

COMMONWEALTH OF PENNSYLVANIA
Pennsylvania Labor Relations Board

In the Matter of the Employees of
Phoenixville Area School District
Case No ACT 88-12-33-E

REPORT AND RECOMMENDATIONS

Diana S. Mulligan, Fact Finder

Hearing: October 12, 2012

For the School District: Keith Black

For the Association: Ruthann Waldie

BACKGROUND

Pursuant to ACT 88 Of 1992 and the Pennsylvania Employee Labor Relations Act, Act 195 of 1970, notice was received by the Pennsylvania Labor Relations Board (PLRB) from the Bureau of Mediation that no agreement had been reached between the Phoenixville Area School District (SD or PASD) and the Phoenixville Area Education Association (Association or PAEA). By letter dated September 18, 2012, the PLRB appointed the undersigned to act as Fact Finder with the authority set forth above. Subsequent to such notice, the parties were duly notified and a hearing was held on October 12, 2012 in Phoenixville, Pennsylvania at which time all parties in interest were afforded a full opportunity to present testimony and introduce documentary evidence. The Fact Finder and Advocates further discussed the issues via e-mail.

The number of pay periods per year and the pro-rated movement on scale for part-time employees were originally in dispute. The Fact Finder directed and/or the parties agreed to maintain the status quo on these items. The following remain as issues in dispute for consideration by the Fact Finder:

1. Article 12. Workday
2. Article 13. Salary
3. Articles 14 & 15. Coaches/Extra Duty Pay
4. Article 16. Retirement and Severance Pay
5. Article 18. Long term Substitutes
6. Article 19. Health Care

This Report contains Recommendations for the unresolved issues which constitute the settlement proposal upon which the parties are now required to act, as directed by statute and PLRB regulations. Without any comment, the issues already agreed upon by the parties and the undisputed portions of the Collective Bargaining Agreement (CBA or Agreement) shall be incorporated without change as part of this Report.

A vote to accept the Report does not necessarily constitute endorsement of the Recommendations but, rather, represents only an agreement to resolve the disputed issues. Pursuant to statutory authority, the Report will be released to the public after the consideration period if rejected by either party.

The parties are hereby directed to review the Report and, within 10 calendar days of its issuance, notify the PLRB and each other if they accept or reject the Recommendations. It is imperative that confidentiality of the Report be maintained during the 10 day consideration period.

Issue #1: Article 12 – Workday and Work Year

Position of the Parties

The SD wants to replace the current bell schedule with a compacted schedule. Within the 7 hour 30 minute workday the SD also proposes to provide a 25 minute block of time for team, departmental and grade level activities. The SD wants to reimburse all bargaining unit members \$22/hour for lost prep time. The Association will accept the SD's compacting proposal, provided the following conditions are met: (1)The block of time is 30 minutes; (2) There is an additional 20 minutes of pre-or post-time in the secondary schools; (3) There are a maximum of 3 preps if additional teaching periods are added and (4) The current \$22/hour for

secondary and \$.55/ minute for elementary should be increased to \$25/hour and \$.60/hour. Both parties agree there will be no furloughs for the 2012-14 school years as a result of changes to schedules.

Discussion

The current CBA gives precise times when the bells should ring, depending on grade level. The “bell clause” takes up 2½ pages and, for example, at the secondary level, gives 8 times in the day when the bells will ring, one of them only 3 minutes apart. The SD argues that the compacted schedule allows it more flexibility in resource sharing between the new Middle School and High School, which are in the same location. Under the current bell schedule, as an example, the SD, in its hearing packet states that some academically talented Middle School students, who are in the High School Geometry class, have to give up 8 minutes of music in order to be on time for Geometry. The SD also cites the current trend in cyber learning and must have the flexibility to meet the needs of students for these non-traditional classes.

The Association considers team planning to be an important part of the workday inasmuch as it is the time when there are consultations between teachers, administration and counselors to discuss student needs, meet with parents and engage in other activities beneficial to the students. According to the Association, the proposed compacted workday results in a loss of prep time for the Middle and High Schools which can be at least somewhat compensated for by the additional time proposed by the Association. The Association, at the hearing, stated that the pre- and post-time was necessary to prepare for and get to team meetings so that the meeting can last the full 30 minutes.

The SD stated that the Middle and High Schools are in the same location but, due to their configuration, it may take a student 8 minutes to go from one class in the Middle School to another in the High School. I assume a teacher can make that trip in a similar amount of time. One of the Association conditions which is troublesome is the maximum 3 prep periods. The SD, in its hearing packet, stated that 38% of High School teachers currently have more than 3 prep periods. I can conceive of only 2 results which would ensue if they were to limit themselves to 3: (1) They just do not prepare for the extra one or (2) The SD will demote these teachers to part-time and hire another part-time teacher for the other periods. These teachers are safe in the 2010-14 CBA because the SD agreed there would be no furloughs during the term of the Agreement. There are many school districts which, as a cost savings measure, are demoting teachers to half time (especially librarians) because, under the School Code they cannot furlough except for a reorganization or decline in student enrollment. I would suggest that veteran teachers may need less time to prepare and would be able to complete their preps much sooner than a new teacher and, as professionals, would never short change their students by neglecting to prepare for a class. It would be good if the parties could insert language into the CBA which would allow the teacher and SD to agree on the number of preps assigned to the teachers. However, with a limited number stated in the CBA, the teacher could decline the extra prep. This brings us full circle to the original premise that, (at least in future contracts) the SD might consider demoting a teacher who refused the extra preps which is considerably worse than having to prepare for an additional class.

Neither party went into any detail about the extra compensation for loss of prep time or the frequency with which it occurs.

Recommendation

1. Accept the Association's proposal for the 30 minute activity time. Both parties have already agreed that this time may take place at the beginning, middle or end of the day.
2. Allow for 10 minutes of pre-post-time in the secondary schools.
3. Unless the parties can find some agreeable language in which the SD and bargaining unit member would agree on the number of prep times, do not include this proposal in the CBA.
4. Maintain the status quo for payment if prep time is missed.

Issue #2: Article 13 – Salary

Position of the Parties

This issue is divided into 3 sub-issues which will be discussed separately.

Sub-issue #1: Amount of Salary/Step Movement

Position of the Parties

The SD and Association had already agreed to a total freeze for 2010-2011 (no increase, no step movement and no horizontal movement); to a \$1,200 off-scale bonus to all bargaining unit members for 2011-2012; and to an \$800 off scale bonus for 2012-2013. For 2012-2013, the SD proposes a ½ step increase in January, 2013; the Association proposes a ½ step increase in August, 2012 and a ½ step increase in January, 2013. For 2013-2014, the SD proposes a ½ step increase in January, 2014 and a .6% increase to bargaining unit payroll from the 2009-2010 base year. The Association proposes a ½ step increase both in August, 2013 and January, 2014 and a

1% increase. The Association's step increase is a modification from its original proposal of a full step increase at the beginning of each year, which is the usual way step increases are done. Both parties agree that salary increases should be paid from a pool of money. They disagree on the distribution from the pool, with the Association proposing that each bargaining unit member receive the same amount and the SD proposing that more money should be given to employees in the middle of the scale since their pay is average compared to other school districts in the comparison group, while the starting and career pay are near the top.

Discussion

When a teacher has not yet reached the top of the salary scale (career rate), in addition to the stated percentage increase which is given to everyone in the bargaining unit, (s)he also moves forward one step at the beginning of the next year. For example, using 2008-09 as the base year, a teacher with a Master's (M) degree on step 6 was earning \$58,641. In 2009-10, that teacher earned \$62,433, a 6.47% increase. A teacher who had already reached the career rate (Step 17) goes from \$87,049 to \$89,878, an increase of 3.25%. The percentage difference between the teacher who is moving on step and the one who is at the top is the incremental cost.

Since bonuses do not roll into salaries to form the base for the next year, the salary scales at the PASD are the same from 2009 through 2012. Therefore, these scales are not attached to this Report. The SD's software was able to calculate the half step for January, 2013 and 2014 and these numbers are shown in the second line, second column of each horizontal step in their attached scales (the horizontal sheets). The Association was not able to calculate the half step on one scale, so it submitted 2 scales for 2013-14 to show the ½ step increase for August and January. The ½ step increase for August, 2012 and January, 2013 appears to be already included in the 2013-14 scales.

The Association modified its original proposal for a full step increase in each of the last 2 years of the CBA to a ½ step increase in August and again in January. The total increase adds up to .8% of the step movement, not the full 1%. This is similar to buying a \$10 item marked 50% off and presenting a 50% off coupon as well. The 50% markdown brings the item down to \$5, then 50% of \$5 is \$2.50.

The Association and SD, at the fact finder's request, submitted increases of .6%, .8% and 1% for 2013-14. I have attached both schedules for 2013-14. I am at a loss to explain the disparity since both parties are supposed to be working from the same 2009-10 base. For example, the SD's 2013-14 schedule shows a teacher at Step 10, B+15 earning \$64,921; the Association's schedule (the one titled "2nd Half yr") shows a salary of \$64,781. I have done similar random comparisons for different horizontal and vertical steps and, except for those at the top of the scale, the SD's numbers are higher than the Association's. This may or may not be the reason the SD projected that expenses, due largely to salaries, will exceed revenues by a significant amount. The parties will have to sort out this discrepancy since I have no way of knowing which scales are correct. The salary pool was supposed to be calculated by adding 1% to the total salary payout for 2009-10 on the agreed upon matrix, but there was a \$13,035 difference between the SD's and Association's numbers. The parties must agree on the correct base which does affect subsequent calculations.

Both sides presented comparison salary charts for other school districts in Chester County. Of these 13 districts, 5 have a starting pay higher than PASD and 3 have a higher maximum. Therefore, it is understandable why the SD wants to put more money in the bottom/middle of the scale. It is also understandable why the Association wants everyone to share equally in the pool since those still moving through the scales will also get the step increase.

It is no secret that school districts have been experiencing a decrease in government subsidies, an increase in unfunded mandates, increases in pension obligations and citizens who do not want additional tax burdens in the now lengthy uncertain economy. School districts are also liable for paying for its students (sometimes more than it costs to keep students in their own buildings) who elect to go to charter and cyber schools. The Association presented data showing that the SD realized about \$200,000 in savings because of attrition (calculated by subtracting the salary of the new teacher at the first step from the veteran teacher at the top but without subtracting severance and unused sick day payments). Other Association financial data included tax effort, budgeted and actual revenues v. expenditures, market value of properties, etc. These data are intended to show that the SD is in a good financial position to meet the Association's demands. Conversely, the SD presented data on tax collections, tax rates and general fund balance to show that it needs to cut costs. There was nothing significantly skewed in PASD from other districts where comparable information was available.

Recommendation

1. All get the \$800 bonus in 2012-13.
2. Increase 2013-14 salary by adding 1% to 2009-10 total salary cost.
3. Divide the pool of money available for salaries equally among all bargaining unit members.
4. Begin ½ step increase in January, 2013 and continue a ½ step increase in August, 2013 and January, 2014.

Sub-issue #2: Elimination of Horizontal Columns

Position of the Parties

The Association wants to keep the current 8 columns on the salary scale. The SD wants to eliminate B+15, M+15 and M+45 for those hired after January 1, 2013 and grandfather current employees who are progressing across the scale.

Position of the Parties

The SD presented, as part of its hearing packet, a study which showed that, "...teacher education was shown to be statistically insignificant..." and, "A Master's degree has no systemic relationship to teacher qualifications as measured by student outcomes.", a study with which the Association obviously disagrees. If this is the case, why not just have the bare minimum of columns necessary for a teacher to get certified? I'm certain that, if one looks hard enough, one can find a newly minted teacher whose students have a better learning experience than the one with the Ph.D, but one of the reasons for increased education is so that the teacher can impart his/her enhanced knowledge to the students. Keeping the current columnar movement is also of obvious economic benefit to the teachers since their pay increases when they attain the next benchmark. If 3 columns are eliminated, they will still eventually reach the next level, but 15 credits later than it takes them to do so now, causing them to lose the interim increase. This does, at least temporarily, save money but isn't education what a school district is about (as the SD stated in its "Key Points" in the Retirement/Severance Pay rationale). Another consideration is the perception of the teacher in August, 2012 and the one hired on January 2, 2013. Surely the newer teacher will resent the fact that (s)he will need 30 more credits to get a horizontal increase rather than the current 15. The SD does not think the 3 column removal will be an impediment since the prospective new hire would understand the terms and conditions of employment, but I would suggest more enthusiasm and dedication would be brought to a job if all employees hired at relatively the same time were on the same level. All school districts in the comparison area have at least 7 steps (where MS+60 and Doctor are combined), some have 9 and only 1 (the CCIU, which has no M+60 or Doctor column) has 6. The PASD's proposal would reduce its scales to 5.

Recommendation

Keep the horizontal scales as is.

Sub-issue #3: Limitation of Horizontal Movement

Position of the Parties

The Association wants to maintain the status quo (no time limit for horizontal movement). The SD wants to limit horizontal column movement to once every 2 years for those hired after January 1, 2013.

Discussion

The Fact Finder learned at the hearing that there are some teachers who do take 15 credits in one year and move to the next horizontal degree level. The SD currently pays for 6 credits/year to satisfy Act 48 requirements but teachers can pay for their own courses over and above the amount reimbursed by the SD. For the first time, 50% of graduate courses may be on-line. Thus, there is some credence to the SD's proposal to limit horizontal movement to once every 2 years for those hired after January 1, 2013. On-line courses vary greatly in the amount of time it takes to complete the course work. There are those from "Dubious U." where one can complete the course in a weekend and those which are virtual classrooms which take less time than the "brick and mortar" courses only because no commuting is involved. Since it is not an item in dispute, I have no knowledge of the type of course permitted in the instant case. I assume a quality school district wants to use its limited funds as efficiently as possible and would limit the teachers' choices to a quality institution. Since I do not know what type of on-line courses are permitted, I cannot make a reasoned judgment as to the length of time it takes to complete them, and possibly alter the current horizontal movement.

Recommendation

Maintain the status quo.

Issue #3: Articles 14 & 15 – Coaches/Extra Pay

Position of the Parties

The SD and Association agree to form a joint committee to re-evaluate units for each sport/activity. The SD agrees to keep the same values only for sports through the 2013-14 school year. The Association wants no one to receive less than (s)he currently does for both sports and other activities.

Discussion

Currently, only sports are assigned unit values (Each unit was \$303 in 2009-10.) with other extra-curricular duties paid as a stipend. The reimbursement for these extra duties ranges from \$36 for an Elementary Chaperone to \$8,174 for the TV Production Coordinator. The Association proposed, and the SD accepted, the establishment of a labor-management committee to re-evaluate payment for each activity. The Association stated, at the hearing, that the payments for these activities were out of line with those in other Chester County districts. The Association agreed that the SD can control the value of a unit (which it deemed to be a "huge concession") provided the payment stays the same for the extra duty group or gets "readjusted." I agree with the SD that the only "readjustment" would be upwards. Given the fact that the CBA expired almost 2½ years ago and there are 20 coaching and 64 extra duty payments to be adjusted, even if the committee convenes tomorrow, it will take weeks or months to determine unit values, time which would be better spent on addressing the major issues.

Recommendation

Form the committee to re-evaluate coaching/extra duty pay but maintain the status quo for payments for this Contract term.

Issue #4: Article 16 – Severance Pay/ Retirement

This issue is divided into 3 sub-issues which will be discussed separately.

Sub-Issue #1: Retirement Privilege

Position of the Parties

The Association wants each retiring employee with 30 years of credited service in the Pennsylvania Public Employees Retirement System (PSERS) and 20 years with PASD to receive a stipend of \$17,500. The SD will contribute \$20,000 to a 403(b) or 457 account for an employee who retires by June 30, 2014 and discontinue this benefit thereafter. The Association opposes a sunset date.

Discussion

The SD, in its hearing packet, stated that it is in the education business and not in the retirement business as its rationale for eliminating the lump sum payment after June 30, 2014. Currently, if a retiree has 30 years of credited service in PSERS, (s)he may keep the same medical benefits afforded to active employees for which the SD will pay 75% of the monthly medical premium every school year, up to a maximum of \$5,000 per year until the retiree is eligible for Medicare. The employee also gets a \$1,000 bonus payment for early notification of retirement. If the employee retires at age 55, assuming (s)he would be in the H/W category, in 2012-13, the SD, under current contract provisions would pay the \$5,000 each year for 10 years. Even a person with single coverage would get the \$5,000.

Of the 12 other school districts in the comparison chart, most require 10 years with their school districts to qualify for any payment which is usually put into a 403(b) account and not given to the retiree in cash. The PASD had this comparison chart in its hearing packet but it did not include any data on an early retirement incentive (ER) or information about payment of medical premiums. Both parties changed their original positions regarding the early notice and severance payments. The SD, in its hearing rationales, stated it agreed to the increase of the early notice to \$2,000 on the condition that the lump sum payment be eliminated by June 30, 2014. The Association, in its hearing packet, states that the \$17,500 one time payment is a considerable savings over the \$50,000+ the SD might have to reimburse a retiree until (s)he reaches Medicare age and was proposed in order to meet the needs of the SD.

Recommendation

1. Adopt the Association's proposal for \$17,500 to be placed into a 403(b) account for the retiree who has at least 30 years of credited service in PSERS and 20 years with the SD.
2. There should be no sunset date.
3. Maintain the status quo for early notice.

Sub-issue #2: Severance Pay

Position of the Parties

The Association wants to maintain the status quo which provides \$110 per year of service to bargaining unit members who retire with 10 or more years of service in the PASD. The SD wants to eliminate this benefit.

Discussion

This is one of the items the Association argues partially replaces the annual \$5,000 contribution toward medical premiums, and, when added to the \$17,500, is still less than \$21,000 for a 30 year employee. These payments will also be at least partially offset by hiring new (presumably cheaper) teachers or leaving the position vacant.

Recommendation

Maintain the status quo.

Sub-issue #3: Sick Leave Payout

Position of the Parties

The SD wants to cap this payout of \$50/day at 50 days. The Association wants no cap (current contract).

Discussion

Since there is a date certain stated in the CBA for this benefit, one can draw the logical inference that it did not exist before July 1, 2012. Twelve years will have elapsed from that date at the end of this CBA, if ratified. The maximum benefit for those who have not used any sick days would be \$6,000 (120 days x \$50). The Association argues that it would be unfair, at this point, to limit this benefit when teachers have deliberately banked their sick days in anticipation of receiving it. On the other hand, it can be assumed that there are still teachers working in the PASD who were hired in the early 1980's and have "lost" their accumulated sick days for purposes of this benefit. The late 1990's-early 2000's were a period where the economy was booming and school districts could afford to add on extras. Such is not the case today. One must also consider that, when a teacher uses a sick day, (s)he still gets paid but a substitute much be brought in at additional cost. There will be only a year and a half left in this Agreement and those who are retiring and anticipated this benefit should receive it. The parties will have to decide what to do about a cap in subsequent Agreements.

Recommendation

Maintain the status quo.

Issue #5: Article 18 – Long term Substitutes

Position of the Parties

The SD wants to increase the time in which someone substituting for a teacher becomes a long term substitute (LTS) to 45 days. The Association originally wanted to shorten that time to 20 days.

Discussion

The current number of days required to become a LTS is 30. The SD's only rationale for its position is that 45 days is the quarterly marking period. The Association, at the hearing, modified its demand and agreed to maintain the status quo. The SD reported no problem with the current structure.

Recommendation

Maintain the status quo.

Issue #5: Article 19 – Health Care

This issue is divided into 3 sub-issues.

Sub-issue #1: Amount of Premium Share

Position of the Parties

The SD wants the bargaining unit member to contribute 7% of total premium for all health coverage with a \$1,000 deductible in 2012-13, offset by a \$750 Health Savings Account (H.S.A.); the deductible would increase to \$1,500 in 2013-14 with no increase in the H.S.A. The Association proposes a 5% premium share for medical benefits only and opposes any deductibles.

Discussion

The cost of health care is one of the biggest concerns for both employers and employees. Gone are the days when the employer paid 100% of the premium and organized employees (both in the public and private sector) would go on strike before they would pay even a minimal amount towards the premium. This progressed to paying a flat and then to the current trend of paying a percentage of the premium. Currently the PASD teachers pay a flat rate of \$45/month for medical premiums only, regardless of the coverage category. The SD pays for the base plan for vision and dental. Any employee who elected to discontinue this coverage would receive an opt out bonus payment of 35% of the annual cost of the coverage. Out of 292.80 employees, 273 remained in the SD's plan. Using the 2012-13 costs for the 20/20/70 plan provided by the SD, if the approximately 20 employees opted out of everything, a single employee would get \$3,108.50 and an employee on the Family Plan would get \$8,556.72. The opt outs are probably in a group category since they are likely covered by someone else's insurance.

Both parties agreed that the opt out amount should now be \$4,000. Although it is not an item in dispute, the SD argues that this payment must be factored in when considering the health care proposals. The SD's exhibit shows that one third of Chester County school districts do not even offer an opt put payment and of those which do, the amount is less than \$4,000. There are 2 sides to the opt out story. On the one hand, it is an outlay of funds; on the other hand, the Family premium in 2012-13 for all coverage is \$23,041.20 and \$16,854.50 for the medical portion only.

Both parties agreed to the 20/30/50 Plan, currently the "buy-down" plan which provides lesser coverage than the current PC 20 "Cadillac" plan. The SD was afraid of significant financial exposure due to the Affordable Health Care Act. This may or may not be a concern in the future, depending on who wins the November presidential election. If the 2012-13 combined premium of \$23,041 increases by 8% in 2013-14, it will still not trigger the excise tax.

The SD is now self insured as are the other school districts in Chester County. One of the features of a self-insured plan is that, if usage is less than anticipated, the "premiums" are returned to the plan and not as a profit to the outside insurer. The self-insured entity does, however, pay a stop loss premium in the event of unexpectedly large claims. The SD's hearing packet showed that the annual premium for other Chester County school districts ranged from \$12,186 (F) in Owen J. Roberts to \$17,193 in Downingtown. These numbers usually do not include Vision and Dental and are comparable with PASD's premium of \$16,855.

The Association's hearing exhibit showed that only Treddyfrin/Easttown and Octorara pay a separate premium share for prescription coverage and only Octorara and Unionville-Chadds Ford pay a premium share for dental. I assume vision was not included in these figures since the annual premium is very low. The PASD always proposed a premium share for all health benefits but did not introduce a deductible and mandatory spousal coverage until 2 years after negotiations began, which is somewhat unusual.

The SD employed the Reschini Group, for advice on how to reduce premium costs. Their representative stated that, in a self funded plan, the main goal is to reduce claims which can partly be realized with a deductible which usually results in lower utilization of benefits. She also stated that 35% of employees will never hit the deductible. They may not reach the maximum deductible but, if they seek any medical care at all, they will still have to pay something which they do not have to do if there is no deductible. The Association feels it has conceded enough by agreeing to pay a percentage of the premium when one-half of the school districts in the comparison group are still paying a defined amount.

The Association proposed a 3 tier payment structure (Everyone pays the same now.) and the SD presented an exhibit showing 5 tiers. At the hearing, the Association stated the number of tiers was not as important as the rest of its proposals on this issue. The SD stated that, with the 5% premium share on medical benefits only, those with single coverage will be paying even less than they do now. However, if the Parent/Child and Parent/Children category are subsumed into the Family Plan, the SD will realize a savings, which, it stated, was its goal. There are currently 16 employees who would be affected by the 3 tiered system.

Recommendation

1. The categories of coverage should be divided into 3 tiers.
2. The Association should contribute 5% of the medical premium in 2012-13 and 6% in 2013-14.
3. No deductible or H.S.A.

Sub-issue #2: Spousal Coverage

Position of the Parties

The SD wants to require the spouse of a bargaining unit member who is covered by another insurance plan to take that plan and be removed from the SD's coverage. The Association opposes this proposal.

Discussion

The SD agrees to cover the bargaining unit member's children. Only the spouse must take the alternate coverage. The 2012-13 premium for an employee with a child is \$11,924; with more than one child it is \$13,574. The single premium (into which category bargaining unit members with an otherwise covered spouse but no children fall) is \$6,346 resulting in a savings of \$8,879 over the H/W rate. (None of these figures includes premium share.)

The excise tax under the Affordable Health Care Act does not become effective until the costs for S coverage exceeds \$10,200 and F, \$27,500 (SD exhibit tab 3.H) The PASD's costs which currently do not approach these maximums will have to be re-visited at some time in the future, depending on how health care evolves. The Association is concerned that the spouse covered elsewhere may be offered a minimal policy which does not include catastrophic coverage. In self funded plans, it is possible to make the spouse a secondary beneficiary.

Recommendation

Do not mandate that the spouse of the bargaining unit member withdraw from the PASD's health plans if (s)he has other coverage. If it is possible to do so, that employee should be covered as a secondary beneficiary where coordination of benefits applies.

Sub-Issue #3: Prescription Coverage

Position of the Parties

The SD wants to make generic drugs mandatory; the Association does not.

Discussion

Currently, bargaining unit employees pay \$10 for generic and \$20 for brand name. Mail order maintenance drugs have a \$2 co-pay. The Association agreed to pay \$5/25/40 and \$10 for mandatory mail order maintenance drugs. Although generic drugs are as efficacious as brand names for most people, they are not effective for everyone. The Association fears that, although a doctor can specify "brand necessary" on the scrip, the drug may be only one step up from the generic and still not supply the appropriate relief. I would hope that the ethical physician would prescribe the proper drugs for his/her patient. What drugs a patient needs is between the physician and the patient.

Recommendation

Insert language into the CBA which would mandate generic drugs, where possible, but allow for the physician to write "brand necessary" if (s)he feels the patient requires other than the generic drug.

SIGNED _____ DATE _____
Diana S. Mulligan, Fact Finder

SIGNED _____ DATE _____
Keith Black, for the School District

ACCEPT REJECT

SIGNED _____ DATE _____
RuthAnn Waldie, for the Association

ACCEPT REJECT