

Summary of comparisons between MCSIG Option I and Option III as it applies to specific questions

Recommendation: the District will pay 100% of the premium for Option III for all employees for 2009-2010. Employees may “buy up” to Option I or II by paying the difference between the premiums.

- 1. What is the difference between the monthly composite rate for Option I and Option III?**

Employee group	Option I	Option III
HCFA	1584.77	1120.44
CSEA	1465.79	1037.23
L-39	1494.18	1057.25
Man/Supy/Conf	1401.75	990.84

- 2. The District’s monthly cap on medical premiums is \$1400.00. How much will be deducted from my paycheck every month to pay for premiums?**

Employee group	Option I	Option III
HCFA	184.77*	0
CSEA	65.79	0
L-39	94.18	0
Man/Supy/Conf	1.75	0

*if faculty are paid over 10 months or 11 months, the monthly deduction will be higher

- 3. What is the maximum out-of-pocket medical expense under each plan? (see the MCSIG chart for specific benefits and services, as well as copays).**

Option I	Option III
\$1250/person (includes \$300 deductible)	\$4000 (includes \$650 deductible)
\$2500/family (includes \$600 deductible)	\$8000 (includes \$1300 deductible)

- 4. Are there any services that are covered in Option I that are not covered in Option III?**

No. However, you will pay more out-of-pocket for many services under Option III, up to the maximum.

- 5. Will the District still pay for the same life insurance, visual and dental benefits as before?**

Yes.

6. Does prescription drug coverage differ between Option I and Option III?

No.

7. According to the proposal, the District has stated that individuals can buy Option I or Option II coverage if they prefer. Individuals must pay the difference between the two premiums. Is it worthwhile to buy the more expensive coverage?

Monthly premium comparison

Category	Option I	Option III	Difference (monthly cost to employee to buy Option I)	Estimated cost over 10 months (Sept-June)
Employee only	825.51	559.53	265.98	2659.80
Employee +1	1254.78	850.46	404.32	4043.20
Family	1750.05	1186.22	563.83	5638.30
Max OOP per person	1250.00	4000.00 (diff: 2750.00)		
Max OOP family (also employee +1)	2500.00	8000.00 (diff: 5500.00)		

(OOP= out-of-pocket)

Answer: probably not. However, this is an individual decision. See HR for more details on this, and also about Option II.

8. What happens next year?

This will be negotiated. This proposal is for 2009-2010 only.

9. If all employee groups agree to the proposal, this will save the District \$833,000 if implemented by Sept. 1. What happens if the employee groups do not agree?

Those groups that do agree will be enrolled in Option III. Their out-of-pocket premium costs will be eliminated. If groups do not enroll, the savings must be found somewhere else. That would likely mean more reduction in service to students, and jobs, than would be required otherwise.

Remember, we must close a shortfall of \$3.3 million to the general fund. The RAC recommended full participation in this action because we can achieve 25% of the goal in this way.

This is also why the RAC is calling for a decision by the end of July. To effect the change by Sept. 1, we must notify MCSIG by August 1. Every month we delay costs over \$80,000.

We recognize that this change will affect some individuals more adversely than others. However, there is a compensation because keeping things the way they are costs all of us out of pocket for the premium, while changing to Option III leaves more money in our paychecks.

This experience has also shown us that we must be better-educated and smarter customers when it comes to health care. A shared governance benefits committee has been formed to investigate options within MCSIG and elsewhere. You will be hearing a lot more about health coverage plans during the next year!