

**Education Coalition for Health Care Reform
A Joint Labor-Management Committee**


Module I





Joint Labor-Management Health Benefit/Insurance Committee Training

California Education Coalition for Healthcare Reform
A Joint Labor-Management Committee


CECHCR 2007 Module I



An Introduction to CECHCR



CECHCR 2007 2 Module I



Who is the CECHCR?

- Association of California School Administrators
- California Association of School Business Officials
- California County Superintendents Educational Services Association
- California Federation of Teachers
- California School Boards Association
- California School Employees Association
- California Teachers Association
- Community College League of California
- School Employers Association of California

CECHCR 2007 3 Module I

CECHCR Regions

Region 1 - Northern California
Claudy Young
Alameda
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino

Region 2 - Capital Region
Rose Branch
Alpine
Butte
Colusa
El Dorado
Mariposa
Nevada
Placer
Sacramento
San Joaquin
Sutter
Yuba

Region 3 - Bay Area
Mika Bennett
Alameda
Contra Costa
Marin
Monterey
Napa
San Mateo
San Francisco
San Joaquin
Santa Clara
Santa Cruz
Solano
Sonoma

Region 4 - Central Valley
Mike Case & Jen Schlotz
Fresno
Inyo
Madera
Merced
Palo Alto
Yuba

Region 5 - Costa Del Sur
Greg Eddy
San Luis Obispo
Santa Barbara
Ventura

Region 6 - LA/Oxnard
Rahon Bigman
Los Angeles
Orange

Region 7 - San Diego/Inland
Imperial
Riverside
San Bernardino
San Diego

CECHCR 2007 4 Module I

A Beacon of Light


- Management and labor working together

CECHCR 2007 5 Module I

An Anchor

- To keep us from drifting into uneasy waters


CECHCR 2007 6 Module I



Overall Goal

- The overall goal of the California Education Coalition for Health Care Reform is to **significantly reduce** the rate of increase in health care costs in public education... to focus on:
 - Protecting and enhancing the quality of education for California students
 - Maintaining and increasing the real income of public education employees


CECHCR 2007 7 Module I



Three Training Programs

- Module I
“Joint Labor – Management Health Benefit/ Insurance Committee Training”
- Module II
“Health Benefit Committees, Making Informed Choices”
- Module III
“Health Benefit Committees, Current Trends”

CECHCR 2007 8 Module I

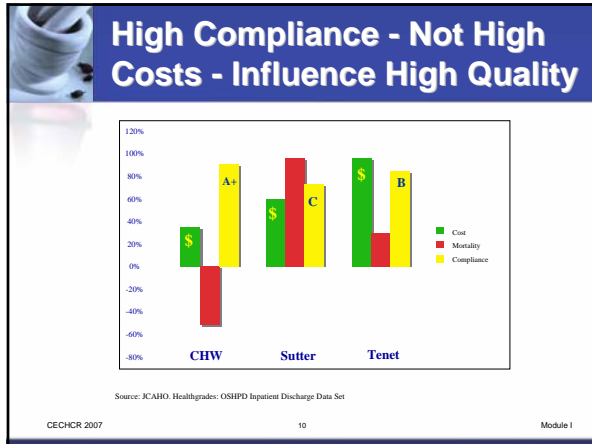


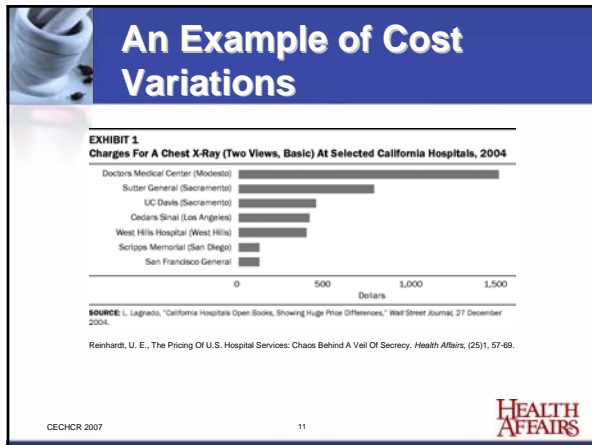
The Issue Of Quality

- 98,000 preventable deaths due to medical errors
- One million adverse events associated with hospitalizations
- Up to 195,000 accidental deaths in hospitals



CECHCR 2007 9 Module I



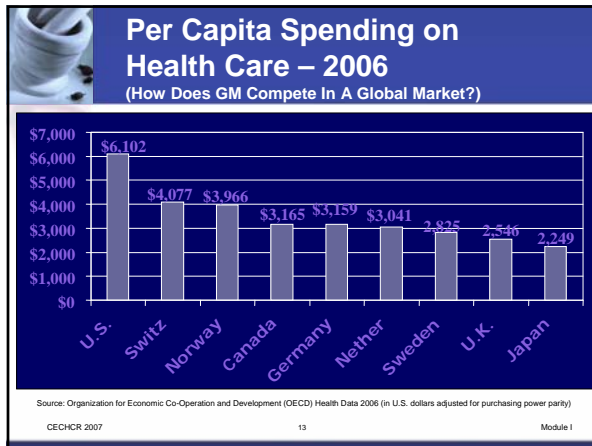


What Explains Variation?

"The amount and cost of hospital treatment in a community have more to do with the number of physicians there, their medical specialties and the procedures they prefer than with the health of the residents."

Wennberg, J. and Gittlesohn, A. *Scientific American*, 1982

CECHCR 2007 12 Module I




Questions or Comments?

CECHCR 2007 14 Module I

Module I Objectives

- To know and understand the options available for committee design and structure
- To understand the roles and responsibilities of effective health benefits committees
- To know and understand the fiduciary and ethical responsibilities of these committees
- To know and understand how to work effectively with and receive the highest quality of services from consultants/brokers
- To learn the essential elements and components of model contracts and requests for proposals (RFPs)


CECHCR 2007 15 Module I



Health Benefits Committees

- Advantages:
 - Interaction among district management, unions and healthcare professionals
 - Opportunity to ascertain where \$\$ are being spent
 - Get familiar with insurance plans
 - Get to know the “players”
 - Getting everyone on the same page
 - Group expertise

CECHCR 2007 16 Module 1



Health Benefits Committees

- Pitfalls:
 - Brokers/consultants can take over leadership of a committee, and push their own agendas.
 - The parties receive only partial information
 - Can be considered a precedent for bargaining for either labor or management
 - Agreement in kind without input from the bargaining teams


CECHCR 2007 17 Module 1

Health Benefits Committees:

Design and Structure



CECHCR 2007 18 Module 1



Common School District Purchasing Models

- Jointly managed trust (JMT)
 - CVT – California's Valued Trust
- Joint powers authority
 - SISC – Self-Insured Schools of California
- Direct purchase
 - Through broker or insurance company
- CalPERS


CECHCR 2007 19 Module I



Internal Review / Management Models

- Collective bargaining teams
 - Selection / review at bargaining table
- Voluntary Employee Benefit Association
 - External board with representatives
- Joint labor-management committee
 - Insurance committee or health benefits committee
 - Typically advisory only

CECHCR 2007 20 Module I



Operational Effectiveness of Your HBC

Using the “District Health Benefits Committee Assessment and Reflection Tool”

CECHCR 2007 21 Module I

Health Benefits Committees:

Essential Elements



CEHCR 2007 22 Module I




Build Trust and Commonality

- Identity of interest
- Clarity of vision
- Honesty of intent
- Oneness of purpose

...Eugene Debs


CEHCR 2007 23 Module I



Have a Clear Plan

- What is the long and short-term agenda?
- How does it fit our vision and interests?
- Do we have a work plan?


CEHCR 2007 24 Module I



Maintain Transparency of Information

- All information and any recommendations go to both parties.
- Insist union and management have access to professionals.


CECHCR 2007 25 Module I



Keep Clear Lines of Governance

- Management/labor make their own appointments to the committees.
- Brokers/consultants do not “run” the meeting.
- If disputes arise, have a plan to resolve them.
- Management/labor should alternate chairperson’s position.
- Always attend.
- Ask questions.


CECHCR 2007 26 Module I



Ensure Union and Management Representation

- Union membership (selected by the units)
 - Certificated union executive board member/officer
 - Classified union executive board member/officer
 - Certificated bargaining team member
 - Classified bargaining team member


CECHCR 2007 27 Module I



Ensure Union and Management Representation (continued)

- District membership (selected by district)
 - Chief human resources administrator
 - Chief business officer
 - Certificated administrator bargaining team member
 - Classified administrator bargaining team member


CECHCR 2007 28 Module I



Clarify Roles and Responsibilities

- Union executive board members
 - Advocate for units
 - Communicate to respective boards
- Union bargaining team members
 - Understand the process and information
 - Communicate to respective bargaining teams

CECHCR 2007 29 Module I



Clarify Roles and Responsibilities (continued)

- District administrators
 - Advocate for the district
 - Communicate to superintendent and board
- District bargaining team members
 - Understand the process and information
 - Communicate to respective bargaining teams


CECHCR 2007 30 Module I

Health Benefits Committees:

Fiduciary, Ethical, and other Responsibilities




CEHCR 2007 31 Module 1



Who is a Fiduciary?

- A fiduciary regarding health benefits is anyone who participates in decision-making regarding:
 - Health plan benefits
 - Selection of plan consultants
 - Selection of health care providers
 - Other decisions affecting the quality and costs of health care benefits


CEHCR 2007 32 Module 1



Fiduciary Responsibilities

- Act in a prudent manner.
- Act in good faith.
- Act in the best interests of the organization and its beneficiaries.
- Refrain from engaging in any activities that conflicts with the interests of the organization and its beneficiaries.
- Make reasonable inquiry regarding relevant facts.

CEHCR 2007 33 Module 1



Ethical Responsibilities

- The committee has a responsibility to create a fair bidding system.
- No broker/consultant who has an interest in the outcome should be involved in the selection process of the benefit program.
- Any committee member who derives a financial or professional benefit must abstain from voting.


CECHCR 2007 34 Module I



Other Responsibilities

- Minimize negative enrollment consequences through open enrollment procedures.
- Develop a plan that incorporates wellness programs.
- Establish clear goals and guidelines.
- Create a good communications strategy.
- Review the financial status of benefits programs for financial and fiscal stability.
- Monitor the benefits plans to assure high quality.
- Coordinate with other insurance pools, if needed.


CECHCR 2007 35 Module I



Other Responsibilities (continued)

- The committee has a responsibility to know:
 - Any changes in laws and regulations affecting insurance plans
 - The needs of district staff
 - Competitive conditions
 - District priorities and constraints

CECHCR 2007 36 Module I



Questions for Discussion

- Has your committee formally reviewed its fiduciary responsibilities?
- Were there any points presented today that you found surprising or alarming?
- Which points do you think are the most important?
- How can you ensure that you and other committee members are fulfilling your fiduciary responsibilities?


CECHCR 2007 37 Module 1

Health Benefits Committees:

Working Effectively with Brokers and Consultants




CECHCR 2007 38 Module 1



Overview of Brokers/Consultants

- Advisors to the health and welfare plan:
 - Funding mechanisms
 - Negotiating rates for premiums
 - How plans operate
 - Plan design issues


CECHCR 2007 39 Module 1



Commission Arrangements

- What happens in a commissioned arrangement?
- Is the broker/consultant paid a commission, retainer, or fee for a particular job?
- If a premium goes up, does the commission go up?
- Has the district entered into an agreement already? If so, what is the current fee agreement (fixed dollar or %)?


CECHCR 2007 40 Module I



Questions to Consider

- What experience does your firm have with collective bargaining?
- What advice do you give on plan design (i.e., are they pushing HSAs)?
- Are any other products tied into your proposal?
- Does your firm receive any overrides from the products placed?
- What experience does your firm have monitoring performance and quality?
- What other school districts retain your firm for services?


CECHCR 2007 41 Module I



Key Points

- Brokers/consultants should be paid a set fee for work, within the scope of the submitted proposal.
- Working together labor and management should consider these questions and judge for themselves:
 - Are they selling a product or service?
 - Are they working for labor and management to achieve the goals and objectives of both parties?
 - What have other districts and union leaders experienced with the firm? (Check any references they provide.)

CECHCR 2007 42 Module I



Tools for Contracting with Brokers and Consultants


- Broker/Consultant Selection Process
- Requests for Proposals
- Consulting Agreements

CECHCR 2007 43 Module 1

Module 1

Thank you

for being a member & for your support!



For additional information please contact:
California Education Coalition for Healthcare Reform
A Joint Labor-Management Committee
CECHCR Staff
(916) 567-9911
www.CECHCR.org

CECHCR 2007 44 Module 1
