

IRCEA Counter Proposal #1
(restated from November 15, 2011)
January 18, 2012

MEMORANDUM OF UNDERSTANDING

Health Care Plan Design, Benefits and Cost

This Memorandum of Understanding is by and between the Indian River County Education Association ("the IRCEA") and the School District of Indian River County ("the Board").

WHEREAS, the Health Insurance Committee as found under Article X.12 of the collective bargaining agreement between the IRCEA and the Board is charged with maintaining the best possible health insurance benefits; and

WHEREAS, this Article further provides that any changes to the health insurance or plan benefits will be negotiated; and

WHEREAS, according to information provided by insurance consultants hired by the Board, Brown & Brown Insurance, increasing monthly premium contribution rates per member per month of \$35 will match revenues with expenditures resulting in no net decreases to the health insurance fund balance for 2012; and

WHEREAS, retirees over the age of 65 are currently running a deficit to the health insurance fund of \$92/contract/month (inclusive of stop-loss and management/administration fees), up from \$88/contract/month the previous year. This group does not pay the full cost of the monthly health insurance premium, pays no deductible costs, office visit co-pays or co-insurance costs. In essence, this group of retirees has a richer plan than retirees under the age of 65 retirees and current employees of the Board; and

WHEREAS, the Board currently contributes \$405/member/month for IRCEA bargaining unit members. The Board increased its monthly contribution to the instructional bargaining unit health insurance premium by \$19/contract/month for 2011; IRCEA bargaining unit members currently pay \$59/member/month; and

WHEREAS, the Board currently contributes \$419/member/month for CWA bargaining unit members. The Board increased its monthly contribution to the CWA bargaining unit health insurance premiums by \$33/member/month for 2011; CWA bargaining unit members currently pay \$45/member/month for the same health insurance plans as IRCEA. This past year the Board contributed \$108,024 in additional premium benefits on behalf of CWA for the same health insurance plans as IRCEA; and

WHEREAS, the proposed management/administrative expenses to the plan are \$49.50/member/month, the same cost as incurred the previous year. Assumptions as provided by Brown & Brown are that a 7.5% medical trend increase will occur during 2012 for active employees; and

IRCEA Counter Proposal #1
(restated from November 15, 2011)
January 18, 2012

WHEREAS, the IRCEA has worked collaboratively with the SDIRC and demonstrated good faith efforts to decrease climbing deficits to the health insurance fund. This was shown by a willingness to add additional health insurance plans with lowered benefits for 2012.

NOW, THEREFORE, it is agreed that:

1.0 Recitals. The recitals set forth above are hereby adopted as if fully set forth herein.

2.0 Premium Contribution Rates for 2012. The overall premium contribution rates for each plan are shown and agreed to as set forth in Appendix A.

3.0 Health Care Plans and Benefits. Four (4) health care plans through BlueCross BlueShield of Florida will be offered: Plan 800, Plan 5770, Plan 5190, and Plan 5774. These plans are attached hereto as Appendix B1, B2, B3, and B4, respectively.

4.0 CWA, Non-Represented Employees and Retirees. In the event that the agreement ultimately adopted for the CWA bargaining unit or for non-represented employees, e.g. administration, confidential/managerial, professional technical, or retirees, effective no later than sixty (60) calendar days following the ratification of this agreement, provide for the Board to make greater Group Health insurance premium contributions for the benefits of those employees and/or retirees, the Board shall make the same contribution toward Group Health Insurance for employees covered by this Agreement. Absent the same or greater contributions by the Board on behalf of IRCEA bargaining unit members, all proposed premium changes shall be null and void and language shall revert back to the original language as found under Article XIX of the 2009-2012 Agreement.

5.0 Expiration. This Memorandum of Understanding will expire December 31, 2012, at which time all provisions revert back to language as contained within Article XIX of the 2009-2012 Agreement, unless a subsequent agreement is reached between the parties.

This Memorandum of Understanding is executed this _____ day of _____, ~~2011~~ 2012.

Indian River County Education Association

School District of Indian River
County, Florida

Elizabeth Weatherstone, President

Matthew McCain, Board Chair

APPENDIX A

It is agreed that the School District of Indian River County will increase their contribution for each MBU from \$405 per month to \$440 per month.

Total Contributions (employee + School District) for Health Benefit Plan year 2012

Plan Designs	800	5770	5190	5774
Active Groups				
Employee only	499	464	432	405
Employee + Spouse	825	767	714	669
Employee + child/children	809	752	700	658
Employee + Family	921	857	797	747

Employee Contributions:

Plan Designs	800	5770	5190	5774
Active Groups				
Employee only	59	24	-8	-35
Employee + Spouse	385	327	274	229
Employee + child/children	369	312	260	218
Employee + Family	481	417	357	307

Where the School Board Contribution exceeds the cost of the plan (5775 and 5190 Employee only plans), the difference will be held in a Flexible Spending Account for the exclusive use of that MBU. This will be deemed a Limited Flexible Spending Account if the employee participates in a Health Saving Account Plan. MBUs will be notified at the close of each fiscal year of the balance in this account.