

**Informed Decision
- The First Step**

Before you vote on contract ratification, our union's leaders ask that you **first** consider the information in this:

**Negotiations News & the
Ratification Document**

If you then have questions, please ask:

- ◆ By e-mailing us at mtea.org.
- ◆ By attending one of four informational meetings at the MTEA Building being held on: **November 3, 4, 8, and 11.**

Please register at mtea.org.

What's Inside

- Contract Duration - p. 2
- Salary Raises - p. 2-3
- Professional Development - p. 3-4
- Banking Time - p. 4-5
- Q-9 Transfers - p. 5
- Important Background on Health Insurance - p. 6
- Health Insurance Q&A - p. 7-12
- The Residency Requirement - p. 12
- Economic/Political Conditions - p. 13

Tentative Agreement: Q & A

This publication answers questions members frequently ask about the tentative teacher contract agreement.

The **Q and A's** are also at mtea.org. As we receive more questions, we will add them to our online edition. Questions that apply to only one or a few members will be answered individually.

Why do our union's Teacher Bargaining Team and Executive Board recommend ratifying the tentative contract agreement?

Overall, there are four main reasons.

First. The contract achieves the membership's top priority - maintaining the high quality PPO health insurance plan. In our union's bargaining survey, conducted to prepare for negotiating this contract, our members made maintaining their health insurance options **the #1 priority** for our teacher team.

The contract maintains the same PPO plan that provides the coverages, the freedom to choose doctors, and the benefits which most educators select to protect themselves and their families. The contract secures each member's right to choose the higher quality PPO plan or the high quality HMO plan.

Second. The new pact maintains contractual rights and protections which professional educators deserve, and our union has fought hard to gain and preserve. Evaluation, due process, seniority, and other rights remain strong for all members.

Third. The agreement balances what was maintained and gained for members with unavoidable concessions. The economic conditions and the anti-teacher context at the local, state, and national levels, were factors which made bargaining this contract exceptionally difficult - for our union and for our district. Both parties faced tough decisions, and both sides made concessions.

Our union's leaders are recommending what they judge to be the best contract possible for the financial security and professional future of our members.

Fourth. New provisions for professional development and the use of banking days provide an unprecedented opportunity for our district and our union to focus on improving student achievement during this and the next two school years.

Four-Year Contract

Why was a four-year contract bargained?

A four-year pact provides a stable framework for this school year and the next two years. During this time, you will know what your salary and benefits will be, enabling you to consider your financial situation when making professional and personal decisions.

The contract gives our union and the new MPS administration a foundation and the time to work together for **school funding reform** that will address the needs of our students and **improvements in teaching and learning systemwide**.

The financial security of our members rests upon the financial stability of MPS. Until the state's broken school funding law is fixed, MPS will continue to face devastating cuts every year.

Salary: 2009-10

1. What's the impact of no raise for the first year of the contract, 2009-10?

It's a pay freeze. The 2009-10 salary schedules and rates will not increase. There will be no retroactive pay on last year's earnings.

2. Why did our union's teacher bargaining team agree to a pay freeze for last school year?

The pay freeze and certain health insurance concessions were necessary to reach a voluntary settlement. Our team analyzed arbitration as an alternative and concluded it posed a high risk that more severe concessions would be imposed.

Our team bargained hard for the best financial package possible and achieved two key goals:

- ◆ The financial security of our members is protected for at least three more years.
- ◆ What was maintained and gained in member benefits and salary strikes a balance with concessions which responsibly address the financial needs of our schools.

3. If you're not at the top of the schedule, will the first-year freeze affect the increment (step) increase you received last school year?

No. If your salary was below the schedule maximum, it automatically increased one step last year and will increase each year until you reach the top step.

Salary: 2010-11

4. For this school year, the tentative agreement contract provides a 3% "non base building" raise. Is this new?

Yes. In the past, our teacher team has not agreed to School Board proposals for this type of raise. It is clearly a gain, but it's also concessionary.

5. How is this year's raise a gain for teachers?

Teachers will be paid a 3% raise on all of their earnings between July 1, 2010 and June 30, 2011.

The total of two lump sums (paid on December 24, 2010 and June 24, 2011) will be the same amount you would receive if the 3% raise were applied to each biweekly paycheck.

For example, if you earn \$50,000 within the 365 day period, your 3% raise will total \$1,500.

6. How is the 2010-11 raise concessionary?

The salary schedules and rates will remain the same as in 2008-09. You will be paid a 3% raise for 2010-11, but the raise won't increase your salary rate to a higher base amount for subsequent raises. This is the down side of a "non-base building" raise.

7. Why will this year's raise be paid in two lump sums?

The district bargained for this payment method so it can use the same calculations process it uses for retroactive payments, which have a track record of accuracy and efficiency.

8. To which 2010-11 earnings will the 3% raise apply?

The raise will apply to your base salary earnings and your extra earnings.

- ◆ Your base salary is the amount paid for your step and lane on the salary schedule. It is noted on your paycheck as "contract pay."
- ◆ Extra earnings include: summer school (days worked after June 30, 2010); class coverage; coaching; professional development after school, on Saturday, or during the summer; playground duty; etc.

9. What time periods will the lump sum payments cover?

Your first payment, on your December 24 paycheck, will be applied to all contract earnings from July 1, 2010 through the end of December, 2010.

The second lump sum payment, on your June 24, 2011 paycheck, will be applied to all contract earnings from January 1, 2011 through June of 2011.



10. Will the federal income tax withholding rate on both lump sums be 25%?

Yes. MPS will comply with IRS rules by withholding at the 25% rate, as it does on retroactive payments.

For example, suppose 18% of your pay is normally withheld for federal income tax. If you receive a \$600 lump sum payment in December, \$142 will be withheld at the 25% rate. This is about \$39 more than your 18% rate. (Your normal 18% rate will be applied to your regular earnings on that check.)

11. Could the withholding rate be more than 25%?

Yes. If your normal rate is higher than 25%, IRS requires MPS to withhold the higher amount.

Salary: 2011-12 and 2012-13

12. How will the raises for the next two school years be implemented?

Both raises will be handled as in past contracts.

Next school year, your biweekly checks will include a 2.5% raise starting on July 1, 2011.

In 2012-13, your paychecks will include an additional 3% raise, starting on July 1, 2012.

Both raises will increase all salary schedules and rates, building the base for future contract raises.

Professional Development

1. Are the negotiated changes in professional development a gain for teachers?

Yes, both professionally and financially.

2. What are the professional benefits?

Most importantly, the new contract establishes a process which treats teachers as professionals and addresses their specific needs.

All teachers will have a meaningful voice in shaping the professional development courses they need, through an annual survey. The survey will be developed and analyzed jointly by representatives of our union and the new administration. Teachers will be able to evaluate the courses they take, on a jointly developed online form.

3. Will a variety of courses be offered?

Yes. The new administration will offer a variety of inservice courses based on the needs of educators. For example, there will be offerings for different grade level subjects.

4. How will teachers be informed of inservice opportunities?

You will be able to choose the courses for the next school year from an online catalog, enabling you to plan ahead for your own professional growth.

5. Will the "catalog" inservice opportunities be voluntary?

Yes. After school and Saturday catalog courses will be voluntary.

6. Will teachers be paid for voluntary courses?

Yes. The contractual pay provisions will apply.

◆ After-school inservices will be paid at the part-time certificated hourly rate \$25.56/hour in 2011-12).

◆ Classes on Saturday or during the summer will be paid at each teacher's individual **hourly** rate.

◆ If Saturday or summer classes are the same length as a regular school day, you will be paid at your individual **daily** rate.

7. Will teachers who teach catalog courses receive pay or released time?

Teachers recruited by MPS to teach inservice courses will be released for preparation time equal to their instructional time, or will be paid at their individual hourly rate.

8. Instead of pay, will teachers have the option of receiving inservice credits for moving to a higher division (lane) on the salary schedule?

Yes. Teachers who need credits to move to a higher salary division will have that option.

9. How many inservice credits can be used to move to higher lane?

Teachers will be able to apply up to seven MPS inservice credits toward the 16 college credits needed to move to the BA+16, MA+16, and MA+32 lanes.

◆ A minimum of 9 college credits.

◆ A maximum of 7 MPS inservice credits.

This is the combination of inservice and college credits MPS used before were catalog dropped in 2002.

10. Will MPS credits apply toward moving to the masters lane?

No. Moving to the MA lane will continue to require an **earned** masters degree. However, you'll be able to accumulate MPS inservice credits and apply them for moving to the MA+16 and MA+32 lanes.



11. How many hours are required to earn one MPS inservice credit?

At least 12 hours of in-class instruction are required.

Up to 12 additional hours of study outside of class may be assigned. The maximum for combined in-class and out-of-class hours is 24 hours.

12. Will MPS inservice courses benefit initial educators professionally?

Yes. You may find MPS courses which will be an excellent component of your Professional Development Plan. District classes can be more targeted to your specific needs than college courses.

13. Will MPS inservice courses benefit initial educators financially?

The financial benefit will depend on your situation. If you need credits to move to the BA+ 16 lane, MPS inservice credits save you college tuition costs.

If you are already in the BA+ 16 lane, you need an earned masters to move to the MA lane. You won't be able to use MPS inservice credits until you move to the MA+ 16 and MA+ 32 lanes.

Initial educators should examine their specific needs and plans to determine if there's a fiscal benefit of inservice credits.

14. Will MPS inservice credits apply to the DPI requirement for renewing five-year licenses?

No.

Banking Time

1. What does "centrally developed professional development" mean?

The new administration views coherent, high quality professional development (PD) as key to improving teaching and learning throughout MPS.

Superintendent Gregory Thornton wants to engage educators at every grade level and content area in developing a common understanding of districtwide reforms, such as the Comprehensive Literacy Plan.

Using banking days for districtwide PD is an essential step toward helping all schools be "on the same page." All teachers and administrators will be involved in an ongoing process which consistently supports our district's goals and direction - and our shared commitment to teaching all children.

2. Will centrally planned professional development replace school-based activities on banking days?

Yes. Schools will not have time on banking days for the school-based activities such as those conducted for half of the two banking days earlier this school year.

3. Will teachers continue to have an equal amount of time for individual preparation/planning?

Yes. However, instead of half days, teachers will have full days for individual preparation/planning.

4. What does a "full day for individual teacher preparation/planning" mean?

Exactly what it says. The entire day is strictly for educators to individually plan and prepare. No inservices. No meetings - grade level, departmental, faculty, school committees, or parent/community.

5. With the full-day format, how will time be equalized between individual preparation/planning and centrally developed professional development?

Equal time will be attained by alternating the number of days used for each purpose, in two-year cycles.

In each two-year cycle, there will be 5 full days for individual teacher preparation/planning, and 5 full days for districtwide professional development.

6. Will the equal time cycle start this school year?

Yes. The two individual banking days earlier this school year provided half of each day for staff activities and half for individual preparation/planning. Teachers have used the equivalent of one full day for preparation/planning. The school-based activities (two half-days) also equal one full day.

To start the alternating cycle, two of the remaining 2010-11 banking days will be for centrally developed professional development, and one day will be for individual preparation/planning.

7. What is the schedule for the use of the three remaining banking days?

January 20, 2011

- ◆ Teachers at K-8 grade levels will have a full day for individual preparation and planning.
- ◆ Teachers at 9-12 grades will have a full day for districtwide professional development.

March 14, 2012

- ◆ Teachers at 9-12 grades will have a full day for individual preparation and planning.
- ◆ Teachers at K-8 grade levels will have a full day for districtwide professional development.

May 20, 2012 (April 11 in IB Schools)

All teachers K-12 will have a full day for districtwide professional development.





8. Is the one day for individual preparation/ planning this school year guaranteed?

Yes. The provision for the remaining banking days this school year states: "Teachers are guaranteed at least one full day for individual preparation/planning from the date of ratification through the end of their 2010-2011 school year."

This was bargained because of the possibility that making up a day of instruction due to an inclement weather closing, may alter the banking day schedule.

9. What is the cycle for the next two years?

2011-12

3 days for individual preparation/planning.
2 days for districtwide professional development.

2012-13

2 days for individual preparation/planning.
3 days for districtwide professional development.

10. In the future, how will the use of the five banking days be scheduled?

Setting the banking day dates is already part of the annual process of calendar bargaining. Which dates will be used for individual preparation/planning and will be for districtwide professional development will be determined as part of that bargaining.

11. Will individual schools vote on whether or not to do banking time?

No. All schools will continue to bank time for the next two school years without a faculty vote.

12. Why is the annual vote being eliminated?

DPI requires MPS to conduct mandatory inservice for all educators on reforms such as the Comprehensive Literacy Plan. Using banking days is the best way to ensure that all schools and teachers participate in districtwide professional development.

13. Are the professional development "catalog" courses the same as the "centrally developed PD" on banking days?

No. The catalog courses will be responsive to the specific needs of teachers - geared to grade levels, subject areas, and varied professional responsibilities.

Banking day professional development will engage all schools in districtwide measures.

The purpose of using banking days for districtwide professional development is to provide a coherent direction and clear goals to improve teaching and learning.

Incompatibility Transfers

1. How will incompatibility transfers change?

Currently, teachers must confer with their evaluator to request an incompatibility transfer. (This provision is customarily referred to as "Q-9," because of its initial placement in the contract.)

In the revised Q-9 process, the first step teachers will take is writing their reasons for requesting to leave the school and submitting it to the MTEA office.

The MTEA staff will forward a copy to the Office of School Administration - **not** to the principal. A district administrator will confer with the principal. This may result in the transfer without a meeting that would include the teacher.

If not, MTEA and MPS representatives will confer. If they do not agree to the transfer, a conference will be held which will include the principal and the teacher, who will be represented by an MTEA staff member.

The conference may result in the teacher deciding to remain at the school. If not, the teacher would transfer out of the school.

2. Does the teacher who requests a Q-9 transfer make the final decision?

Yes. Even if a conference with the teacher is held, the teacher decides whether to transfer out or not.

3. Is there an exception to holding a conference?

Yes. If a teacher requests an incompatibility transfer for the first time in any seven-year period, the teacher may transfer out of the school without a conference.

4. Are there other Q-9 changes?

Yes. The new contract would limit how often a teacher may request an incompatibility transfer:

- Once every two years
- Twice within any seven-year period

5. What will happen when teachers transfer out of a school under a Q-9?

When teachers leave a school on an incompatibility transfer, they will be assigned by the MPS Human Resources Department to a vacancy within their DPI licensure.

If there is no vacancy, the teacher will work on a day-to-day assignment basis until a vacancy arises.





Health Insurance

Most of the remaining questions explain the health insurance changes.

For many questions, the number of the page in the Ratification Document which corresponds to the question is in bold print at the end of the answer.

For example, "RD-6" is at the end of the answer to the second question.

Other questions will not have a Ratification Document reference.

For example, the first question relates to sections in the 2007-09 contract which have not changed. They are not reprinted in the Ratification Document.

Our "Old" Labels

Since 2001, our publications have called the PPO plan, administered by Aetna, the "Aetna plan." Technically that was not correct. Our negotiated PPO plan has never been a standard Aetna PPO plan.

PPO Always Distinct

The PPO plan has always been unique. It was created when our union bargained for the change to Aetna, replacing Blue Cross/Blue Shield in 2001. The district's PPO has been virtually the same plan ever since. The only modifications have been made through contract bargaining and the arbitration decision on the 2003-05 teacher contract.

UHC HMO Label

In the past, we've often referred to the HMO plan, administered by UnitedHealthcare (UHC), as the "UHC plan." There's also a technical problem with that label. The HMO is a standard UHC plan, but UHC has four HMO plans.

Labels Must Change

Ratification of the tentative agreement will maintain virtually the same PPO plan. But UHC will be the plan administrator. UHC will continue to administer virtually the same UHC HMO.

"PPO" and "HMO"

With UHC administering both plans, we have to change the labels. From now on, we're calling the PPO plan simply the "PPO" and the HMO plan the "HMO."

Insurance Terminology Explained

For your quick reference, some of the commonly-used health insurance terms are defined below:

Provider - Generic term for doctors, hospitals, clinics, physical therapists that provide medical services.

PPO - Preferred Provider Organization. A health plan commonly administered by an insurance company which negotiates lower costs for the medical services of doctors, hospitals, clinics, and other providers. These preferred providers are considered "in-network" and charge less.

HMO - Health Maintenance Organization. A health plan that uses a managed care approach as a means of cutting costs. HMO's are also commonly administered by insurance companies that have their own network of providers.

The providers are closely monitored and managed. They must follow the HMO's guidelines in determining which medical services are necessary.

Co-Pays - A set dollar amount (or percentage) you pay out-of-pocket everytime you receive certain medical services, such as prescriptions.

Deductible - The amount you must pay first for medical services each calendar year, before your insurance starts to pay benefits.

Coinsurance - The percentage you pay for medical services after you pay an annual deductible.

For example, if your coinsurance is 10%, your insurance will pay 90% once you pay the deductible.

Coinsurance Maximum - The most you could pay for coinsurance in a calendar year. When you reach coinsurance maximum, your insurance pays 100%.



Health Insurance Q & A's

1. Will teachers maintain the right to choose the PPO or the HMO?

Yes. The new contract maintains your right to choose the high quality health plan you want for yourself and your family.

2. Will the PPO plan remain virtually the same?

Yes. The PPO plan that has been negotiated by our union and the School Board for over past decade will continue when UHC replaces Aetna as the plan administrator. **RD-6**

3. Is there a way to explain what keeping the same PPO plan means - without technical terms?

Yes. Imagine the MPS PPO plan as a school bus, custom-made and periodically modified for better fuel efficiency and passenger safety. The modifications are made up in contract bargaining.

The PPO school bus is **not** a standard Aetna model currently. It will **not** become a standard UnitedHealthcare model.

The PPO will remain the same school bus, but with a new driver. (There will be some minor changes, which have been bargained for the 2009-13 contract.

In short: **Same school bus, different driver!**

4. What is a PPO network?

Insurance companies negotiate discounts with a wide array of doctors, clinics, hospitals, and other medical providers. The purpose is to encourage participants to use these **Preferred Providers** as their first **Option** for medical care.

5. Does UHC have more than one PPO network?

Yes. UHC has four PPO networks. Our PPO will use the "UnitedHealthcare Choice Plus" network.

6. Will doctors in the Aetna PPO network be in the UHC network?

Not necessarily, although it is likely because both companies have extensive PPO networks locally.

Some doctors, who are not in Aetna's network, will be in UHC's network. Likewise, some doctors in Aetna's network, will not be in UHC's network.

7. How can you find out if a doctor is in UHC's PPO network?

There are three options: ♦Go to mtea.org for a link directly to the doctor search page on UHC's website. ♦Call UHC at **1-866-873-3903** and press "1." UHC customer service representatives are available to answer your doctor network questions, on weekdays between 7:00 a.m. and 7:00 p.m. ♦Review the 800-page in UHC directory our union has sent to the BR in each school.

8. What if you're in treatment with a doctor in Aetna's PPO network, but not UHC's?

You are able to keep your doctor for as long as you want. However, you will be responsible for higher out-of-pocket payments.

9. Will there be a grace period for the transition from Aetna and UHC?

Yes. **RD-6**

10. What are the conditions necessary to be part of the 90-day grace period?

You must be "under an active course of treatment" by a doctor in Aetna's network, but not UHCs on the date UHC starts to process claims. You must apply within 30 days of UHC's start date.

If you meet both conditions, your ongoing treatment within 90 days of UHC's start date will be paid as if your doctor were in-network. **RD-6**

11. Is there a way to explain how the 90-day grace period will work?

Yes, by an example. Suppose the doctor who is treating you charges \$90 for each office visit.

For each visit within 90 days of UHC's start date, you would continue to pay \$10 - the in-network co-pay.

After the 90-day grace period, you would pay \$27 for the out-of-network 30% co-pay.

12. When would UnitedHealthcare replace Aetna as administrator of the PPO plan?

UnitedHealthcare (UHC) would start to process claims and other administrative tasks no sooner than April 1, 2011. **RD-6**

13. Would teachers be notified in advance of the exact date of the change?

Yes. The contract requires the district to notify our union at least 60 days prior to the start date.





14. Why was a health insurance labor management committee bargained?

Our teacher team has concerns about a new PPO plan administrator, based on transition issues in the past, during the switch from Blue Cross to Aetna in March of 2001 and research on the practices of for-profit companies including Aetna and UHC.

We want the committee to start in the committee in January to jointly and proactively work out as many implementation/transition issues before UHC starts to process claims.

The Board's team wants the committee to discuss issues - **especially for retirees** - along with service quality and other health insurance topics. **RD-6**

15. Did our team propose a PPO administrator other than UHC?

Yes. In fact, our negotiators strongly preferred the WEA Trust. The Trust is non-profit and teacher-managed, with outstanding member service.

16. Was an agreement to have UHC administrator the PPO necessary to reach a settlement?

Yes. It came down to money.

The district took bids for a new PPO administrator last year. Milliman, the firm the Board hired study the bids, recommended UHC primarily because its bid had substantially higher savings than the bids from the WEA Trust, Aetna, Humana, and Blue Cross/Blue Shield.

Employee Premium Contributions

Questions 1-4 address the details of the agreement for employee premium contributions based on salary.

Questions 5-9 explain why our union bargained this unique approach.

1. Will you pay a premium contribution based on your salary if you are in the HMO?

Yes. If you are in either the HMO or the PPO, a premium contribution will be deducted from your base earnings. **RD-6**

2. What does "base earnings" mean?

RD-6 Base earnings include only the amount you receive for your regular workdays during your normal work year - **not** any extra earnings.

Base salary earnings are noted as a separate amount, "Contract Pay (T)," on your paycheck. ("Day" on page 6 of the Ratification Document is a typo.)

3. What are extra earnings?

There will be no premium deductions on pay for summer school, inservices, lunch duty, class coverage, coaching, etc. **RD-6**

4. How will premium deductions impact your take-home pay?

Your contributions will automatically be run through the MPS 125 plan. Handling premium contributions on a pre-tax basis will provide you with more money to spend than if it were taxable income. (With the 125 plan, deductions are **not** made for income tax withholding and Social Security/FICA.) **RD-6**

5. Why did our union's negotiators decide to bargain to a salary-based premium contribution?

As health care costs skyrocketed locally and nationally, a team of our union's leaders, staff, bargaining team members (teacher and EA), along with our insurance actuary, spent months researching and developing innovative, long-term strategies to sustain the PPO option for our members.

One of the conclusions from that study dealt directly with how to deal with employee premium contributions, if and when necessary. **The concensus:** The best strategy for maintaining the PPO would be to bargain premium contributions **based on salary**.

The reason: Basing contributions on the premium cost of the plan chosen by each teacher would result in losing the higher quality PPO plan.

6. How would a percentage of the premium for the member's choice of plan eliminate the PPO?

Employee contributions based on the premium cost of their choice of plan would cause adverse selection.

Here's a likely scenario. Suppose the premium share for family coverage is \$100/month for the PPO and \$40/month for the HMO. If so, healthier (typically younger) teachers would choose the HMO.

A higher percentage of teachers with multiple and serious health issues (typically older teachers) would choose the PPO - creating adverse selection.

Each year, the trend would drive up the cost of PPO - until only seriously ill members would choose it. The cost of the PPO to the district and the employee's premium share would make the PPO unsustainable. The PPO would be eliminated, and all teachers would be in the lower cost HMO.



7. Will the *salary*-based contributions replace the *premium*-based contribution now in the contract?

Yes. The current contract has a provision that will require teachers to pay 2.5% of the PPO premium, if the PPO premium increases by 17% in one year. There would be no premium share for the HMO.

This provision, which would cause adverse selection, will be eliminated in the new contract.

8. What are the health benefits of teachers in comparable school districts?

When bargaining health benefits, our team must consider a fundamental difference between MPS and other districts. With rare exceptions, other school districts do not have a lower-cost HMO option.

◆ Besides Milwaukee, only one of ten largest districts in Wisconsin has an HMO option - Madison.

◆ Only one neighboring district has an HMO option - Elmbrook.

◆ No district in the state offers only an HMO.

◆ The vast majority of districts have only one health plan - a PPO, commonly through the WEA Trust.

◆ The PPO in other districts is very comparable to our district's negotiated PPO. Both PPOs provide comprehensive coverage and benefits, along with the freedom to choose your doctor.

◆ Teachers in most districts have paid a portion of their health insurance cost for many years.

◆ The most common method for teacher contributions is a percentage of the premium cost - 5% or more.

◆ On average, the dollar amount teachers in other districts already pay is the same as amount MPS teachers will pay as a percentage of salary.

9. Do health benefits in comparable districts support the alternative of arbitration?

No. Our team considered the facts above and determined the current status of comparable districts did not support going to arbitration:

Additional Questions on Health Insurance

10. How will the RAPS provision benefit teachers in the PPO?

RAPS is the abbreviation for radiology, anesthesiology, and pathology (RAPS) services.

It's not uncommon for a patient at an in-network hospital, with an in-network attending physician, to receive RAPS services out-of-network without the patient's knowledge. **RD-7**

This provision will protect PPO participants from unexpected payments to RAPS providers.

11. Who will benefit from the increase in the incentive for completing voluntary programs?

Employees who complete voluntary programs in the Goodhealth plan prior to December 15, 2010 will receive a \$350 contribution into their health reimbursement by February 28, 2011. The increase from \$250 to \$350 will apply in future Goodhealth program years. **RD-7**

12. What changes were bargained in the PPO in-network deductible?

The PPO in-network deductible (single) will **decrease** by \$25, from \$100 to \$75. The family (of three or more) deductible total will also **decrease** to \$225, down from \$300. **RD-8&9**

13. How does the family deductible work?

When both members of a two-person family each reach \$75 single deductible, the family's total deductible amount (\$150) will be met.

For a family of three or more, the \$225 total will be met when three members each reach the \$75 deductible.

Here's an example for a family of five. When three different family members - say you, your spouse and one of your three sons - each meet the \$75 deductible amount, the \$225 family amount will be met.

In this example, you would pay no deductible for your other two sons. **RD-8&9**



14. What changes were bargained in out-of-network deductible amounts?

The deductible for single coverage will increase to \$326, (from \$100).

For family coverage, the deductible will increase to \$500 (from \$300). **RD-8&9**

15. How will the out-of-network deductible work for family coverage?

If the \$326 deductible (single) is paid by one family member, any combination of \$174 in payments for the rest of the family will meet family deductible (\$500).

For example, suppose your spouse reaches the \$326 single amount. When out-of-network payments for other family members add up to \$174 - for instance - \$60 for you, \$34 for your son, and \$80 for your daughter - your family deductible will be met.

The PPO deductibles are outlined below:

	In-Network	Out-of-Network
Single	\$75	\$326
Family (3 or more)	\$225	\$500

16. What change was bargained in the out-of-network coinsurance percentage?

The coinsurance percentage for employees will increase to 30%. Currently, employees pay 20%. **RD-8&9**

17. What changes were bargained in the out-of-network coinsurance maximum?

For single coverage, the coinsurance maximum will be increase to \$1,100 (from \$500). **RD-8&9**

For family coverage, the coinsurance maximum will increase to \$2,800 (from \$1,500).

18. How will the out-of-network coinsurance maximum work?

Here's an example. Suppose you had a \$45,000 surgery at the Mayo Clinic. The 30% coinsurance rate for out-of-network surgery, applied to the bill, is \$13,500. However, employees pay only up to the coinsurance maximum, \$1,100 for an individual.

The bottom line: You pay \$1,100 and the PPO pays the rest - \$43,900.

Editorial Note: For the initial Q & A publication, details on how the out-of-network family coinsurance maximum will work were not available. An additional Q & A will be at mtea.org as soon as possible.

Coinsurance Provisions Percentage Shares

- PPO pays 90% in-network - you pay 10%.
- PPO pays 70% out-of-network - you pay 30%.

Annual Coinsurance Maximum

- In-network - you pay up to \$200 (single)
- In-network - you pay up to \$600 (family of 3)
- Out-of-network - you pay up to \$1,000 (single)
- Out-of-network - you pay up to \$2,800 (family)

19. Why did our team bargain a new dispute resolution process?

Under the 2007-09 contract, if you are improperly denied benefits, you can appeal to the PPO administrator (Aetna). If Aetna does not grant your appeal, you would have to file a grievance. Your appeal would finally be decided by a labor arbitrator, not a medical professional.

Our union's negotiators bargained a new appeal process in which a panel of independent medical professionals will make the final decision.

This change will be a deterrent against improper denials. **RD-16&17**

20. Will changing the administration or the present plan affect teachers in the HMO?

No. This change merely eliminates UHC's as a middle man at a cost savings to MPS. **RD-17**

21. Will the HMO have a deductible?

Yes. For the first time, HMO participants will have a deductible - \$50 (single) and \$150 family, based on 3 members x \$50. **RD-17**

22. How will the 3-tier structure for prescription drug benefits work?

Medco will administer the 3-tier program for the PPO (see RD-12) and HMO (see RD-13).

The best way to explain the 3-tier payment structure is with an example of how Medco will implement it

Tier 1 Fexofenadine is a "generic" drug used to treat allergies.

Tier 2 Medco gets a better discount on one of the "brand name" allergy treatment drugs - Clarinex. Such drugs are in Medco's "Preferred" Tier.

Tier 3 Medco does not have a good discount on Allegra, also a brand name drug used to treat allergies. The most expensive drugs in Medco Tier 3 are called "Non-Preferred."





The chart below shows the out-of-pocket costs for the 3-tier drug plan.

	Pharmacy (30 days)	Mail-Order (3 Months)
Tier 1: Generic	You pay \$3	You pay \$6
Tier 2: Preferred	You pay 10% (\$15 minimum)	You pay \$30
Tier 3: Non-Preferred	You pay 20% (\$30 minimum)	You pay \$60

23. Were any changes bargained which will affect only retirees?

Yes, just one. Retirees in the HMO will no longer have vision coverage. The change will occur on the date UHC starts to administer the PPO. **RD-18**

24. What does the negotiating note on Early Retirement Reinsurance Program mean?

One of the initial benefits in implementing the federal health care law is that MPS will be reimbursed by the federal government for claims of retirees, age 55 - 64. The amount will be 80% of the claims between \$15,000 and \$90,000 for the retirees in this group.

The money cannot be put into the district's general fund. The parties have agreed to discuss how these earnings to the district will be spent. **RD-18**

25. Why did our union's team negotiate the changes in rebid provision?

Our team wanted to establish a strong incentive for UHC to provide quality service for PPO participants - as it has in the HMO locally for several years.

The new language allows our union to require the Board to rebid the PPO. If we raise demonstrable and substantive deficiencies in claims processing and/or other performance areas, UHC would not be considered.

An annual audit was added to the rebid provision. This is another proactive step to maintain quality service, minimize claims processing problems, and reduce costs. **RD-18**

26. How is "domestic partner" defined?

The tentative contract agreement provides a precise definition. (See page 19 of the Ratification Document - item "(c) 1-7" in the left-hand column.)

A teacher's domestic partner could be either the same or opposite gender. **RD-19**

27. What is the purpose of the domestic partner benefit provisions?

The purpose is to provide a member who has a domestic partner with the same insurance and sick leave benefits as a married member. **RD-19-21**

28. Will the new contract provide parity for a member who has a domestic partner?

Although parity is the intent, the contract complies with the applicable laws. For instance, a member who decides to obtain health insurance coverage for a domestic partner will annually pay taxes on the imputed value of the benefit. **RD-9-12**

29. Are domestic partner benefits consistent with the principles and policies of our union?

Yes. Our union's constitution states: "The MTEA shall not discriminate in any way against people because of their race, national origin, age, gender, color, disability, marital status, sexual orientation, or creed."

30. Are the details set to implement health insurance coverage for a member's domestic partner?

No. The amount of imputed income for tax purposes has not been determined. After ratification, this actuarial question needs to be resolved as soon as feasible.

Appendix Questions

1. Why was a labor management committee for athletics bargained?

The purpose is to establish a defined process for addressing a wide variety of unresolved issues, such as the hiring of athletic directors and coaches. **RD-22**

2. Was the outside experience credit for school social workers improved?

Yes. School social workers hired on or after July 1, 2010 will have up to seven years of outside experience in determining their salary rate. **RD-23**

3. What changes were bargained for school nurses?

Our team bargained for overdue improvements for school nurses - such as restructuring their salary schedule to be competitive in attracting and retaining highly qualified nurses. **RD-24**





21. Is there an agreement to insure that UHC will cover services which Aetna covers?

Yes. The body of the letter from the district to our union on this vital point is reprinted below.

The language is rather technical, but the meaning is clear: What is covered by the PPO under Aetna's policies will be covered by UHC.

1. Medical services, supplies, or drugs shall continue to be covered under the plan or excluded from coverage under the plan in accordance with the general exclusions set forth in the July 22, 2002 Memorandum of Understanding, incorporated by reference in Part III, Section B(1)(a)(4). Examples of services and supplies that shall be covered in accordance with the foregoing include, but are not limited to:

- Wigs
- Medical services and supplies provided out of the country
- Temporomandibular joint (TMJ) syndrome and temporomandibular disorders (TMD)
- Obesity surgery for adolescents
- Chiropractic care for children and the treatment of headaches
- Digital mammograms
- Biofeedback

Nothing in this letter is intended to create coverage where none existed before the change from Aetna to UHC as the PPO Indemnity Plan TPA.

2. That the district has confirmed that the local hospitals currently in the Aetna PPO network are also in the UHC PPO networks and will be maintained through the implementation of UHC as the PPO TPA. The district also agrees that it will use its best efforts to ensure that the mixture of local in-network hospitals continues to be maintained.

The Residency Requirement?

Many members have raised questions about the MPS contractual requirement that teachers must reside in the city. For over 30 years, this requirement has been an obstacle, **unique to MPS**, to attracting and retaining highly qualified teachers.

Our union's teacher bargaining team pressed this issue. However, the School Board's negotiators made it clear that a voluntary agreement would not be reached as long as the residency requirement was on the table.

To resolve the residency requirement in contract bargaining still depends on five School Board members voting in support of changing it.

Economic/Political Conditions

The recession and the pervasive attacks on teachers and teacher unions nationally and locally are powerful forces, influencing all aspects of public education. Contract bargaining is no exception.

In addition, other issues persistent for MPS such as:

- ◆ Inadequate and inequitable state funding – causing an unfair burden on city taxpayers.
- ◆ Rising health care costs which significantly exacerbate the funding crisis.
- ◆ The possibility of legislation that would further restrict our district's authority to obtain needed revenues. The financial situation would become significantly worse.