



OFFICE OF THE SUPERINTENDENT

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May 23, 2019

Sent Via Email (dfisher@saccityta.com)

David Fisher
President, Sacramento City Teachers Association
5300 Elvas Avenue
Sacramento, CA 95819

Re: Meeting with CECHCR on Health Plan Savings

Dear Mr. Fisher:

Thank you for your May 22, 2019 letter. I understand from your letter that SCTA leadership does not think it necessary to participate in tomorrow's May 24, 2019 meeting with representatives from the District, our other labor partners, and the California Education Coalition for Healthcare Reform ("CECHCR").

As you know, representatives from the District and our other labor partners have been meeting with CECHCR for the last 18 months to discuss health plan changes and implementation of same. The District has paid \$266,650 to CECHCR since 2017 for its services and we are anticipating having to pay another \$59,000 for the rest of this year (through December). Although you initially recommended CECHCR to assist in changing health plans, and the District has been paying CECHCR, SCTA has not participated in meetings with CECHCR in several months.

Since we did not reach agreement with SCTA on plan changes by July 1, 2018, CECHCR had to get new rate information from benefit carriers for possible implementation of plan changes for the 2019-20 school year. As you recall, a meeting was scheduled for April 5, 2019 with CECHCR representatives to share the updated rate information. SCTA was invited to that important meeting, but declined to attend via email on March 29, 2019. SCTA has not requested alternate dates to meet with CECHCR. Given what we understood to be SCTA's commitment to make health plan changes as stated in your letter of April 26, 2019, and SCTA not attending the April 5, 2019 meeting, we thought that SCTA would be interested in this May 24 meeting where CECHCR will discuss CalPERS benefit information as well as provide other updated information.

In addition, the District does not agree with your assertion that there have been \$5 million in savings from HealthNet rates which should go back to SCTA per article 13.1.1. Those savings have been achieved as a result of health care market forces which, as you know, vary from year to year. Article 13.1.1 clearly required that the parties were "to effectuate on or before July 1, 2018, changes to the health plan" to less expensive plans that would go back to the bargaining unit as to be negotiated between the parties. If this is not your understanding of the language of Article 13.1.1, please explain your reasoning for applying savings resulting from market forces back to the bargaining unit even when SCTA still did not make health plan changes.

With regard to the District's statement about offering the HealthNet SmartCare plan to your members as part of the HealthNet plan offering for the 2019-20 school year, the District assumed that SCTA would be pleased that there was an option available within the HealthNet plan that does not change the benefit or contribution structure but potentially could result in savings to the District without effectuating health plan switches for all SCTA members. The District only recently learned of this HealthNet plan option and is under a short timeline in which to determine whether to offer it to SCTA members beginning July 1, 2019.

We already included information we received from Keenan about the HealthNet SmartCare program in our letter but will provide additional information and are willing to request additional information that you would like to receive. We believe it makes sense to offer the HealthNet SmartCare Option in addition to the other two HealthNet plans currently offered since doing so has no impact to your members other than providing a third plan option to them. While we do not believe the addition of this plan requires bargaining with SCTA leaders, if you insist that the District not provide this option to your members at this time we will not offer it. However, we would hope that savings resulting from additional choices to SCTA members without impacting the benefit or contribution structure would be welcome by all parties in order to achieve savings that could be used to address our fiscal challenges.

We hope that SCTA leaders will consider agreeing to a meeting with CECHCR before the end of the school year so that we can discuss options for health plan changes as we continue to move our District forward in these critical times.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Aguilar', with a large loop and a dot at the end.

Jorge A. Aguilar
Superintendent