

Children's Insurance Tentative Agreement Fact Sheet



Care Plan

What does the agreement mean if I am on the Care plan?

It means that during the 2019-2022 contract, increases to the premiums must be matched by an equal or greater percentage contribution by Children's.

What problem is this intended to solve?

This language will ensure that nurses' premiums rise at the same percentage rate as the hospital contribution. This ensures that Children's cannot use artificially high premiums to force nurses off the plan moving forward (this is known in the insurance industry as "adverse selection").

What doesn't this do?

This language will not lower costs from what they are now. It also will not prevent future increases. However, it will limit what they can pass on to nurses.

Choice Plan

What does the agreement mean if I am on the choice plan?

It means that Children's will pay 70% of any premium increase during the 2019-2022 contract.

What problem is this intended to solve?

This language will prevent Children's from using adverse selection on the Choice plan in order to artificially drive up premium costs and force nurses off the plan. Any increase for nurses moving forward will be no more than 30% of the total increase.

For example, from 2018-2019 Children's increased premiums by \$106 and employees paid 68.8% of that increase, or \$72.93. Under the language we agreed, this could not happen.

If the premium was to increase \$106 from 2019 to 2020, a nurse would only pay \$31.80 and Children's would pay \$74.20.

What doesn't this do?

This language will not lower costs from what they are now. It also will not prevent future increases. However, it will limit what they can pass on to nurses.

I heard that this means the plan will become a 70/30 overall split, is that true?

That is false. Premiums would have to more than quadruple in a year (which has never happened) in order for that to be possible. **Under the previous contract Children's could change the split to literally anything they wanted the next year.** The new language prevents this.

The current split on the Choice plan for family coverage is 80/20. Your bargaining team was concerned that Children's would make drastic changes to the cost sharing like they did to the Care plan, which is no longer possible under the new language. However, it is true that the split could change slightly. The average premium increase from 2011-2019 was 4.75% a year, if you assume a 5% increase for the life of the new agreement the split would change from 80/20 in 2019 to 79/21 in 2022.

Won't this language cause Children's to just raise premiums even more?

No. First, they have no incentive to do this now, because they can no longer solely cost shift onto nurses. Second, the new language we have bargained around insurance meetings ensures that MNA will have full access in the rate development process. To put it simply, premiums may go up due to economic factors like plan utilization but can no longer rise due to manipulation.

HSA

What does this agreement mean if I am on the HSA plan?

Previously the HSA rates were developed in secret without any input from your Union. Now the rates will be developed with full transparency, ensuring that Children's cannot artificially manipulate this plan without MNA finding out.

This agreement does not change any specific aspect of the HSA plan. Although your bargaining team advocated for protecting this plan as well, in order to find an agreement, we made a compromise with the hospital to focus on the other plans, that cover a supermajority of nurses and, where the cost control issues are much more severe.

Plan Meetings and Rate Development

What are these meetings and how will it help protect my health plan?

As a part of the tentative agreement, the hospital has agreed to contract language requiring MNA participation in at least two annual meetings to review the rate development and other aspects of the health plans offered by Children's.

How is this a change from what happened previously?

Previously, Children's developed its premium rates in secret. MNA had no input whatsoever, and no idea if the rates were being developed fairly, based on sound actuarial principles, or being artificially increased to cause adverse selection.

I heard that MNA cannot share this information with nurses or advocate for any position in these meetings. Is that true?

That is false. The agreement does not restrict our ability to advocate or organize for better insurance rates.