**MEMORANDUM OF AGREEMENT**

WHEREAS, the School Committee for the Wachusett Regional School District voted to accept M.G.L. c. 32B, §19 (Section 19) for the purposes of negotiating health insurance and other benefits.

WHEREAS, the Wachusett Regional School District (WRSD) and the duly-formed Public Employee Committee (PEC) have negotiated such benefits;

NOW, THEREFORE, the School Committee and the PEC agree as follows

***Effective Date and Duration of Agreement***

The Agreement shall take effect on the date the School Committee and the PEC execute the Agreement and shall remain in effect through June 30, 2019.

***NOTE: This agreement is for two years duration, which will keep the 78/22 split on the Options plan intact for FY 18 and FY19.The Enhanced plan enrollees receive a contribution equal to the dollar amount of the 78% of Options. The split on the PPO will continue at 50/50***

 *Insurance Plans Offered*

*For Fiscal Years (FY) 2018 and 2019, July 1, 2017-June 30, 2019, the non-Medicare HMO health insurance offered pursuant to this agreement shall be the Blue New England Options Deductible Plan and the HMO Blue New England Enhanced Value Plan. The non-Medicare PPO shall be Blue Care Elect. In the successor year of this agreement, FY 2019, the District may, in addition to receiving rate quotes from Blue Cross Blue Shield, seek insurance quotes from other insurance carriers for coverage which mirrors, in all material aspects, these above referenced Blue Cross insurance plans. If a rate quote from one or more of the other carriers is lower than the Blue Cross quote for the above referenced plan to which it is being compared, the District and the PEC will together decide whether to switch carriers and offer that/those insurance carriers plans instead, provided said other plan or plans meet all of the material aspects and are the actuarial equivalent of the Blue Cross Plans referenced above.*

***NOTE: We have preserved BCBS as our health insurance provider for the duration of the agreement unless the PEC chose to change providers.***

*For Fiscal Years (FY) 2018 and 2019, July 1, 2017-June 30, 2019, the Medicare offering is Managed Blue for Seniors with Blue Medicare Rx and Medicare HMO Blue (Advantage Plan) provided by Blue Cross and Blue Shield of Massachusetts. The Medicare indemnity plan is Medex 2 with Blue Medicare Rx provided by Blue Cross and Blue Shield of Massachusetts. In the successor year of this agreement, FY 2019, the District may, in addition to receiving rate quotes from Blue Cross Blue Shield, seek insurance quotes from other insurance carriers for coverage which mirrors, in all material aspects, these above referenced Blue Cross insurance plans. If a rate quote from one or more of the other carriers is lower than the Blue Cross quote for the above referenced plan to which it is being compared, the District and the PEC will together decide whether to switch carriers and offer that/those insurance carriers plans instead, provided said other plan or plans meet all of the material aspects and are the actuarial equivalent of the Blue Cross Plans referenced above.*

***Contribution Splits***

***Employees, Retirees, and their Dependents without Medicare***

***HMO Plan –78/22 split for 7/1/2017 through 6/30/2019. The HMO will be the Blue New England Options Deductible plan. For the life of the agreement, an Equal Dollar contribution of the above will paid by the District toward the HMO Blue New England Enhanced Value Plan.***

***NOTE: The splits will remain unchanged for two years.***

***Employees, Retirees, and their Dependents without Medicare***

***PPO Plan – – 50/50 Split***

From July 1, 2017 through June 30, 2019, the WRSD will contribute fifty percent (50%) of the premium or cost for the preferred provider organization (PPO) and the subscriber shall contribute fifty percent (50%). For the purposes of this section, the PPO is Blue Care Elect PPO Deductible provided by Blue Cross and Blue Shield of Massachusetts.

***Eligible Retirees and Their Survivors with Medicare***

***HMO –78/22 Split for 7/1/2017 through 6/30/2019.***

Subscribers who are eligible or who become eligible for Medicare shall transfer to Medicare coverage.

Effective July 1, 2017 through June 30, 2019, WRSD shall contribute seventy-eight percent (78%) and the subscriber shall contribute twenty-two percent (22%). For the purposes of this section, the HMO Medicare planis Managed Blue for Seniors with Blue Medicare Rx and Medicare HMO Blue (Advantage Plan) provided by Blue Cross and Blue Shield of Massachusetts.

***Eligible Retirees and Their Survivors with Medicare***

***Indemnity Plans- 50/50 Split***

 The Wachusett Regional School District will contribute fifty percent (50%) of the monthly cost of the Medicare Supplement enrollment of an indemnity plan for any subscriber enrolled in Medicare and the subscriber will contribute fifty percent (50%). For the purposes of this section, the indemnity plan is Medex 2 with Blue Medicare Rx provided by Blue Cross and Blue Shield of Massachusetts.

 ***Deductibles/Co-payments***

Unless otherwise provided for in this Agreement, health insurance plan design changes for Blue Cross and Blue Shield Options Deductible plan will be as follows:

Deductible $500/$1000; Inpatient Co-pays $275/$500/$1500; Day Surgery Co-pay $250; Imaging co-pay $100; Rx co-pays $10/$30/$65 Retail and $25/$75/$165 Mail Order.

Except as referenced above, this agreement will maintain the standard plan designs that are incorporated into this agreement as “Appendix A: WRSD PEC Health Plan Details”.

***NOTE: This is the most significant change to the agreement. These specifically named copays and deductibles have been increased on the Options plan. This has the effect of reducing the cost increase overall. Appendix A is the complete Blue Cross Blue Shield Plan design which has the effect of maintaining every single item in the 80 page book intact for the two years of this agreement and into perpetuity unless the PEC make changes or the district adopts section 21-23 under Ch32B MGL.***

***Health Reimbursement Account***

In addition, the School District agrees to continue the Health Reimbursement Account

(HRA) to go into effect on July 1, 2017. The District will reimburse the following amounts for those on the HMO Blue New England Options Deductible plan and the HMO Blue New England Enhanced Value Plan: $250 for each outpatient surgical procedure co-pay , $275 for each inpatient procedure co-pay; $35 for each Urgent Care co-pay and $100 for each Imaging co-pay. The rules of the HRA are as follows:

1. The WRSD shall administer the HRA and reimburse members quarterly in March, June, October and December.
2. Members must pay the required co-pays per the plan and will be reimbursed for the payments.
3. Members must present their paid receipt and explanation of benefits to the Director of Human Resources to verify payment.
4. Eligible co-pays will be reimbursed up to 90 days after the end of the plan year. The plan year ends each June 30th.
5. The Health Reimbursement Account will be capped at $50,000 annually for each of the 2 contract years. Any excess money from one year will not be added to the following year’s $50,000 total. Payments will be made on a first come first serve basis and end once the HRA is exhausted.

***NOTE: To offset the higher copays in the plan design change for Options enrollees, we expanded the copays that were eligible for reimbursement under the HRA. This allows the members who actually incur these costs to submit for reimbursement and be compensated, while lowering the costs overall for enrollees. Currently the HRA is significantly underutilized by members. We could have four times the number of current submissions prior to reaching the cap annually.***

***Insurance Buyout***

For any enrollee enrolled in the District’s health insurance on June 30th of a particular plan year covered by this Agreement who opts to get his/her health insurance from another source for the following plan year, the District will pay an annual cash pay- out of $2000 for a family plan and $1000 for an individual plan for the year in which the enrollee has foregone receipt of the District’s health insurance. Notwithstanding the preceding sentence, any enrollee who previously opted out of the District’s insurance under the prior PEC Memorandum of Agreement (2015-2017) and who is still opting out of the insurance will for each of the three years of this Agreement will continue to receive the opt-out payment in accordance with the payout procedures enumerated in this Paragraph. The buy-out form must be returned to Human Resources by June 30th to be eligible for a payout and must be accompanied by proof of other insurance. The insurance buyout payment referenced herein will be paid via equal pro rata payments on September 1 and February 1 of the applicable contract year. If the enrollee must reinstate health insurance during the waived year when he or she is receiving the buyout payment, due to an emergency and/or a loss of health insurance from another source or any other reason, the enrollee must reimburse the District a pro rata portion of any amount already paid as part of the reimbursement within 30 days of the reinstatement of health insurance.

***NOTE: This has been continued for those members who are eligible to take insurance elsewhere. If you have opted out under the current agreement, you will continue to be eligible for the payment.If you have not opted previously, you may do so under this agreement. This buyout compensates members who undertake the process of switching insurance providers.***

***Dental / Life / Long-Term Disability and Vision Insurance***

 Wachusett Regional School District shall offer life, dental, long-term disability and vision insurance benefits to subscribers.

For the duration of this Agreement, the cost of dental insurance provided for eligible employees, retirees and their dependents shall be paid one-hundred percent (100%) by the employee or retiree. The dental insurance offered is Dental Blue Program 1 and Dental Blue Program 2 provided by Blue Cross and Blue Shield of Massachusetts.

The cost of *Basic $10,000.00 Life and Accidental Death and Dismemberment Insurance* for eligible employees shall be paid fifty percent (50%) by the employee. If an employee should retire from the District, the employee may continue with the employee’s life insurance policy as a retired employee of the District. The retired employee is responsible for ninety-five percent (95%) of the cost. Employees may purchase a *Group Voluntary Life and Accidental Death and Dismemberment Insurance Plan* as long as they have enrolled in the Basic $10,000.00 *Life Insurance Plan*. The cost of *Group Voluntary Life and Accidental Death and Dismemberment Insurance Plan* for eligible employees shall be paid one hundred percent (100%) by the employee.

The cost of long–term disability insurance provided for eligible employees shall be paid one-hundred percent (100%) by the employee. Employees of the District that participate in the long term disability insurance are entitled to a salary stipend equivalent to fifty percent (50%) of the member’s yearly long term disability insurance premium.

An optional Blue 20/20 Vision Plan will be offered to Employees and non-Medicare retirees with subscribers paying one hundred percent (100 %) of the cost of that benefit plan.

The District will continue to offer a Flexible Spending Account option for Employees.

***Future Meetings of the Wachusett Regional School District and PEC***

The PEC shall be composed of a union representative from each collective bargaining unit which negotiates with the Wachusett Regional School District and a retiree representative designated by the Retired State, County and Municipal Employees Association. Each union representative and the retiree representative shall have the option of allowing one additional representative to attend meetings of the PEC and the Wachusett Regional School District Administrator or his designee. The retiree group shall have a ten percent (10%) vote. The remaining ninety (90%) percent vote shall be divided as follows: each collective bargaining unit represented on the PEC shall have a weighted vote equal to the proportion which the number of employees eligible for health insurance under this chapter employed in the bargaining unit he/she represents bears to the total number of employees eligible for health insurance in all bargaining units of the governmental unit. Any agreement with the public authority must be approved by fifty-one percent (51%) of the votes cast by the representatives on the public employee committee on a weighted basis.

The parties shall establish a regular schedule of meetings to discuss the implementation of this Agreement and any issues relating to the effectiveness and efficiency of hea1th coverage for subscribers. Such meetings shall take place quarterly, unless agreed otherwise. Meetings will be held at times and places which are mutually agreed upon by the Wachusett Regional School District and the PEC. In addition, either party may convene a meeting upon seven days' notice to the other party, unless there is an emergency that requires shorter notice. Meeting notices will be provided to the Wachusett Regional School District and to the PEC in writing. The Wachusett Regional School District may provide notice of a meeting or a series of meetings up to twelve months in advance of a meeting. Any employee who is a representative on the PEC shall receive time off to attend meetings of the Committee with the Wachusett Regional School District with full pay and benefits.

***Correspondence and Information***

The Wachusett Regional School District shall make available to the PEC copies of any correspondence between the Wachusett Regional School District and any provider of health care. The PEC shall be given reasonable access to all information necessary for the efficient and effective functioning of the PEC.

At the request of the PEC, the Wachusett Regional School District will present alternative plans which are at least the actuarial equivalent of those offered for the 2017/2018 plan year so that the parties may fully explore and negotiate the health coverage to be provided to subscribers starting on July 1, 2018.

***NOTE: This would allow the PEC to review plans that might have the same cost with improved benefits to members for next year.***

 ***Effect of Agreement***

This Agreement shall be binding on all subscribers and shall supersede any conflicting provisions of any Wachusett Regional School District policies or any collective bargaining agreements between the Wachusett Regional School District and any unions representing Wachusett Regional School District employees.

***Arbitration of Disputes***

 Either party may submit a dispute between the parties concerning the interpretation or application of this Agreement to the American Arbitration Association for arbitration under its Labor Arbitration Rules. A request for arbitration by the PEC must be approved by seventy (70%) of the weighted votes of the representatives on the PEC. Any arbitrator appointed in such process shall look to and be bound by external law.

***Savings Clause***

 If any provision or portion of the Agreement is found to be unenforceable or unlawful, the remaining provisions or portions shall remain binding.

 ***Scope and Modification***

 This Agreement shall constitute the whole of the Agreement between the Wachusett Regional School District and the PEC. The Agreement may be modified only by a written document signed by the Wachusett Regional School District and the PEC.

***Authorization to Sign Agreement***

Each signatory to this Agreement is authorized to bind the entity he/she represents. The PEC represents that it has the authorization and approval of fifty-one (51%) of the weighted votes of the PEC and that this Agreement is binding on all subscribers and their representatives.

**Signatories**

The signatories are authorized to bind their principals.

For the Wachusett Regional School District:

By: Date:

 Darryll McCall, Ed.D

 Superintendent of Schools

BY: Date:

 Kenneth Mills, Chair

 Wachusett Regional District School Committee

For the Public Employee Committee:

By: Date:

 Heidi Lahey

 Wachusett Regional Education Association, Inc.

 525 Eligible Members 50%

By: Date:

 Patricia O’Donnell

 Wachusett Administrators Association

 28 Eligible Members 3%

By: Date:

 Christine Lawton

 Wachusett Regional Nurses Association

 14 Eligible Members 1 %

By: Date:

 Joel Bernier

 AFSCME, Council 93, Local 2885 – Custodial Employees

 57 Eligible Members 5%

By: Date:

 Deborah Vaillant

 AFSCME, Council 93, Local 2885 – Clerical Employees

 32 Eligible Members 3%

By: Date:

 Jennifer Fiddler

 SEIU, Local 888 – ABA Program Assistants

 43 Eligible Members 4%

By: Date:

 Carol Gemme

 Wachusett Cafeteria Association

 33 Eligible Members 3%