

September 16, 2019

LACEA members:

The Joint Benefits Committee has reached a tentative agreement with the Office on health and welfare benefits for the 2020 calendar year. The 2020 premium costs for most plans have increased for most plans. The agreement follows the basic structure of the existing agreement for benefits but includes the identification of a median cost base plan at each tier of benefits coverage. For this year, the base plan is Kaiser Delta Dental PPO. The percentage of employee contribution will depend on the relative cost of the employee's selected plan to the cost of the base plan for that tier. Attached you will find the tentative agreement and rate sheet, however the highlights of the agreement are as follows:

- This agreement maintains the cost-sharing model of our current agreement with the same overall split of the costs of benefits. Specifically, the Office will assume 88.5% of overall costs and employees will assume 11.5% of overall costs.
- Singles will again contribute nothing to the costs of their plans.
- Employees on 2 party or family tier plans will contribute 14.5% of their selected plan's cost up to the cost of the base plan. If the selected plan costs more than the base plan, employees will also pay 32% of the costs in excess of the cost of the base plan.
- In an effort to mitigate the impact of the large increases in employee contributions that would have resulted in some plans, we agreed to a floor of employee contribution equal to the amount of contribution that employees made in 2019. The savings that resulted from establishing this floor was used to subsidize the employee contributions for plans whose cost exceed the cost of the base plan.
- The cash-in-lieu of (opt out) payment is contingent upon the number of employees who choose that option. The amount will fall within the range of \$2,000 to \$5,000. At least 150 employees would need to opt out to get to the maximum payment of \$5,000.

Your Joint Benefits Committee members have worked hard to strike a deal that gave employees plan options that were at or below the percentage of employee contributions for 2019. This agreement requires ratification by our members to take effect. Please vote yes on this benefits agreement.

Troy Doyle
LACEA President

JOINT BENEFITS COMMITTEE

TENTATIVE AGREEMENT

Between and Among the

LOS ANGELES COUNTY OFFICE OF EDUCATION

And the

CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION, and its CHAPTER 624
LOS ANGELES COUNTY EDUCATION ASSOCIATION

And

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 99

September 12, 2019

1. Effective January 1, 2020 the parties of the JBC agree to a cost-sharing model on increases in costs of health and welfare benefits that seeks to achieve a division of total health and welfare benefit premium costs wherein the Office continues to contribute eighty-eight and one-half percent (88.5%) of total premium costs, and unit members and employees continue to contribute eleven and one-half percent (11.5%) of total premium costs. The parties of the JBC shall determine the percentage of contributions per tier (employee, employee + 1, family) to establish the maximum employee contribution for 2020 that would achieve this division of total premium costs.
2. Effective January 1, 2020, in order to achieve the 88.5% and 11.5% cost sharing model described in paragraph 1, the parties of the JBC agree to the following in order to determine employer and employee contribution rates:
 - a. Establishment of a Base Plan equal to the median priced plan offered by the Office. For the period January 1, 2020 through December 31, 2020, the median priced plan, and thus the Base Plan, is Kaiser Delta PPO. Base Plan rates for this period are:
 - i. Single \$9,545.16
 - ii. Two Party \$17,517.84
 - iii. Family \$22,301.40
 - b. Single Party Plans
 - i. For employees with single party plans with plan premiums at or below the Base Plan rate, the Office will assume one-hundred percent (100%) of the total health and welfare costs.
 - ii. For employees with single party plans with plan premiums above the Base Plan rate, the Office will assume one-hundred percent (100%) of the

health and welfare costs up to the Base Plan rate, and eighty-five and one-half percent (85.5%) of the costs above the Base Plan rate. The employee will assume fourteen and one-half percent (14.5%) of the health and welfare costs above the Base Plan rate.

c. Two Party and Family Plans

- i. For employees with two party or family plans with plan premiums at or below the Base Plan rate, the Office will assume eight-five and one half percent (85.5%) of the total health and welfare costs, and the employee will assume fourteen and one-half percent (14.5%) of total health and welfare costs.
- ii. For employees with two party or family plans with plan premiums above the Base Plan rate, the Office will assume eighty-five and one-half percent (85.5%) of the health and welfare costs up to the Base Plan rate, and sixty-eight percent (68%) of the costs above the Base Plan rate. The employee will assume fourteen and one-half percent (14.5%) of the health and welfare costs up to the Base Plan rate, and thirty-two percent (32%) of health and welfare costs above the Base Plan rate.

- d. Notwithstanding the formulas for premium cost sharing established herein, the minimum employee contribution rates for 2020 health insurance premiums shall be equal to the 2019 employee contribution rates. Any savings to the Office resulting from maintaining these 2019 minimum employee contribution rates shall be applied to subsidize employee contributions above the 2019 rates.

Based on these projected savings, the parties of the JBC agree to adjust plans with increased employee contributions in 2020 over 2019 as follows:

i. Single Party Plans

The Office will assume one-hundred percent (100%) of the total health and welfare costs for all single party plans in 2020.

ii. Two Party and Family Plans

Employee contribution rates for two party and family plans based on the formula in paragraph 2.c above shall be reduced by a maximum of eight dollars and sixty-nine cents (\$8.69) per month in 2020.

Plans with employee contribution rates that increased less than eight dollars and sixty-nine cents (\$8.69) per month shall remain at the 2019 rates in 2020.

- e. Beginning in 2020, and every year thereafter, the parties of the JBC shall meet and negotiate cost-sharing percentages based on the annual CalPERS health and benefit plan rates for 2021 and every year thereafter. The parties of the JBC agree that negotiations should take place as soon as practicable after CalPERS health and benefit plan rates are adopted and released.
 - f. Following the 2020 open enrollment period, the parties of the JBC agree to meet and confer to discuss the distribution of savings, if any, resulting from unit members and employees changing plans.
3. Active bargaining unit members and employees shall have the opportunity to opt out of LACOE's medical plans if the active bargaining unit member or employee can provide evidence of other health coverage effective January 1, 2020 through December 31, 2020. Active bargaining unit members and employees who opt out of medical plans shall receive an annual amount divided into ten (10) equal payments depending on how many total active bargaining unit members and employees opt out of medical coverage as follows:
- a. \$2,000.00 if 99 or fewer active bargaining unit members and employees opt out of medical coverage.
 - b. \$2,500.00 if between 100 and 109 active bargaining unit members and employees opt out of medical coverage.
 - c. \$3,000.00 if between 110 and 119 active bargaining unit members and employees opt out of medical coverage.
 - d. \$3,500.00 if between 120 and 129 active bargaining unit members and employees opt out of medical coverage.
 - e. \$4,000.00 if between 130 and 139 active bargaining unit members and employees opt out of medical coverage.
 - f. \$4,500.00 if between 140 and 149 active bargaining unit members and employees opt out of medical coverage.
 - g. \$5,000.00 if 150 or more active bargaining unit members and employees opt out of medical coverage.

IN WITNESS WHEREOF, the Parties have executed and entered into the following tentative agreement as of 9/12/2019.

CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION, and its CHAPTER 624

DATED: September 12, 2019 By: Maranita Porter
Maranita Porter
(Print Name)

CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION, and its CHAPTER 624

DATED: Sept 12, 2019 By: Danae Hendrix
DANA HENDRIX
(Print Name)

LOS ANGELES COUNTY EDUCATION ASSOCIATION

DATED: 9/12/19 By: Troy Doyle
Troy Doyle
(Print Name)

LOS ANGELES COUNTY EDUCATION ASSOCIATION

DATED: 9/12/2019 By: Elena B. Johnson
Elena B. Johnson
(Print Name)

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 99

DATED: 9/12/19 By: Richard L. Lowe
Richard L. Lowe
(Print Name)

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 99

DATED: 09/12/2019 By: STANLEY-BERNARDO CAPIRAL
STANLEY-BERNARDO CAPIRAL
(Print Name)

LOS ANGELES COUNTY OFFICE OF EDUCATION

DATED: 9/12/19 By: Nick STEPHANY
Nick STEPHANY
(Print Name)

9/12/19 @ 3:53 PM

DRAFT

HEALTH & WELFARE PLANS

2020 LACOE HEALTH PLAN OPTION - EMPLOYEE CONTRIBUTION WORKSHEET

SEIU/CSEA/LACEA/CONFIDENTIAL/MANAGEMENT

| | Tenthly Cost to employee | | Tenthly Cost to Employer | |
|---------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|
| | DELTA CARE USA - option | DELTA DENTAL PPO - option | DELTA CARE USA - option | DELTA DENTAL PPO - option |
| EMPLOYEE ONLY MEDICAL - 1 PARTY | | | | |
| KAISER | \$ - | \$ - | \$ 874.43 | \$ 954.52 |
| PERS SELECT | \$ - | \$ - | \$ 600.05 | \$ 680.14 |
| PERS CHOICE | \$ - | \$ - | \$ 929.51 | \$ 1,009.60 |
| PERS CARE | \$ - | \$ - | \$ 1,194.50 | \$ 1,274.59 |
| BLUE SHIELD - ACCESS + | \$ - | \$ - | \$ 1,052.96 | \$ 1,133.05 |
| BLUE SHIELD - TRIO | \$ - | \$ - | \$ 827.08 | \$ 907.16 |
| ANTHEM HMO SELECT | \$ - | \$ - | \$ 821.08 | \$ 901.16 |
| ANTHEM HMO TRADITIONAL | \$ - | \$ - | \$ 1,160.32 | \$ 1,240.40 |
| HEALTH NET SMARTCARE | \$ - | \$ - | \$ 855.26 | \$ 935.35 |
| HEALTH NET SALUD Y MÁS | \$ - | \$ - | \$ 547.93 | \$ 628.02 |
| UNITED HEALTHCARE | \$ - | \$ - | \$ 879.13 | \$ 959.22 |

| | Tenthly Cost to employee | | Tenthly Cost to Employer | |
|---|----------------------------|------------------------------|----------------------------|------------------------------|
| | DELTA CARE USA - option | DELTA DENTAL PPO - option | DELTA CARE USA - option | DELTA DENTAL PPO - option |
| EMPLOYEE WITH 1 DEPENDENT MEDICAL - 2 PARTY | | | | |
| KAISER | \$ 249.90 | \$ 262.72 | \$ 1,421.80 | \$ 1,489.06 |
| PERS SELECT | \$ 173.92 | \$ 186.74 | \$ 949.02 | \$ 1,016.28 |
| PERS CHOICE | \$ 255.08 | \$ 280.57 | \$ 1,526.77 | \$ 1,581.37 |
| PERS CARE | \$ 424.54 | \$ 450.17 | \$ 1,887.31 | \$ 1,941.77 |
| BLUE SHIELD - ACCESS + | \$ 333.95 | \$ 359.58 | \$ 1,694.81 | \$ 1,749.27 |
| BLUE SHIELD - TRIO | \$ 228.66 | \$ 240.28 | \$ 1,348.33 | \$ 1,416.80 |
| ANTHEM HMO SELECT | \$ 253.14 | \$ 265.95 | \$ 1,311.85 | \$ 1,379.13 |
| ANTHEM HMO TRADITIONAL | \$ 402.66 | \$ 428.29 | \$ 1,840.81 | \$ 1,895.27 |
| HEALTH NET SMARTCARE | \$ 236.84 | \$ 248.45 | \$ 1,396.53 | \$ 1,465.00 |
| HEALTH NET SALUD Y MÁS | \$ 147.71 | \$ 159.32 | \$ 870.99 | \$ 939.47 |
| UNITED HEALTHCARE | \$ 262.25 | \$ 275.06 | \$ 1,418.85 | \$ 1,486.13 |

| | Tenthly Cost to employee | | Tenthly Cost to Employer | |
|---|----------------------------|------------------------------|----------------------------|------------------------------|
| | DELTA CARE USA - option | DELTA DENTAL PPO - option | DELTA CARE USA - option | DELTA DENTAL PPO - option |
| EMPLOYEE WITH 2 OR MORE DEPENDENTS MEDICAL - FAMILY | | | | |
| KAISER | \$ 321.17 | \$ 333.98 | \$ 1,828.88 | \$ 1,896.16 |
| PERS SELECT | \$ 222.39 | \$ 235.21 | \$ 1,214.27 | \$ 1,281.54 |
| PERS CHOICE | \$ 334.88 | \$ 360.51 | \$ 1,958.38 | \$ 2,012.84 |
| PERS CARE | \$ 555.36 | \$ 580.98 | \$ 2,426.90 | \$ 2,481.36 |
| BLUE SHIELD - ACCESS + | \$ 437.59 | \$ 463.22 | \$ 2,176.65 | \$ 2,231.11 |
| BLUE SHIELD - TRIO | \$ 293.91 | \$ 305.52 | \$ 1,733.04 | \$ 1,801.51 |
| ANTHEM HMO SELECT | \$ 325.38 | \$ 338.19 | \$ 1,685.96 | \$ 1,753.24 |
| ANTHEM HMO TRADITIONAL | \$ 526.91 | \$ 552.54 | \$ 2,366.45 | \$ 2,420.91 |
| HEALTH NET SMARTCARE | \$ 304.53 | \$ 316.15 | \$ 1,795.69 | \$ 1,864.17 |
| HEALTH NET SALUD Y MÁS | \$ 188.67 | \$ 200.28 | \$ 1,112.50 | \$ 1,180.98 |
| UNITED HEALTHCARE | \$ 337.22 | \$ 350.04 | \$ 1,825.07 | \$ 1,892.34 |

Plans Includes:

VSP Vision

UNUM Life - Employee

UNUM Life - Dependent