



Changes Coming to Educator Health Care

A uniform state health insurance system for K-12 employees in 2020

With the new legislative session underway, school employees may begin hearing more about changes coming to educator health care. We want to make sure all WEA members know that changes are coming, have accurate information and are prepared to make choices when the time comes.

Background

In 2017, as part of the overall McCleary school funding package, the Legislature created a new state-run School Employees Benefit Board (SEBB) health insurance program to replace the existing district-by-district system of negotiating health care benefits. The SEBB is modeled on a similar but separate insurance program for public employees that has existed for years.

During summer/fall of 2018, a group of representatives from school employee unions negotiated a tentative agreement with the Office of Financial Management (OFM). WEA played a key leadership role and helped negotiate a deal that will benefit educators and reduce the price of insurance for many.

Each of the educator unions ratified the TA, and Gov. Inslee subsequently provided about \$900 million in funding for it in his budget. See “Highlights” below.

Because the agreement has been collectively bargained, the Legislature cannot change it, and must provide an up or down vote to fund the agreement in the budget. The budget vote is expected in April. If the Legislature funds the SEBB, it will go into effect on January 1, 2020. If it doesn't, we will need to renegotiate a new agreement.

If you've been around for a while, you might recall that WEA has opposed similar proposals in the past because state funding for health care was inadequate, and it made more sense to maintain local control over which insurance plans were offered at the district level. As we all know, costs have been shifted over time to employees, taking a bigger and bigger bite out of our paychecks.

Highlights of the changes

Below are key features either required by law or bargained, and which help explain why the WEA Board ratified the agreement.

- WEA has two of the four members representing labor on the SEBB. The other two are from PSE and SEIU 925.

- The new proposal increases state funding significantly, from \$844 per month (prorated based on FTE status) to \$1,170 per month for eligible individuals beginning in January 2020. The state funding increase will ease cost burdens for employees.
- Part time employees who work on average of 3.5 hours per day, or 630 hours per year, will now receive the same coverage as superintendents and other full-time staff. This means many of our ESP members, who work fewer hours and make less money, will finally have access to affordable health care, possibly for the first time ever.
- By law, family premiums under the new SEBB system cannot exceed three times the rate for an individual employee, which will result in significant savings for many families and will make family coverage affordable to others who currently cannot afford it.
- Some individuals may see some cost increases. However, under the negotiated agreement, the employer is required to pay 85 percent of the cost for health care premiums on average. This is based on a typical plan in the SEBB program, similar to WEA Select Plan 2. Employees would pay approximately 15 percent of the premium for this typical plan. Even though costs may go up, the guaranteed employer share for eligible part- and full-time employees will limit the size of any increase to the employee.
- Because the current system is negotiated locally, with different providers and plans available, specific changes for each person can't be addressed in this overview document. What we do know is that, if funded as bargained, the state will be adding \$900 million in new funding towards educator health care.

While the SEBB will be run by the state, participating employees will still choose from a variety of private insurance programs. Current K-12 insurance providers, such as Premera, Aetna, and Kaiser Permanente, are in negotiations with the state, as is Providence.

SEBB program benefits will include:

- Fully and self-insured medical plans with prescription drug benefits
- Health savings accounts for high-deductible medical plans
- Dental plans
- Vision plans
- Life and accidental death and dismemberment (AD&D) insurance
- Long-term disability insurance
- Medical Flexible Spending Arrangement (FSA)
- Dependent Care Assistance Program (DCAP)

WEA will provide updates on our website at <https://www.washingtonea.org/ourvoice/health-benefits/>.