



HEALTH BENEFITS VICTORY

Coverage secure for three years

November 18, 2011

Agreement offers stability in volatile economic times

The multi-union Health Benefits Committee (HBC) has reached a tentative agreement with LAUSD over employee health benefits that secures the current benefit programs—with no projected increase in costs to employees—for three years (calendar years 2012, 2013, and 2014).

LAUSD agrees to future increases in their contributions

Future increases in costs (estimated at about \$90 million a year for 2013 and 2014) will be covered by an equal contribution from LAUSD and from the Health Benefits Prudent Reserve fund. The HBC has built the reserve over the past few years from cost savings and program changes.

The tentative agreement also has a contingency plan that would extend current benefits through 2015, if the Health Benefits Reserve has a sufficient amount of funds to continue the cost-sharing agreement. If not, negotiations will occur as to changes in the District's contribution obligation. In any event, the prudent reserve fund will be maintained for use in 2015.

Going against the national trend to slash health care

At a time when the national trend is to impose higher employee fees or reduce coverage, UTLA members continue to be covered by a strong plan and pay no monthly premiums for themselves and their families. A 2011 Kaiser Family Foundation report found that the average family nationwide pays \$4,129 a year in health care premiums (not counting additional out-of-pocket expenses) and the average employee's contribution to health care has gone up 131% since 2001. In member surveys over the years, UTLA members consistently place a high priority on maintaining their current health care package.

Unions prevented raid on reserve

Earlier this year, LAUSD attempted to raid the prudent reserve fund to help balance its budget in other areas. The HBC held firm, because the fund exists expressly to absorb increased benefit costs from the providers and to ensure that member benefits continue.

UTLA members will vote on the tentative health benefits agreement at school sites in December. The full text of the tentative agreement will be posted on utla.net.