MEMORANDUM OF AGREEMENT
BETWEEN
KENAI PENINSULA BOROUGH SCHOOL DISTRICT
AND
KENAI PENINSULA ADMINISTRATORS ASSOCIATION

Historically, Kenai Peninsula Administrator Association (KPAA) members have received the same health care program bargained for by the Kenai Peninsula Education Association and Kenai Peninsula Educational Support Association. The KPAA wishes to bargain their health care program separately from KPEA and KPESA. This MOA reflects that agreement. KPAA acknowledges and agrees that by agreeing to this MOA they may lose their seat on the District's Health Care Policy Committee. This MOA will be incorporated into the administrators successor agreement.

The District health care program is self-funded. Program costs are solely a product of administrative expenses and actual claims experience as reported in the District's Comprehensive Annual Financial Report.

1. **General Conditions:**

Benefits are afforded to the employee, spouse and all eligible dependents. All benefits are subject to the terms, conditions, limitations, and definitions contained in the Plan Document, and Summary Plan Description (SPD), which shall govern in the event of any conflict.

As of November 7, 2016, all employees who work thirty (30) or more hours per week or at least .75 FTE are eligible for year-round health benefits and are required, as a condition of employment, to participate in the KPBSD health plan. Any employee who as of November 7, 2016, has been working between twenty (20) and thirty (30) hours per week or between .50 and .75 FTE, and has previously been receiving health benefits, shall be grand parented as eligible for health benefits for the remaining length of time they are employed by the District. All such affected employees shall have a one-time option to opt out of health benefit coverage before their start of employment for the 2017- 2018 school year.

Employees who have alternative health insurance coverage meeting the minimum ACA requirements may elect to waive their entitlement to District provided health insurance coverage.

A flexible benefit account program, under the provision of Section 125 of the Internal Revenue Service Code, will continue.

Dental and vision benefits shall be provided separately from medical and prescription benefits. Employees may elect not to receive dental and vision coverage. The cost of the dental and vision benefits shall be included in the calculation of the employer and employee contribution amounts. The employer and employee contributions will be the same for an employee who receives dental and vision coverage as it is for an employee who elects not to receive dental and vision coverage.

2. **Self-Funded Health Plan Costs**

The District health care program is currently self-funded. Program costs are solely a product of administrative expenses and actual claims experience as reported in the District's Comprehensive Annual Financial Report.

Total District dollar share of health plan costs is calculated based on the negotiated District percentage as applied to actual plan costs. The District will make contributions to the health care program for each participant on a 12-month basis.

Ninety percent (90%) of the health care costs are paid by the District. Ten percent (10%) of the health care costs are paid by the employees.

3. **Health Care Plan Description**

Employees have the option of either a Health Reimbursement Arrangement (HRA) or a Health Savings Account (HSA).

The HDHP will offer four healthcare plan tiers. The tiers will be: Employee Only, Employee and Spouse, Employee and Children, and Employee and Family.

Employee premium rates for each tier shall be set annually and made available on the District website at https://employees.kpbsd.org/health-care-plan prior to the annual open enrollment period.

Selection of employee tier for the following calendar year will be made during the November 15 – December 15 Open Enrollment period, to begin on January 1, or during a special enrollment period as required by a qualifying event.

Employees who are married to another KPBSD employee, or who are a dependent child under age 26 of another KPBSD employee, may choose to waive their own District-provided health insurance and be covered together under a single policy with the appropriate tier.

High Deductible Health Plan (90%/10%)		
	HRA Plan	**HSA Plan**
Deductible	$1,500 / Individual $3,000 / Family	$1,700 / Individual $3,400 / Family
Out of Pocket Maximum (Not including deductible)	$2,000 / Individual $4,000 / Family	$2,000 / Individual $4,000 / Family
HRA or HSA Contribution	$1,000/Year per covered employee	$1,000/Year per covered employee

The District shall make an annual contribution, per covered employee, of one thousand dollars ($1,000) to each employee's HRA or HSA, up to allowable IRS limits. When two or more employees are covered under the same policy, the policy-holder shall receive an annual contribution equal to one thousand dollars ($1,000) per employee covered on the policy, up to allowable IRS limits.

The District shall determine the employee contribution with input from the brokers.

*Guidelines involving "qualifying event" and "pre-existing conditions" will be followed in accordance to the health plan document, which is available at: **https://employees.kpbsd.org/health-care-plan.**

The District shall maintain a "reward" system to protect the plan from inaccurate charges by Service Providers. The District and employee shall evenly divide any monetary benefits resulting from the correction of such charges. Errors made by the plan administrator are ineligible for this reward.

4. Plan/Benefit Changes

The HDHP in place at the time of ratification shall continue, with the following exceptions. Effective October 1, 2026:

- Dental Basic Care Benefit will change to eighty percent (80%).
- The fourth quarter deductible will no longer rollover for HRA plans.
- Employees will accrue two (2) additional days of leave per procedure completed using Transcarent.
- Physician services received from providers not in the KPBSD Health Plan PPO network will be reimbursed at a flat sixty percent (60%) benefit level. Payments for such non-PPO physician services will not apply toward the participant's out-of-pocket maximum. These penalties shall be waived if current information about PPO providers is inaccurate or unavailable. The HCPC will have authority to assist in the implementation of this provision (such as identifying PPO providers).
- Remove HRA 4th Quarter Deductible Rollover

5. Implementation Timeline

Due to the logistics of implementing plan changes for FY26, this MOA shall not be retroactive, except the following shall apply:

- A special open enrollment period will be available in September 2026, for coverage to start on October 1, 2026.

- Existing employees that were participants in the healthcare plan for at least six (6) months during FY26 will receive a one-time payment of one thousand dollars ($1000.00). This will be paid on the September 2026 paycheck.

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Superintendent, Clayton Holland / Date KPAA President, Eric Waltenbaugh / Date