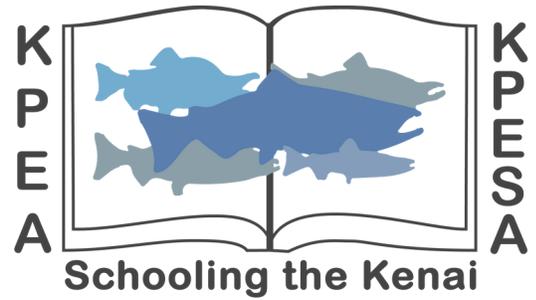


TENTATIVE AGREEMENT



HEALTH INSURANCE

Since the first negotiating session, removing the cap has been a bargaining priority. Removing the cap addresses the long term stability and affordability of our health insurance. The plan before you for ratification is based on the current HDHP and has HRA and HSA options.

Effective 1/1/2020

HDHP Plan Design

Deductible	\$1500/\$3000
Out of Pocket Maximum	\$2000/4000
Monthly Payment estimate over 9 months	\$491
Annual HRA/HSA Contribution	\$800

This Tentative Agreement brings us to a cost division of 85% paid by the District and 15% paid by Employees. This is the typical percentage nationally among large employers. This compromise means higher monthly payments initially for long term affordability.



*9 mo. cost based on Broker's Sept 2018 calculations of 100% FY HDHP migration, assuming 7% increase to total costs each year

ANSWERS BEFORE THEY ASK

- We do not expect health care costs to increase 7% next year. Higher deductibles will lower usage and the new contract with Central Peninsula Hospital will cause savings.
- This tentative agreement, is built on the Associations' May proposal with more money on the table. This agreement includes additional reserve repayment and increased HRA/HSA Contribution.
- A Health Savings Account (HSA) is a tax-advantaged savings account that can be used to pay for eligible medical expenses as well as deductibles, co-insurance, prescriptions, vision expenses, and dental care. Unused funds roll over year to year. All of the money in an HSA belongs to the employee even if you leave your job or retire. After age 65, funds from an HSA can be withdrawn for any purpose without penalty but may be subject to income tax if not used for qualified medical expenses.
- There would not be a change to Vision/Dental
- According to KPBSD's cost estimate, if this ratifies from July 2019 through Dec 2019 the monthly costs for the
Traditional Plan - \$469.36
HDHP - \$302.34