



CECHCR Helps Greenfield Union School District Save \$840,000 in Healthcare Costs

CECHCR Second Opinion Program connects district with better insurance choices that offer more for less

In 2012, mirroring rising healthcare costs across the state's education sector, Greenfield Union School District of Monterey County was faced with a 17 percent increase in their healthcare premiums. At the same time, the district was not getting the service they wanted from their healthcare program.

By enlisting the help of the **California Education Coalition for Healthcare Reform's (CECHCR) Second Opinion Program** and being committed to finding a better solution, Greenfield Union School District and its employees saved approximately \$840,000 in healthcare costs and found a program that offered better benefits at a lower cost.

Healthcare cost increases felt district wide

A tremendous increase in healthcare costs was being felt district wide, according to Greenfield's California School Employees Association (CSEA) President Bertha Gonzalez, and she said they were looking for change.

Alan Homes, president of Greenfield's Teachers Association at the time, also said costs had increased enormously. Due to a district in-place cap on health insurance, the cost increases were being felt strongly among teachers.

"CECHCR has helped save between \$250 - \$1,000 per month out of our employee's pockets."

Melody Canady, Greenfield Union School District

"Our paychecks get smaller with rising healthcare costs," he said.

CECHCR steps in to help at critical juncture

The district's benefits committee, comprised of labor, management and retirees, faced with these rapidly increasing costs, had no interest in continuing with its current insurance carrier. Believing there must be other options out there, they put their heads together and decided as a group to move forward and look at alternative solutions.

According to Melody Canady - then Greenfield's Assistant Superintendent, Business - their local CSEA group introduced the committee to the CECHCR Second Opinion Program when a neighboring district was shopping for insurance. After meeting with CECHCR, it was clear to the committee that they were the place to go to help them find better healthcare choices when the time was right.

That time arrived in October 2012 when the district faced a 17 percent healthcare cost increase according to Canady. The committee felt they had few choices and needed help quickly, so CECHCR was invited to step in at this critical juncture and provide assistance within a short deadline.

CECHCR's Mark Lowenthal with John Glynn and Co., accustomed to jumping in and assisting districts needing a quick turnaround, met with Greenfield's benefits committee about their healthcare challenges. He conducted a cost benefit analysis and found that the district was being overcharged and enormous savings could be realized by choosing a different insurance carrier with significantly lower rates. He identified what made better sense economically for them and their geographic region.

"They found out what works for us," said Canady.

"After the presentation, it was obvious how big the savings could be," Homes said.

More for less

After reviewing alternative options, the district chose to move to California's Valued Trust, or CVT, the third largest school purchaser of health insurance, that offered the district lower rates and many benefits.

"Teachers have more options. We got more for less."

Alan Homes, Greenfield Teachers Association

In general, the plans are similar to what the employees already had, with benefits that are comparable and even less expensive in some cases. The district was also guaranteed lower locked-in rates for 15 months. Most important, the district and its employees saved approximately \$840,000 in healthcare costs. That translates to big savings on a personal level.

"CECHCR has helped save between \$250 - \$1,000 per month out of our employee's pockets," said Canady.

While change can be uncomfortable, employees are getting adjusted. By July 2013 the district implemented the move to CVT. According to Canady, CVT was tremendously helpful in making the move quite seamless. Homes and Gonzalez agreed that the implementation and transition have been fairly smooth.

"If it weren't for CECHCR, the process would have taken a lot longer," said Gonzalez.

"Overall, our members are happy with the new insurance," added Gonzalez, who appreciates CECHCR's assistance. "It's better insurance for no extra money." She

noted that the savings benefit both district and employees. Gonzalez added that some increased rates for her members' family plans would have doubled if they had not switched insurance plans.

Homes said that CECHCR explained that there were no significant changes. For example, employees could enjoy the same doctors.

"They (CECHCR) helped allay our fears," Homes said. "In fact, teachers have more options. We got more for less."

CECHCR reputation and relationships count

A key benefit of partnering with CECHCR, according to Canady, was the ease it allowed Greenfield in connecting with the main insurance players. Another key benefit was the intricate knowledge CECHCR offers about health insurance and trends.

"CECHCR has the background and relationships that give them the ability to negotiate that we didn't," Canady explained. "They made those connections for us which made it easy," she added. "When CECHCR's name is attached, the carriers are more responsive."

Responsiveness was critical during Greenfield's transition, which required a short turnaround.

"If it weren't for CECHCR, we would have had to do a lot of the work ourselves," Gonzalez said.

"Our members are happy with the new insurance."
Bertha Gonzalez,
California School
Employees Association

Future health care planning with CECHCR

Because of Greenfield's positive experience, Canady, Homes and Gonzalez envision CECHCR as part of their district's future healthcare planning.

"CECHCR was outstanding," said Homes. "I think it would be a wonderful idea to work with them again if in a similar situation."

Canady says the district plans to partner with CECHCR to help with Affordable Healthcare Act compliance and when their insurance approaches renewal.

"We will always turn back to CECHCR. They have been invaluable to us," she added.

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