Health Insurance Reform Issue Brief

- Establishing statewide maximum health care contributions rates of 85 percent for single healthcare premiums and 75 percent for family premiums would stabilize the rising cost to school districts and BOCES of providing health insurance to current employees and retirees.

- Putting in place statewide maximum employer contribution rates would set the ceiling for negotiations with employee bargaining units and allow districts to reduce health insurance contributions.

NYSSBA strongly supports establishing statewide maximum health care contributions rates of 85 percent for single healthcare premiums and 75 percent for family premiums to reduce the cost to school districts and Boards of Cooperative Educational Services (BOCES) of providing health insurance to current employees and retirees.

Currently, health insurance coverage is collectively bargained between school officials and their employee bargaining units. However, health insurance rate increases are outpacing the gains achievable at the bargaining table when a school board is attempting to negotiate a higher employee contribution rate. Moreover, existing law makes it difficult for schools to negotiate health insurance packages that take into account economic realities or include higher employee contribution rates. As a result, a new state law is needed to set maximum percentages for employer contributions to employee health care plans.

The contributions that school districts make to their employees’ health insurance premiums vary among school districts. Districts contributed an average of 89 percent toward individual insurance premiums of newly hired teachers in 2010-11 and about 87.5 percent toward family coverage, based on data from the 2011 NYSSBA Teacher Contract Survey. The contribution rates increase for districts’ senior full-time teachers.

Increasing the percentage that active teachers contribute to their health insurance premiums continues to be the number one goal of school districts. NYSSBA annual survey data indicates that since at least 2006, increasing employee health insurance contributions has been cited by districts more than any other goal as a priority for contract negotiations.

Despite district efforts to reduce healthcare costs, NYSSBA data shows that since at least 2006, the statewide average of teacher contribution rates for new and veteran teachers have been decreasing.

Putting in place a statewide maximum employer contribution rate of 85 percent for individual coverage and 75 percent for family coverage would set the ceiling for negotiations with employee bargaining units and allow districts to reduce their health insurance contributions. It would also bring New York schools closer to the national average for employer contributions in all industries of 81 percent for single coverage and 70 percent for family coverage, according to the Kaiser Family Foundation.