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KPEA: 210 HEALTH CARE
KPESA: 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.~~

1. **Health Care Plan Committee (HCPC):**

A Health Care ~~Program~~ **Plan** 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. **All voting representatives must be either elected representatives of their respective Association or participants of the health care plan.** ~~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, 202~~1~~**5**. 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. **Year-to-date fees associated with Brokers and Third-Party Administration shall be shared with the committee at each meeting.**

The District may issue a Request for Proposal (RFP) for health care insurance providers independently or shall do so at the direction of the HCPC. Any proposals received by the District shall be presented to and reviewed by the HCPC at the subsequent meeting. The District shall take all necessary and reasonable steps required by the quoting agency to ensure fair and transparent access to quotes from any quoting agency. The HCPC will evaluate the need for future RFPs annually. 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.

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All HCPC and subcommittee meetings shall be subject to and conducted in compliance with the Open Meetings Act. Minutes and recordings of each meeting shall be posted on the KPBSD website.

2. **General Conditions:**

Benefits are afforded to the employee, spouse and all eligible dependents. **All benefits are subject to the terms, conditions, limitations, and definitions contained in the Plan Document, and Summary Plan Description (SPD), which shall govern in the event of any conflict.**

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 grand parented 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.

~~Members~~ **Employees** 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.~~

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~~ **may** 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~~d~~ dental and vision coverage.

3. **Self-Funded Health Plan Costs**

The District health care program is currently 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.

Total District dollar share of health plan costs is **calculated** 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%)~~ **Ninety percent (90%)** of the health care costs are paid by the District. ~~Fifteen percent (15%)~~ **Ten percent (10%)** of the health care costs are paid by the employees.

4. **Health Care Plan Description**

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

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~~Annually the District shall contribute one thousand dollars ($1000) to each employee's HRA or HSA.~~

~~Effective January 1, 2023 t~~The HDHP will offer four healthcare plan tiers. The tiers will be: Employee Only, Employee and Spouse, Employee and Children, and Employee and Family.

Employee premium rates for each tier shall be set annually and made available on the District website at https://employees.kpbsd.org/health-care-plan **prior to the annual open enrollment period.**

Selection of employee tier **for the following calendar year** will be made during the November 15 – December 15~~, 2022~~ Open Enrollment period, **to begin on January 1, or during a special enrollment period as required by a qualifying event**.

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 policy with the appropriate tier.

High Deductible Health Plan ~~(85/15)~~ **(90%/10%)**		
	HRA Plan	**HSA Plan**
Deductible	$1,500 / Individual $3,000 / Family	**$1,700** / Individual **$3,400** / Family
Out of Pocket Maximum (Not including deductible)	$2,000 / Individual $4,000 / Family	$2,000 / Individual $4,000 / Family
HRA or HSA Contribution	~~$800/ Year~~ **$1,000/Year per covered employee**	~~$800/ Year~~ **$1,000/Year per covered employee**

~~Annually,~~ The District shall ~~contribute~~ **make an annual contribution, per covered employee, of** one thousand dollars ($1,000) to each employee's HRA or HSA**, up to allowable IRS limits. When two or more employees are covered under the same policy, the policy-holder shall receive an annual contribution equal to one thousand dollars ($1,000) per employee covered on the policy, up to allowable IRS limits.**

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

~~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~~

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~~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~~ **A** health care subcommittee comprised of KPEA, KPESA, and KPAA HCPC representatives, shall determine the employee contribution amount.

Employee Health Care Reserve Account: ~~A separate~~ **The existing** 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. **Seven hundred fifty thousand dollars (**$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 **prior to the open enrollment period**. 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 **HCPC subcommittee of** Association health care committee representatives (KPEA, KPESA, and KPAA) 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 health care employee contribution**, reduce employee premiums for the following year,** or ~~can be placed~~ **may remain** 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 grand parented 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://www.kpbsd.k12.ak.us/employees.aspx?id=5232.~~ **https://employees.kpbsd.org/health-care-plan.**

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

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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 received dental and vision coverage.~~

5. **Plan/Benefit Changes**

The HDHP in place at the time of ratification shall continue, with the following exceptions. Changes to these exceptions or any other term specified in this agreement (deductible, HRA/HSA contributions, premium cost-sharing, etc.) may not be modified by the HCPC unless the parties agree to an MOU. Effective January 1, 2027:

- **Physician services received from providers not in the KPBSD Health Plan PPO network will be reimbursed at a flat sixty percent (60%) benefit level. Payments for such non-PPO physician services will not apply toward the participant's out-of-pocket maximum. These penalties shall be waived if current information about PPO providers is inaccurate or unavailable. The HCPC will have authority to assist in the implementation of this provision (such as identifying PPO providers).**
- **Dental Basic Care Benefit will change to eighty percent (80%).**
- **The fourth quarter deductible will no longer rollover for HRA plans.**
- **Employees will accrue two (2) additional days of leave per procedure completed using Transcarent.**

6. **Implementation Timeline**

Due to the logistics of implementing plan changes for FY26, this Article/Section shall not be retroactive, except the following shall apply:

- **A special open enrollment period will be available in November/December 2026, for coverage to start on January 1, 2027.**
- **Existing employees that were participants in the healthcare plan for at least six (6) months during FY26 will receive a one-time payment in September 2026 of one thousand dollars ($1000). This will be paid on the September 2026 paycheck.**