

2020 HEALTH INSURANCE AND RATES FAQ

I hope you have read the communication from the BPS about the Open Enrollment for health, vision, and dental insurance which continues until November 13th. If not, you can find the link below.

BPS Benefits Enrollment Page <https://www.birmingham.k12.mi.us/Page/8380>. Remember to fill out the enrollment form and send it to HR by November 13th.

Q: What are the MESSA premium rates for BPS?

A: The MESSA premium rates have increased by 4.9% for all BPS staff. The State of Michigan mandated Hard Cap is 2%, which BPS uses to calculate our final rates, and cannot be bargained by state law. Therefore, the overall increase, less the hard cap, is 2.9%.

We should remember that for the previous two years, Birmingham MESSA premium rates were among the lowest in the state at 2% in 2018 and -1% in 2019.

The 2020 Hard Cap (the most BPS can pay for health care premium by law) amounts are:
Single-\$6,818.87 **Two person**-\$14,260.37 **Full family**-\$18,596.96

Q: Why have MESSA health insurance rates increased?

A: **First**, 2.8% of the increase is due to a lifting of the federal tax moratorium for public school employees as part of the Trump Tax Reform Law passed in 2018

Second, after discussing the details of the MESSA Rates Report for 2020 with our MESSA representative, we learned that the primary reason for the 2.1% increase in BPS rates are due to significant increases in the fees Beaumont Hospital is charging for doctor office visits. While BPS employees, according to MESSA, have had a decrease in emergency care service, prescription drug costs, and long-term illness treatment, we have experienced higher usage and fees for doctor visits at Beaumont compared to other hospitals.

Q: Is the rate increase unique to Birmingham?

A: Not at all. All other school districts in Michigan, including non-MESSA insurance districts, have experienced similar increases in costs. Taxes aside, a 2.1% increase in premium rates is around the state average. Some surrounding districts had near double digit increases.

Q: If the MESSA health insurance premium increased by 4.9%, why have individual monthly costs increased by more compared to 2019?

A: The state law, which we cannot legally bargain, requires that **all increases in health insurance costs, above the hard cap (2%), be assumed by the employee** and not the school district. Since 4.9% of the total insurance premium results in more than double the amount of employee cost responsibility (2%), we see that increase reflected in the amount we have previously paid in 2019.

We used to be able to bargain how much of the rate increase is assumed by the employer in order to keep employee costs lower, but in 2012, Governor Snyder, made this a prohibited subject.

Q: Why can't the Union inform employees of insurance rate increases before Open Enrollment?

A: An increase in insurance – whether it be medical, car, home – is something that can happen and generally a warning is not provided. The union received that information at the same time as every other employee. We have asked BPS to provide explanation of rate increases to all employees, but such communication is not forthcoming, so we have decided to provide this FAQ to our members.

Q: When will the new rates start and when will deductions from paychecks begin?

A: The new rates begin in January 2020 and paycheck deductions start on the 1st pay of that month.

