

## **Change Proposed in Group Insurance Plan Contributions**

(Aug. 2, 2002) Some would pay more and some would pay less, but a proposed change in monthly contribution rates would affect all non-contract and AFSCME employees who are members of MTA group insurance plans.

CEO Roger Snoble is recommending that the MTA Board approve in August a proposal under which the agency would pay 90 percent of the cost of monthly premiums for group insurance plans. Employees would pay the remaining 10 percent.

Currently, MTA pays 90 percent and employees pay 10 percent of the aggregate – rather than the actual – cost of premiums for the medical, vision, mental health and dental plans. Contribution amounts have been set for each plan to encourage participation in the lower-cost plans.

A report to the Board notes that monthly premium rates for MTA group plans are increasing significantly. Rates for Blue Cross plans, for example, jumped more than 24 percent, while Kaiser HMO rates rose 16.3 percent and Delta Dental's PPO plan increased 14.2 percent. Rates for other plans rose between 3 percent and 8.5 percent.

### **Some increase, some decrease**

Under the 90 percent/10 percent plan proposed to the Board, monthly employee contributions to about half of the plans also would rise. Contributions to the others would decrease.

A single employee who belongs to the Blue Cross HMO and formerly made no contribution, for example, now would pay a monthly \$26 premium. MTA's 90 percent contribution would amount to \$221.76. The contribution of an employee on the Kaiser HMO family plan would rise from \$57 to \$66, while MTA's 90 percent contribution would be \$593.15.

But, employee contribution rates for Delta Dental's PPO family plan would fall by \$8, while rates for Dental Health Services and Deltacare family plans would drop by \$5 each.

If approved by the Board, the new rates for group insurance plans would take effect Jan. 1, 2003. The report notes that contributions by AFSCME employees may be affected by the current labor negotiations.

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