

August 4, 2016

Classified Bargaining Communication

Greetings Classified Colleagues,

We are writing to you today because we want to provide you with an update on LCCEF bargaining. We believe it is particularly important that you have information regarding the Pacific Source renewal and open enrollment timelines. The college management bargaining team has made formal proposals for plan design adjustments to the PacificSource health insurance plans for consideration by your LCCEF leadership team. Thus far, the College and the LCCEF bargaining team have not reached any agreement regarding benefit adjustments to the PacificSource plans that would help to reduce the premium increases for the current plan renewal for 2016/2017. When neither the college's budget nor the individual budgets of classified employees can afford to fully pay the increased health insurance premiums for the existing plans, the reasonable course of action is to adjust the levels of plan benefits to reduce premium increases for all employees prior to an open enrollment and plan renewal.

The plan design adjustments proposed by the college management bargaining team include the following:

- A new Medical Plan B (\$750 Deductible plan) with a new provider panel (Smartchoice)
- A new Medical Plan C (\$1,000 Deductible plan) with a new provider panel (Smartchoice)

There will be no changes to:

- Plan A (\$500 Deductible Plan) - current provider panel (PSN)
- Plan B (\$750 Deductible Plan) – current provider panel (PSN)
- The alternative care coverage
- Annual deductibles, co-pays, out-of-pocket maximums
- Vision coverage
- Current prescription coverage
- Dental coverage options; MODA and Willamette Dental will be offered...

*** Rate charts are attached for these new plan options*

*** Provider Directories are attached for the PSN Network and the Smartchoice Network*

Faculty have gone through plan design adjustments, as the Oregon Educator Benefits Board (OEBB) works to maintain affordable premiums. LCC managers recently accepted similar plan design adjustments to reduce insurance plan premium increases for the current health insurance renewal for 2016/2017 with PacificSource.

Insurance plan design changes could also be agreed upon by LCCEF leadership that would reduce the cost of the pending PacificSource health insurance renewal for all classified employees. In addition, it is important to note that the types of plan design changes that managers have already agreed to with PacificSource still retain multiple robust and benefit-rich plan design options. The same premium reductions could be accomplished for classified employees. Even with plan design adjustments for

2016/2017, Lane's employer contributions toward the total cost of health insurance premiums will remain among the highest of any public employer or Community College education sector employer we can document. The PacificSource health insurance plans will also remain among the very best available health insurance plans in any market even with plan design changes for 2016/2017.

At the request of College administration in June, PacificSource agreed to extend the open enrollment period for Lane managers and classified employees until September 1, 2016. An additional request in July for more flexibility resulted in PacificSource extending the open enrollment period for Lane classified employees until early in September for a plan renewal effective October 1, 2016. In the interests of trying to provide adequate time to continue bargaining this issue the college will pick up the additional month of September insurance premium so that there would not be an impact on staff pay-checks. The Board has authorized that we continue to do so through September on condition that we communicate with all of you the options that are available to you. Without agreement to insurance plan design changes by LCCEF leadership, the current plans for Lane classified employees will renew effective October 1, 2016 with the confirmed increases of 8.9% for each of the respective plans (rate charts are attached).

Open Enrollment

The College has been having open enrollment for Classified employees for the past month. The College will keep the open enrollment process open for classified employees through early September, 2016, regardless of whether there are agreements with LCCEF leadership to modify the insurance plan designs for classified employees in ways that will reduce the PacificSource premium increases. Once we reach September 15, 2016, there will be no option to change plans designs until the next renewal, which is effective July 1, 2017.

Health Insurance Information Sessions –

To learn more about the new plans being proposed, information sessions will be scheduled the following weeks when the College's insurance agent-of-record (Pat Cross) and PacificSource representatives will be available to provide factual information to inform the open enrollment decisions of classified employees.

- Week of August 22, 2016
- Week of September 5, 2016
- Week of September 12, 2016

Specific Dates, times and locations for these information sessions will be sent out sometime next week (the week of August 8th).

With enrollment and tuition revenue declining by over 40% during the past four academic years, the College's budget for FY'17 simply does not include provisions for increasing the College's already highest employer contributions for health insurance premium costs while also allowing for modest increases for classified employees for salary schedule adjustments, steps or top step payments.

The management bargaining team knows that classified employees are stressed by the current status regarding insurance plan design changes. The management bargaining team is also fully prepared to engage and move forward to reach agreement with LCCEF leadership on insurance plan design changes that meet the interests of classified employees and provide an option for a robust plan that has no increase for either the college or the employee.

Our strong interest is that you have the opportunity to become informed, have time to consider individual and family options and are able to make informed choices. We hope you will take advantage of the information sessions. Please work with your manager who will assure that you can attend a session during work time.

Respectfully,

Sharon Daniel, Chair of the Management Bargaining Team for LCCEF

Team members:

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