

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is made this ____ day of _____, 2017, by and between THE SCHOOL DISTRICT OF READING (hereinafter called "Employer") and THE READING EDUCATION ASSOCIATION (hereinafter called "Association").

WITNESSETH:

WHEREAS, Employer and Association are parties to a Collective Bargaining Agreement covering the time period of September 1, 2012, through August 31, 2019, a true and correct copy of which is attached hereto, made a part hereof, and marked Exhibit "A" (hereinafter called "Collective Bargaining Agreement");

WHEREAS, Article IX.B.1.(a) of the Collective Bargaining Agreement contemplated the implementation of a new medical plan effective as soon as practicable following Contract ratification following the plan provisions set forth in Appendix B;

WHEREAS, Appendix B did not comprehensively describe all of the provisions of the contemplated Managed Care Plan, which has caused Employer and Association to dispute the coverage levels during the time period of January 1, 2017, through June 30, 2017;

WHEREAS, on April 27, 2017, Association filed Grievance No. G1617-30 challenging Employer's implementation of the new medical plan, a true and correct of which is attached hereto, made a part hereof, and marked Exhibit "B" (hereinafter called "New Plan Grievance");

WHEREAS, Employer has denied any relief on the New Plan Grievance;

WHEREAS, the intention of this Memorandum of Understanding is to clarify the coverage level of the new Managed Care Plan (PPON) effective July 1, 2017, and to nullify any retroactive claims of Bargaining Unit Members covered by the Collective Bargaining Agreement over the time period of January 1, 2017, to June 30, 2017.

NOW, THEREFORE, Employer and Association agree as follows:

1. **Amendment of Appendix B to the Collective Bargaining Agreement.**

Appendix B to the Collective Bargaining Agreement shall be amended to reflect the new Managed Care Plan (PPON) as follows effective July 1, 2017:



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Benefit Highlights
PPO N1 Plan
Reading School District

THIS IS NOT A CONTRACT. This information highlights some of the benefits available through this program and is NOT intended to be a complete list or description of available services. Benefits are subject to the exclusions and limitations contained in your Certificate of Coverage (COC). Refer to your COC for benefit details.

SUMMARY OF COST-SHARING		Amounts Members Are Responsible For:	
		Participating Providers	NonParticipating Providers
Deductible (per benefit period) The deductible amounts for participating providers and nonparticipating providers cross accumulate to one another		\$350 per member \$700 per family	\$700 per member \$1,400 per family
Copayments			
• Office Visits (performed by a Family Practitioner, General Practitioner, Internist, Pediatrician, Preventive Medicine specialist, or participating Retail Clinic)		\$15 copayment per visit	20% coinsurance
• Specialist Office Visit		\$30 copayment per visit	20% coinsurance
• Emergency Room		\$100 copayment per visit, waived if admitted	
• Urgent Care		\$40 copayment per visit	
• Inpatient (Per Admission)		Not Applicable	50% coinsurance
• Outpatient Surgery Copayment (facility)		Not Applicable	50% coinsurance
Coinsurance		Not Applicable	20% coinsurance
Out-of-Pocket Maximum (includes Deductible, Copayments and Coinsurance for Medical (including ER), and Prescription Drug for Participating Providers only). The Out of Pocket amounts for participating and nonparticipating providers cross accumulate to one another		\$1,500 per member \$3,000 per family	\$6,350 per member \$12,700 per family
SUMMARY OF BENEFITS		Amounts Members Are Responsible For:	
		Participating Providers	NonParticipating Providers
PREVENTIVE CARE			
Preventive Care Services			
• Pediatric Preventive Care		Covered in full, waive deductible	20% coinsurance after deductible
• Adult Preventive Care		One per calendar year	Covered in full, waive deductible
Immunizations			Covered in full, waive deductible
Mammograms			
• Screening Mammogram		One per calendar year	Covered in full, waive deductible
• Diagnostic Mammogram			Covered in full after deductible
Gynecological Services			
• Screening Gynecological Exam & Pap Smear		One per calendar year	Covered in full, waive deductible
BENEFITS LISTED BELOW APPLY ONLY AFTER BENEFIT PERIOD DEDUCTIBLE IS MET			
Acute Care Hospital Room & Board			Covered in full after deductible
Acute Inpatient Rehabilitation			Covered in full after deductible
Skilled Nursing Facility		100 days/benefit period	Covered in full after deductible
Surgery			
• Surgical Procedure & Anesthesia			Covered in full after deductible
Sickroom Services and Newborn Care			Covered in full after deductible
Diagnostic Services			
• Radiology			Covered in full after deductible
• Laboratory			Covered in full after deductible
• Medical tests			Covered in full after deductible
Outpatient Surgery			Covered in full after deductible
Outpatient Therapy Services			
• Physical Medicine			\$30 copayment/visit
• Occupational Therapy		12 visits/benefit period	\$30 copayment/visit
• Speech Therapy		12 visits/benefit period	\$30 copayment/visit
• Respiratory Therapy			\$30 copayment/visit
• Manipulation Therapy			\$20 copayment/visit
Emergency Services			Covered in full, waive deductible
Mental Health Care Services			Emergency room copayment applies, waived if admitted inpatient
• Inpatient Services			Covered in full after deductible
• Outpatient Services			Copayment applies
Substance Abuse Services			
• Rehabilitation – Inpatient			Covered in full after deductible
• Rehabilitation – Outpatient			Copayment applies
Home Health Care Services			Covered in full after deductible
Durable Medical Equipment (DME)			Covered in full after deductible
Prosthetic Appliances			Covered in full after deductible
Orthotic Devices			Covered in full after deductible

Benefits are underwritten by Capital Advantage Assurance Company®, a subsidiary of Capital BlueCross. Independent licensee of the BlueCross BlueShield Association. Communications issued by Capital BlueCross in its capacity as administrator of programs and provider relations for all companies.

PPOS001
01/2018

Large Group – PPO Plan
(1/1/2018)

As a general rule for a standard PPO plan, when a copay is charged for a particular service, the Bargaining Unit Member's responsibility would be the copay only. The Bargaining Unit Member would not be subject to a deductible. For example, if an office visit copay is charged for speech therapy, or an office visit copay for chiropractic, the Bargaining Unit Member would only pay the copay for services billed under that office visit.

2. **Release of Liability and Settlement of Grievance.** Association, on behalf of all of its Bargaining Unit Members, shall hereby remise, release, and forever discharge Employer and all of its constituents, employees, agents, and assigns from any and all liability relating to Association's claims that Employer implemented the Hybrid PPO Plan, which implemented only certain aspects of the Berks Healthcare Trust Certificate and preserved other provisions in the former PPO Plan during the time period of January 1, 2017, through June 30, 2017.

Association further withdraws with prejudice and settles the New Plan Grievance by virtue of this Memorandum of Understanding. On behalf of all of its Bargaining Unit Members, Association hereby remises, releases, and forever discharges Employer and all of its constituents, employees, agents, and assigns from any and all liability for the subject matter raised in the New Plan Grievance.

3. **Balance of Collective Bargaining Agreement.** In all other respects, the balance of the Collective Bargaining Agreement shall remain in full force and effect over the term of the Collective Bargaining Agreement.

IN WITNESS WHEREOF, the parties to this Memorandum of Understanding evidence their approval as set forth below.

THE READING SCHOOL DISTRICT

Attest: _____

By: _____

THE READING EDUCATION ASSOCIATION

Attest:  _____

By:  _____