

Oregon Nurses Association/Bay Area Hospital Health Coverage Estimations

A new plan year for health insurance starts January 1, 2016. Open enrollment (announcing the benefit structure for 2016, and allowing eligible members to join or leave the plan) is required to happen annually before the new plan year begins. Bay Area Hospital (BAH) holds their open enrollment in October.

In years past, our contract traditionally expired in June. Therefore, we used the negotiations process to iron out benefit changes and plan costs. Since our contract now expires in December, the negotiation timeline this year is too late to do this. Thus, the health insurance task force (HITF) was developed. BAH gave a final date of the first week of October for decisions to be made, to be able to accomplish open enrollment.

Health insurance costs are set to rise this coming year by an estimated 11 percent due to economic factors and the rate of utilization by members. Some nurses from the Oregon Nurses Association (ONA)/BAH team were part of the health insurance task force, along with the United Food and Commercial Workers (UFCW), Teamsters and non-represented employees at BAH, to come up with options for savings. Finding true savings (as opposed to cost shifting) for both the hospital and nurses can be challenging. The HITF did receive bids from outside providers, (such as MODA, Blue Cross/Blue Shield, OEBS, etc.) as well as an option to join the UFCW Trust. Initially, BAH stated they would not be opposed to having all members join the UFCW Trust, if it meant a big savings could be realized. However, as the numbers came back with an estimated large savings, BAH questioned the numbers validity, as well as the plan administration control the organization would lose if they joined the UFCW trust. For these reasons, BAH administration announced it would not be joining the UFCW trust, but was not opposed to the nurses joining the UFCW trust.

With the information that non-represented/non-contractual employees would not be joining UFCW trust, the UFCW had to go back to the trust and request new quotes, that did not include non-contractual staff in the numbers. While UFCW trust was able to give a total cost of the plan rather quickly, there has been quite a delay in obtaining individual premium breakdowns to show our members. Additionally, some big challenges have been identified, that would need to be overcome before the UFCW trust could be an option for our ONA/BAH members. These challenges include:

- UFCW requires being in the trust for five years before qualifying for retiree benefits (this is a non-negotiable rule). This presents a challenge for current retirees, and those retiring within the next five years. A supplemental plan would have to be negotiated with BAH. There is not time to accomplish this before open enrollment.
- There are “start-up” costs, as well as UFCW requirements to pay for coverage two months in advance. The start-up cost, along with the balloon pre-payment equals

approximately \$500,000 which would need to be paid up front. BAH has stated they are concerned (and pretty much not interested on this short time line) in putting large amounts of this money up front. This amount needs to be planned for, and negotiated with BAH.

- UFCW trust requires delay start of benefits for new hires, (this would not affect anyone transitioning into the plan, but any newly recruited/hired nurses) BAH has been able to offer insurance the first day of the month following hire date in the past. This would be a change in benefits offered to new employees. BAH may find this detrimental to its ability to recruit hard to fill positions, and new nurses.

Due to the above listed barriers, and the time frame we have to work with, the UFCW Trust was determined to not be a viable option this year, but may be a viable option, and something we will continue working toward exploring next year.

The last, and most recent curve ball thrown into this complicated situation, is BAH administration has stated they most likely will be offering non-contractual employees the option to join a high deductible health plan. This could impact the cost of the plan as healthy individuals, or those that don't plan to use the insurance, chose to move out of UMR and go to the high deductible plan. This could drive the cost of the UMR plan up, being made up of only the higher utilizers.

There has been a lot of confusion along the way, and some difficulty getting everyone on the same page. With a lot of work, we believe there is an understanding of the current options.

BAH has presented a new plan benefit structure, they titled "plan B" (as it fell second on the list of presentations given during the HITF). Plan B has a very different benefit structure than members are accustomed to, but would have a lower monthly premium and a large cost savings to the plan and hospital. ONA has suggested that if members are interested in plan B, and a large savings is realized, that nurses would be given a substantial portion of that savings to use towards transitioning out of UMR the following year, (whether that be to UFCW or any other plan). If plan B is not decided as the best option for coverage for the bargaining unit, BAH plans to implement the current UMR plan design with increased premiums. Please see the attached comparison sheets.

As you consider what option might work best for you and your family, keep in mind that either choice comes with a set of pros and cons for the entire bargaining unit. These are included in this overview of health insurance plan options on page 3.

EE % (medical)	Medical			Dental			Vision			Total Medical, Dental, Vision				
		2015 Current Rate	2016 Rate (Current plan)	2016 Rate (Plan B)	2015 Current Rate	2016 Rate (Current plan)	2016 Rate (Plan B)	2015 Current Rate	2016 Rate (Current plan)	2016 Rate (Plan B)	2015 Current Rate	2016 Rate (Current plan)	2016 Rate (Plan B)	
	FT	Emp Only	\$109	\$132	\$126	\$6	\$7	\$6	\$3	\$5	\$6	\$118	\$144	\$138
16%	70+	Emp + Child	\$213	\$258	\$246	\$11	\$14	\$13	\$6	\$6	\$8	\$230	\$278	\$267
		Emp + Spouse	\$218	\$264	\$252	\$12	\$15	\$13	\$6	\$6	\$8	\$236	\$285	\$273
		Emp + Family	\$328	\$395	\$377	\$17	\$19	\$20	\$9	\$10	\$13	\$354	\$424	\$410
18%	PT	Emp Only	\$141	\$149	\$142	\$6	\$7	\$7	\$3	\$5	\$6	\$150	\$161	\$155
	60-69	Emp + Child	\$276	\$290	\$276	\$12	\$14	\$13	\$6	\$6	\$8	\$294	\$310	\$297
		Emp + Spouse	\$281	\$297	\$283	\$13	\$15	\$14	\$6	\$6	\$8	\$300	\$318	\$305
		Emp + Family	\$423	\$444	\$424	\$19	\$19	\$21	\$9	\$10	\$13	\$451	\$473	\$458
22%	PT	Emp Only	\$164	\$182	\$173	\$7	\$7	\$7	\$3	\$5	\$6	\$174	\$194	\$186
	48-59	Emp + Child	\$318	\$354	\$338	\$14	\$14	\$15	\$6	\$6	\$8	\$338	\$374	\$361
		Emp + Spouse	\$328	\$363	\$346	\$14	\$15	\$15	\$6	\$6	\$8	\$348	\$384	\$369
		Emp + Family	\$491	\$543	\$519	\$21	\$19	\$23	\$9	\$10	\$13	\$521	\$572	\$555

(Same information enlarged)
 Total premiums side by side: current plan rates now, current plan projection for next year (in no changes made), and Plan B projections for next year if changes made

	Total Medical, Dental, Vision		
	2015 Current Rate	2016 Rate (Current plan)	2016 Rate (Plan B)
Emp Only	\$118	\$144	\$138
Emp + Child	\$230	\$278	\$267
Emp + Spouse	\$236	\$285	\$273
Emp + Family	\$354	\$424	\$410
Emp Only	\$150	\$161	\$155
Emp + Child	\$294	\$310	\$297
Emp + Spouse	\$300	\$318	\$305
Emp + Family	\$451	\$473	\$458
Emp Only	\$174	\$194	\$186
Emp + Child	\$338	\$374	\$361
Emp + Spouse	\$348	\$384	\$369
Emp + Family	\$521	\$572	\$555

Benefit	2015 Current Plan	2016 Plan "B"
Deductible (individual)	\$600	\$750
Deductible (family)	\$2,000	\$1,500
Out-of-pocket maximum (individual)	\$3,000	\$4,000
Out-of-pocket maximum (family)	\$6,000	\$8,000
Emergency room co-pay Emergency room paid after deductible	\$100 100%	\$150 90% BAH 80% in-network 70% out-of-network
Copays (office visits) Primary care* Coinsurance (% covered by plan) office visits* <i>*only for visits that are not part of annual preventative care which are covered at 100%</i>	\$20 100% in-network 60% out-of-network	\$15 80% in-network 60% out-of-network
Coinsurance (% covered by plan) outpatient	80% BAH 70% in-network 60% out-of-network	90% BAH 80% in-network 60% out-of-network
Chiropractic care, acupuncture, Naturopathic care annual limit Co-pay Co-insurance (% covered by plan)	\$1,000 \$20 100%	Remove limit \$0 80%
Preventative exam frequency Age 2-19 Age 19-up	1 every 24 months Based on age	1 exam per year 1 exam per year
Employee discount	50% after deductible	Discontinue discount
Prescription Drugs (Retail)		
Generic (34 Day Supply)	\$10	\$00
Preferred Brands (34 Day Supply)	\$45	\$25
Non-Preferred Brands (34 Day Supply)	\$60	\$50
Prescription Drugs (Mail Order)		
Generic (90 Day Supply)	\$30	\$00
Preferred Brands (90 Day Supply)	\$90	\$50
Non-Preferred Brands (90 Day Supply)	\$120	\$100
Dental Plan Maximum	\$1,500	\$1,800
Vision Plan		
Exam Copay \$20 Lenses/contact/frames	Every 24 months \$150 benefit	Every 12 months \$250 benefit
Health Reimbursement Account		
Employee Only Employee plus spouse (or domestic partner) Employee plus child(ren) Family	\$350 \$500 \$500 \$650	Discontinue HRA

If no changes are made to the health insurance plan these premium rates will increase in 2016 by an estimated 11 percent. ONA-BAH will have to negotiate with the hospital about how that rate increase will be addressed. The hospital, however, intends to raise the full-time percentage of premium to 16.5 percent if an alternative cannot be agreed to prior to open enrollment. Currently full time nurse pay about 16 percent of the total premium with part time nurses paying a higher percentage.

Pros and Cons

Current Plan:

Pros: Continue same benefit coverage members have today, including hospital discount and HRA contribution.

Cons: Higher premium costs each month

Plan B

Pros: Lower monthly premium; possibly will make transition to a less expensive 2017 plan feasible. Substantial portion of savings to be applied to next year

Cons: Cost-shifts to utilizers of the plan. Removes Health Reimbursement Account (HRA) \$ that BAH put into nurses' accounts, Removes BAH employee discount increases family maximum out of pocket

As you can see, we have a difficult decision to make. Each member must decide what is best for them and their families' situation. We are also encouraging our membership and the hospital to view 2015 and 2016 insurance plan years together as a transitional package to a more sustainable insurance design, with overall lower costs for both nurses and the hospital.