

# Union Notes - Oct. 23, 2012

## **TWO WEEKS UNTIL WE PASS PROP 30 AND DEFEAT PROP 32!**

Election Day is now just two weeks away, and SDEA members continue to do great work to ensure that Prop 30 passes and Prop 32 is defeated. The latest polling data shows that voters are hearing our message, with a majority supporting Prop 30 despite a barrage of negative ads being run by opponents. Prop 32 continues to lose support, with more voters now opposing the initiative to take the voice of educators out of the political process. WE WILL BE SUCCESSFUL IF WE CONTINUE TO REACH OUT TO VOTERS! [Join fellow SDEA members](#) for a night of phone banking or a Saturday morning neighborhood walk as we enter into the last two weeks of the campaign.

## **VEBA CHANGES HOW IT PAYS INSURANCE COMPANIES**

VEBA, the health care trust that works to keep costs down for 86,000 members in 31 school districts across Southern California, currently pays insurance companies a super composite (or average cost per member) rate for our healthcare. In turn, VEBA charges school districts for reimbursement at the same super composite rate. The super composite rate has worked for us for many decades.

In recent years, school districts across the state have laid off their least senior educators, who are more likely to be single and without children. As a result, participation in the “employee only” tier – the least expensive tier of coverage – shrank. Without as many members choosing the less expensive “employee only” coverage, the super composite rate now costs districts *more* than the actual cost of healthcare coverage. Both VEBA and school districts are essentially overpaying insurance companies for the same level of coverage.

Because of this discrepancy between the super composite rate and the actual cost of healthcare premiums, the VEBA Board of Trustees decided that effective 2014 it will no longer use the super composite rate. Instead, VEBA will use a tiered rate, which represents the actual (not average) cost of premiums.

While the change will have no impact on either the cost or quality of our healthcare coverage, the billing change may end up saving SDUSD up to \$2 million in 2013-14. Fully paid healthcare is guaranteed in our current union contract.

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