

## Initial District Health Care Proposal

October 21, 2025

### 210 HEALTH CARE

#### 27 Health Care

The District health care program is self-funded. Program costs are solely a product of administrative expenses and actual claims experience as reported in the District's Comprehensive Annual Financial Report.

A Health Care Program Committee (HCPC) shall be composed of four (4) representatives selected by the Kenai Peninsula Education Association, three (3) representatives selected by the Kenai Peninsula Education Support Association, one (1) representative selected by the Kenai Peninsula Administrator Association, and three (3) current employee representatives selected by the Superintendent. The Health Care Committee shall select a chairperson from its membership. The Plan Administrator and Benefits Manager are non-voting advisors to the committee. The HCPC shall select a chairperson from its committee of voting members.

A quorum for the meetings shall require no fewer than nine (9) committee members. The HCPC will conduct a formal vote on any matter that could impact the cost or benefits of the health care program or on any matter that would require a change in the summary plan description. Formal votes shall require an eighty percent (80%) vote of the total voting committee members to pass.

The committee shall annually review by-laws in September of each year unless the committee deems that an alternate time would be better. The committee will meet monthly unless this is changed by the committee members in accordance with the committee's by-laws.

The HCPC shall be empowered to determine health care benefits different from benefits in the plan in place on January 1, 2021. The committee will determine and control the health care program for all District employees covered by the program during the term of this agreement including but not limited to the following: benefits and coverage provided, cost containment measures, preferred provider programs, co-payment provisions, evaluating other health insurance programs, and implementing any wellness measures it deems beneficial to employees and the health care program. The District shall not be required to adopt changes made by the HCPC which would result in violations of established laws or regulations.

The HCPC shall be advisory to matters related to Broker selection, Third (3rd) Party Administration and Stop-Loss insurance.

The District agrees to work with the HCPC to provide reasonable time for meetings and provide adequate support, including an expert health care consultant for plan design. Administrative leave will be provided for all participants.

Members who have alternative health insurance coverage meeting the minimum ACA requirements may elect to waive their entitlement to District provided health insurance coverage. ~~Alternative health insurance coverage shall not include District provided coverage which the member is entitled to by reason of the employee's status as a spouse or dependent of a District employee who is covered by the District's health insurance plan.~~

**Employees who are married to another KPBSD employee, or who are a dependent child under age 26 of another KPBSD employee, may choose to waive their own District-provided health insurance and be covered together under a single Employee+Spouse, Employee+Children, or Employee+Family policy.**

Total District dollar share of health plan costs is based on the negotiated District percentage as applied to actual plan costs. The District will make contributions to the health care program for each participant on a 12-month basis.

Eighty-five percent (85%) of the health care costs are paid by the District. Fifteen percent (15%) of the health care costs are paid by the employees.

**High Deductible Health Plan KPBSD**  
**Health Plans Offered(85/15)**

Deductible	<b><u>HRA PLAN</u></b>	<b><u>HSA PLAN</u></b>
	<b><u>\$3,300</u></b> <del>1,500</del> / Individual <b><u>\$6,600</u></b> <del>3,000</del> / Family	<b><u>\$3,300</u></b> / Individual <b><u>\$6,600</u></b> / Family
Out of Pocket (Not including deductible)	\$2,000 / Individual \$4,000 / Family	<b><u>\$2,000 / Individual</u></b> <b><u>\$4,000 / Family</u></b>
HRA or HSA Contribution	<b><u>\$4,400</u></b> <del>800</del> / Year <b><u>Employee Only Tier</u></b>  <b><u>\$6,300 / Year:</u></b> <b><u>Employee+Spouse,</u></b> <b><u>Employee+Children,</u></b> <b><u>Employee+Family</u></b> <b><u>Tiers</u></b>	<b><u>\$4,400 / Year</u></b> <b><u>Employee Only Tier</u></b>  <b><u>\$6,300 / Year:</u></b> <b><u>Employee+Spouse,</u></b> <b><u>Employee+Children,</u></b> <b><u>Employee+Family</u></b> <b><u>Tiers</u></b>

Employees have the option of either a Health Reimbursement Arrangement (HRA) or a Health Savings Account (HSA).

Annually the District shall contribute ~~eight hundred dollars (\$800)~~ **four thousand four hundred dollars (\$4,400)** to each employees' HRA or HSA ~~who are enrolled in the Employee Only Tier. Annually, the District shall contribute six thousand three hundred dollars (\$6,300) to each employees' HRA or HSA who are enrolled in the Employee+Spouse, Employee+Children, and Employee+Family Tiers.~~ Effective January 1, 2023 the HDHP will offer ~~Currently there are~~ four healthcare plan tiers. The tiers will be: Employee Only, Employee and Spouse, Employee and Children, and Employee and Family.

Selection of employee tier will be made during the November 15 – December 15, 2022 Open Enrollment period.

~~For illustrative purposes only, if the four tier coverage was implemented for FY22, the projected four tier rates would have been:~~

**Effective 1/1/2026: The following Plan Changes will be made:**

- Increase both HRA and HSA Deductible to \$3,300 Individual / \$6,600 Family
- Add Non-PPO Physician penalty Not Subject to Out-of-Pocket Maximum – 60% Constant
- Limit Massage Therapy to 12 Visits per Calendar Year (with additional visits approved with medical necessity review)
- Decrease Dental Basic Care Benefit to 80%
- Limit Rx Retail Fill Limit to 31 days (Mail order to remain at 100 days' supply)
- Remove HRA 4<sup>th</sup> Quarter Deductible Rollover
- Transcarent Sick Leave Benefit: Employees will accrue two (2) additional days of sick leave per Transcarent surgery

No provision of the changes set to take effect on 1/1/2026, above, shall be altered, amended, deleted, or modified except through mutual agreement of the parties reached in collective bargaining and ratified by both parties in accordance with their respective procedures.

Tier	Employee monthly 12-month Cost	Employee monthly 9-month Cost
Employee Only	\$173.27 *	\$231.03 *
Employee + Spouse	\$381.20 *	\$508.27 *
Employee + Children	\$329.22 *	\$438.96 *
Employee + Family	\$554.47 *	\$739.30 *

~~\*These monthly premium amounts will be adjusted according to the most up to date information provided by our brokers. The most current information is available at <https://www.kpbsd.k12.ak.us/employees.aspx?id=5232>.~~

The District will issue a Request for Proposal (RFP) for health care insurance to private and public insurance providers for change effective January 2021. The need for future RFPs will be reviewed annually.

The ~~Health Care Program~~ subcommittee comprised of KPEA, KPESA, and KPAA HCPC representatives shall determine the employee contribution amount.

**Health Care Reserve Account:** A separate employee health care reserve account shall be established and maintained. The initial amount in this account as of July 1, 2012 was \$1,246,835. Any interest gained on this account shall be retained in this account. \$750,000 of the employee health care reserve account shall be set aside for use at year end for payment of the employee portion of program costs that exceed employee deposits. If the employee health care reserve falls below \$750,000, an amount needed to replenish the fund to \$750,000 will be calculated by the sub-committee and added to the employee's annual rate in the following year. Any amount in the employee health care reserve exceeding the \$750,000 balance will be used to offset future employee costs as determined by the sub-committee.

~~Upon completion of the FY22 audit, if the District's healthcare reserve account has an amount greater than three million two hundred and fifty thousand dollars (\$3,250,000) and the Employees' healthcare reserve account has an amount greater than one million dollars (\$1,000,000) then a premium credit of five hundred dollars (\$500) for each employee will be used to offset the employee's monthly premium until the five hundred dollars (\$500) is depleted. The premium credit of five hundred dollars (\$500) will be split 50/50 between the District's healthcare reserve and the Employees' healthcare reserve accounts. This credit will be applied one time on January 1, 2023.~~

**Sub Committee** The Association health care committee representatives (KPEA, KPESA, and KPAA) ~~The Health Care Program Committee~~ will have the authority to address the usage of any amount remaining above the \$750,000 requirement stated above. These monies can be used to pay down the employee share of the healthcare employee contribution or can be placed in the Employee Health Care Reserve account to pay down future costs or overages.

Benefits are afforded to the employee, spouse and all eligible dependents.

As of November 7, 2016, all employees who work thirty (30) or more hours per week or at least .75 FTE are eligible for year-round health benefits and are required, as a condition of employment, to participate in the KPBSD health plan. Any employee who as of November 7, 2016, has been working between twenty (20) and thirty (30) hours per week or between .50 and .75 FTE, and has previously been receiving health benefits, shall be grandfathered as eligible for health benefits for the remaining length of time they are employed by the District. All such affected employees shall have a one-time option to opt out of health benefit coverage before their start of employment for the 2017- 2018 school year.

\*Guidelines involving “qualifying event” and “pre-existing conditions” will be followed in accordance to the health plan document, which is available at:

<https://employees.kpbsd.org/health-care-plan/>

<https://www.kpbsd.k12.ak.us/employees.aspx?id=5232>

The District shall maintain a “reward” system to protect the plan from inaccurate charges by Service Providers. The District and employee shall evenly divide any monetary benefits resulting from the correction of such charges. Errors made by the plan administrator are ineligible for this reward.

A flexible benefit account program, under the provision of Section 125 of the Internal Revenue Service Code, will continue.

Dental and vision benefits shall be provided separately from medical and prescription benefits. Employees shall have the option to elect not to receive dental and vision coverage. The cost of the dental and vision benefits shall be included in the calculation of the employer and employee contribution amounts. The employer and employee contributions will be the same for an employee who receives dental and vision coverage as it is for an employee who elects not to receive dental and vision coverage.