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NESHAMINY FEDERATION OF TEACHERS SEEKS SINGLE CLARIFICATION ON HEALTH CARE CONSORTIUM

NFT Says Opt-Out Clause Would Protect Both District and Teachers

LANGHORNE, PA (April 12, 2012) —The Neshaminy Federation of Teachers (NFT) originally raised the idea of an insurance consortium as a way to control health care costs in 2009 during the beginning stages of contract talks. This week's announcement that the District is ready to adopt the approach is a welcome development, NFT President Louise Boyd said today. The NFT supports the proposed change and is working directly with the District on an agreement to move forward.

Over the last few months, the NFT has conducted an intensive review of the Bucks and Montgomery County Schools Health Care Consortium. Since March, when more details of the proposal became available, and most recently during the past three weeks, the NFT has been researching how the change could impact members—as well as determine potential savings to the District within the context of contract proposals currently being considered by a state arbitrator.

“We believe the consortium could be a win-win-win deal for our members, the school district and the taxpayers of Neshaminy,” said Louise Boyd, NFT president. “But before signing on, we have sought clarification from both the district and the Pennsylvania State Education Association, which oversees the consortium, that Neshaminy teachers would be able to opt out of the program down the road if they determine it is not meeting their needs.”

The NFT has proposed a stipulation that would allow the union to withdraw from the consortium in July 2014 unless the District and Federation agree to extend the arrangement. This option, union leaders said, would help promote ongoing dialogue between the District and Federation to

consider whether the consortium is meeting the needs of teachers and achieving the promised financial savings for taxpayers.

“We are hopeful this issue will be resolved in time to meet this Friday’s deadline,” Boyd said.

The NFT first suggested a consortium approach as another way teachers could help contain costs and find unique ways to reach a contract settlement, Boyd said.

The Bucks-Montgomery Consortium was formed for three reasons: to maintain high quality health care for public school employees; to contain rising health care costs and make insurance more affordable for employees and their employers; and to create a joint labor/management consortium modeled after the very successful Allegheny Trust (i.e. The Allegheny County Schools Health Insurance Consortium that has saved its 18,000 active and retired employees, and 41 participating school districts, millions of dollars in health care costs since its inception in 2007).

Under the proposal, school employees’ health care coverage would not change but savings would be realized through the greater group purchasing strength of the consortium, which now includes more than 20 school districts and growing.

“Essentially, our health care would stay the same until we bargain a new contract,” Boyd explained. “We would get a new group number but our doctors, hospitals, everything would stay the same. When we ratify a new collective bargaining agreement (contract), our members would migrate to one of the plans provided by the consortium. Our members would pick the plan, and the plans would be of the same high quality of those in place today – only less expensive for the district. We hope that would help save jobs and programs within the district.”

As consortium members, both the union and the district would have equal voting rights at all trustee meetings.

The more affordable coverage is the result of lower administrative costs, the elimination of brokerage fees, and savings on stop-loss insurance, which is additional coverage purchased by districts that limits their exposure under self-insured medical plans. The Neshaminy district had proposed a self-insured plan in an earlier contract proposal presented to the NFT.

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