

# Testimonials

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## Reasons to vote against the pool:

If I vote for the pool, my insurance plan will switch to the step rate (tier-rate), and any excess funds will be deposited in a “pool” that is overseen by the district. These excess funds will then be distributed to members who exceed their “cap.” The district giving us a pool would be the only reason to switch to a tiered rate. I **DO NOT** agree with changing to a tier-rate medical plan without a pool. All members on the family plans would take a huge financial blow. At minimum, (members who have the Kaiser medical plan), families would have to pay an additional \$300/month (almost \$500/mo total) for the same coverage that they received this year for about \$150/mo. This year, OTSD had 87 families using full family coverage. (43.5% of our membership) Please remember that the numbers in the proposal for the insurance pool are projections. There is no way to know for sure that the estimated projections will be “real”. There are too many variables to take in to consideration. Will the singles take a more expensive insurance plan once they are now “under” the cap (leaving less funds for the pool)? Will family members opt for less expensive plans? Will employees change their “status” due to divorce, new baby, marriage, etc? With a pool, there will not be any “guarantees” for excess funds; and the numbers will surely fluctuate. We have until June 29th to decide and vote on the insurance issue if we want to change them for next year but we don't **have** to change anything. It's up to us as a membership to either stay with the current insurance rates or change them. OEGB has set a deadline of June 29th if we **want** to change. However, if we do nothing, we can keep our current composite insurance rate for 2010-2011 school year and make the decision to change the year after that. Then, that change will have to stick for the next **three years**. This gives us a little breathing room to make an informed decision. It is the summer and because some teachers are on vacation or out of town, they will not get this information in time to respond. If we wait a year and we decide to change to an insurance pool, this will allow families time to save up for the larger expense or make other arrangements for their insurance needs. We can have more time to get the district to agree to an insurance pool that might offset the costs of the increase to families by a considerable amount. I do not think the pool is advisable at this time. It's simply too soon and there has not been enough time for exploration and dissemination of information.

## Reasons to vote for the pool:

A pool would allow any employee selecting Single Party, Two Party, and Employee with children to pay less than the current composite/step rate. This represents 56.5% of the membership. Also, there are many “families” in the district that do not take family insurance. Some families are made up of a single parent and his/her children. Going to a pool would help these families because they would be allowed to pay the step-rate which would be considerably cheaper than the current system. We also have “families” that consist only of two adults. These families would also benefit from the pool because they too would pay less than current rate. The only group that a pool has the potential to “hurt” would be employees choosing full family coverage. Also, the insurance committee has tried to address high full family coverage by asking the district to pool in a way that brings two of the family insurance choices under the composite rate, and possibly under the cap. The union has advocated for a pool for many years, and we were told that it was now an OEA “bargaining standard” to ask for a pool in new contracts. Most people understand that pools are beneficial to the majority of members. The objections this year have to do with timelines, OEGB, and the pool “drying up”. Let's deal with them one by one. **Timeline:** People are arguing that this is happening too fast and all of a sudden. This is not true, as this issue has been on the table for many years. **OEGB:** As we were struggling with this issue we did not know that OEGB had passed a new “rule.” This rule states that if we change rate structures we will be locked into that rate structure for three years. In order to do a pool, we would need to change our medical to the step rate. We can't predict the future, but I would hope the district would agree to pool for two years and then it would be up to our bargaining team to create language in the next contract to support a pool that brings down EVERYONE's insurance. **The pool “drying up”:** The money that funds a pool is variable, based on the insurance usage. Given the option to take “better” insurance with less out of pocket expense, some employees – primarily singles and employees with children – will contribute less to the pool. There is no way to adequately predict this. When a school district in Oregon needs to compute the “Fair Market Value” of benefits for tax purposes, they refer back to the tiered rate. Insurance companies determine this rate based on the projected cost of claims. In short – it costs more to insure a “full family” than it does to insure an Employee with children, Two Party, or Singles. When these groups have to pay the composite rate, they pay more than the “Fair Market Value” of their insurance. Going to a pool allows everyone to be billed at the “Fair Market Value.” It then offers some help to families so they are relieved of the burden of paying the full “Fair Market Value” of their insurance.