Questions from GMM 6/17/2019

Question: Once on an OEBB plan can the Union ever offer other options?
Answer: A group that moves to OEBB can opt out of OEBB one time. However the group would leave without an insurance rating so any new provider would likely charge very high rates. On the other hand, our current insurance ratings are so high perhaps we wouldn't be any worse off than we are now.

Question: If we vote no, are we in HS?
Answer: We are not sure what HS stands for so are unable to answer this question.

Question: Why do we want to switch to OEBB just to save the college money?
Answer: Switching to OEBB isn't about saving the college money. In fact, by our calculations, the college will actually spend more by having us move to OEBB. What savings they realize in lower premiums is more than taken up in the 1.75% salary scale increase. This salary increase stays on the salary schedule into the future.

High deductible plans could save the college money. This also opens up Health Savings Accounts to those who choose to use them, which is a new benefit to our members.

If we remain on PacificSource, then college saves money. They have had a freeze on the amount they will put toward our benefits since 2015. If we stay on PacificSource, the full change in premium hits our paychecks. The college doesn't lose a dime.

Question: Why are you guys (LCCEF Leadership) pushing us to take OEBB instead of staying with PacificSource?
The EC has no say whether the classified unit moves to OEBB. That decision is made through a vote of the membership. What we did by signing the tentative agreement to move to OEBB is in fact giving you, our members, the choice. Had we not signed this tentative agreement the rate increase would have hit our paychecks. It would be irresponsible for LCCEF to ignore the problem and not consider alternatives.

We strongly encourage each and every one of you to consider how you use insurance, compare PacificSource to OEBB and vote for which makes the most sense for your personal situation.

Question: If we settle on Insurance now will we lose our bargaining power?

Answer: We still have the same bargaining power before or after accepting the current TA. Our labor is our bargaining power. If we stand together on the issues, that is our bargaining power. The financial impact of a refusal to go to OEBB impacts us far more than it does the college. The college froze their contribution to insurance in 2015. If we stay on PacificSource the college will still be contributing the same amount. In fact they may end up paying less because more full families may opt for employee only plans with the huge increase in premium cost. We have seen that shift over the past few years. The employees however, will see a substantial increase in their out of pocket amount for premiums.

Question: How much will the college save with us going to OEBB?

Answer: They will not save much if anything at all. We calculated the savings based on the current plans chosen by our members now and found it to be about $360,000. The 1.75% increase on our salary scale amounts to $415,000 so the college will actually lose about $55,000 if we move to OEBB. They do stand to see additional savings for every employee who chooses an HSA plan. We have no way of projecting how many will choose that option.

Question: Does our utilization rates mean the insurance company is paying out more on our claims than they are collecting in premiums from us?

Answer: Yes. At 85-88% utilization rate the insurance company is losing money on a group.

Our current utilization rate is at 105.7%. PacificSource is losing money on us.

Question: What qualifies for HSA?

Answer: You must be on a high deductible plan of at least $1350.00. The lowest of the high deductible plans with OEBB is $1600.00, plan 6.

Question: Why is #8 in the TA$ Will we get something for lowering our FSA in the year 2021?

Question: Why have #8 in the TA when we are still bargaining for 2021?

Answer: It is called negotiating for a reason. The college wanted to remove their FSA contribution completely starting with year 2020. We offered to lower it to faculty levels they would need to put 1.5% more on the salary scale. They said no additional salary increases beyond the 1.75%. We continued negotiating with back and forth offers regarding everything insurance (college contributions to premiums, FSA & HSA, stop loss language, etc.) and finally landed on what went in the TA. We still intend to press for additional salary on the scale for year 2021.

Question: Is it your opinion that the college put us in a time crunch to force us into this decision?

Answer: Yes

Question: What compromise do we get for losing the massage benefit?

Answer: 1.75% on the salary scale is intended to help with the losses for the change in benefit. In addition, no premium costs to employees should help offset the loss in benefits.

Statement: Our premiums were paid pretax. Now that income will be in our pay checks and be taxed. This could potentially knock us into a higher tax bracket.

Response: That is true but there are many ways to avoid that. One way is to open a 403B account. These accounts are pretax and available to all employees of the college. By utilizing a 403b you will be creating a savings for yourself in retirement while keeping your income lower. This may feel like a better option than giving your money to an insurance company.

Question: Since our accumulators reset January 1, if switching to OEBB, does that start our accumulators over again in October? With them resetting again in January?

Answer: Deductibles and Out of Pocket Maximums will start over on October 1, 2019 if we go to OEBB but they will not start over again on January 1, 2020. OEBB plan year is Oct. 1- September 30 and that includes the, deductibles, and Out of Pocket Maximums.

Question: How will it work if my family is currently double covered because we both work at Lane or another OEBB or PEBB insured institution?

Answer: Double coverage for medical is not allowed on OEBB or PEBB. You will have to fill out an online application to determine which of you will be the insured spouse. You can however have double coverage for dental and vision. In addition if you both work at Lane, and you both enroll in a plan, and one of you waives the medical, but you both enroll for double coverage for dental and/or vison, you should both receive a FSA contribution from the college.

Question: Is there a monetary incentive to employees who opt out (waive) coverage?

Answer: No. That is being eliminated by a State Bill, effective Oct. 1, 2019. These changes lower the cost of insurance for State employees which we all pay for with our taxes.