2013/14 Work Year: The work year shall be reduced by six (6) days from 188 to 182. The scheduling of the days shall be determined by the District in collaboration with the Association.
- c. The reduction in the Head Start work year is contingent upon Head Start teachers receiving full retirement service credit for one full year after application of the reduction work year.
- d. It is the intent of the District to maintain the Head Start program. However, if the District determines to eliminate the program, it shall provide reasonable prior notice to the affected unit members.

Barry Webch 11/1/12

For TALB

Date

W. Chung Nov. 1, 2012

For District

Date