

Amsterdam School District

GASD board opts to keep retiree health insurance provider

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Greater Amsterdam School District retirees narrowly secured enough votes from the Board of Education to keep their health insurance provider, which the union favored over a less costly option for the district.

Four school board members voted Thursday to contract with Empire BlueCross BlueShield for the Medicare Advantage Program offered to GASD retirees while the remaining three members abstained. The contract with Empire will be effective Jan. 1 to Dec. 31, 2019, and the total estimated annual premium for GASD's 421 enrollees is approximately \$2.29 million.

Before the school board voted that evening, Amsterdam Teachers Association representatives requested to stay with Empire at a lower rate over the greater savings estimated from switching to Humana. While both companies came in lower than this year's coverage, the district's estimated annual premium savings were nearly \$490,000 more with Humana than Empire.

A memorandum of agreement (MOA) with the Amsterdam Teachers Association requires the district to provide retirees with the "same or better" health insurance, which Amsterdam Retired Teachers Association President Anne Marie Dufresne reminded the school board.

Amsterdam Teachers Association Co-President Richard Peters said the local union and the New York State United Teachers met with the three companies vying for the contract. Peters said the union favored staying with Empire compared to the unknowns associated with Humana.

"We're a little uncomfortable with Humana's product and a little concerned about some of the unknowns with that," Peters said. "I think overwhelmingly we heard from the retirees that were present at the meeting a week or so ago that they were in favor of staying with (Empire)."

Board member Jacqueline "Jackie" Marciniak abstained from voting because she serves as the community engagement director for MVP Healthcare, one of the three companies vying for the contract. Fellow board members Curtis Peninger and Deana Schuttig abstained but did not have a potential conflict of interest like Marciniak.

Peninger after the meeting said he did not believe "due diligence" was done to review the health insurance plans, but he admittedly said a decision had to be reached that night.

Board of Education President Nellie Bush during the meeting said the board had done its “due diligence” to make a selection and Empire’s plan adhered with the MOA.

Peninger, however, was concerned whether the retirees would get the MOA-required coverage through Empire.

“School districts are switching out and going to Humana all over,” Peninger said in an interview after the vote. “It’s ridiculous the amount we’d be saving.”

Schuttig said the differentiation between the plans were not enough for her to select a particular company.

“I don’t feel strongly about any one particular plan,” Schuttig said in an interview after the vote. “The savings to me was very substantial in some of the other ones, so it was difficult for me to zero in and support one over the other.”

Last month, Greater Amsterdam Board of Education members were stuck between renewing with Empire at a lower rate or switching to Humana, respectively yielding an estimated annual premium savings of \$706,421 or \$1,196,415. The projected annual premium this year is nearly \$3 million.

GASD retirees were estimated to save slightly more overall with Humana over Empire, respectively totaling \$164,503 and \$128,697.

MVP Healthcare did not appear to provide the “same or better” health insurance with its proposed plan.

Board member John Bottisti said the savings with Humana is significant, but he was concerned about the company’s lack of experience in New York state. Bottisti said the cost difference would have to be “a lot more” for him to support switching to either Humana or MVP.

Board of Education Vice President Kent McHeard said he was “uncomfortable” about switching to a new insurance provider solely for the savings estimated.

“I don’t think the unknown warrants that gamble,” McHeard said.

Earlier this month, the school board held a workshop meeting for itself and retirees to learn about three options for health insurance. Representatives from each company discussed their Medicare Advantage Program plan and answered questions from attendees.

Peters said Empire has been the health insurance provider for staff throughout the 29 years he’s worked at GASD, and teachers are pleased with the company.

“It’s always been a health insurance plan that’s been there for us through sicknesses, through terrible accidents,” Peters said. “The one thing with (Empire) is they’ve always been there for us with our health insurance.”

