

LITTLE MEDEIROS KINDER
BULMAN & WHITNEY PC



Attorneys

Christopher H. Little *
Matthew F. Medeiros *
Daniel K. Kinder *
John E. Bulman *
Christopher C. Whitney *
Sara A. Rapport *
Scott K. Pomeroy *
Laura J. Bottaro *
Michael D. Williams *
R. Thomas Dunn *
Justin S. DuClos *

John D. Deacon, Jr. *
Michael W. Carroll *
Thomas M. Madden *
Of Counsel

William R. Powers III
(1931-1998)

Thomas C. Kccney
(1946-1999)

*Also admitted in
Massachusetts

BY EMAIL, FAX & REGULAR MAIL

January 2, 2009

Ms. Jeanette Woolley
NEARI
99 Bald Hill Road
Cranston, RI 02920

Re: East Providence School Committee / East Providence Educational Association
Negotiations

Dear Ms. Woolley:

As the parties remain at impasse, and the East Providence School Department's financial emergency has only grown more critical over the past two months, the School Committee must, and will, implement the following, effective Monday, January 5, 2009 at 12:01 a.m.

1. Salary.

The salary scheduled will be amended as follows:

1. Retain '06-'07 Basic Salary Schedule for '08-'09, as that schedule took effect 5/1/07.
2. Bachelor's Degree Plus 36 Hours: \$750 increment over Basic Salary Schedule.
3. Master's Degree: \$1000 increment over Basic Salary Schedule.
4. Master's Degree Plus 30 Hours: \$1250 increment over Basic Salary Schedule.
5. Sixth Year or 30 Hours of Approved Work Beyond Master's or two Master's: \$1500 above Basic Salary Schedule.
6. Sixth Year Plus 30 Hours of Approved Work: \$1750 above Basic Salary Schedule.
7. Doctorate: \$2500 above Basic Salary Schedule.

2. Heath Insurance.

a. Section 5.1.1

Delete and substitute the following:

All employees who participate in the School Department's group health and/or dental insurance programs shall contribute via payroll deduction 20% of the monthly premium for such

coverage. Any retiree eligible to participate in the School Department's health insurance group plan who retires on or after November 1, 2008 shall contribute 20% of premium cost, in advance, monthly while coverage is provided as a condition precedent to receipt of coverage."

Section 5.2 – Blue Cross, HealthMate Coast-to-Coast and Plan Summary

Effective February 1, 2009 the applicable plan for all eligible teachers will be HealthMate Coast-to-Coast Co Insurance (var) with \$500 deductible. A summary of the plan is attached.

Section 5.2.1 – Health Benefits Option

Delete.

Section 5.2.3 – Hospitalization

Delete.

Section 5.2.4 – Prescription Benefit

Amend to read as follows:

"A three tiered prescription co-pay shall be maintained of \$7/\$30/\$50. Maintenance prescriptions (long-term usage) may be available by mail order through a program established by the insurer, thus providing a reduction in total co-pays paid."

b. Section 5.7 – Buy Back Provision

Delete and substitute the following:

"Section 5.7 – Alternate Coverage

No employee or retiree shall be eligible for either family or individual health coverage or family or individual dental coverage if the employee or retiree has available to him/her alternate coverage from another source, whether from another employer, a spouse's employer, a governmental entity, or otherwise. Thus, for example, without limitation, if an employee's spouse is employed by an employer who maintains a group health insurance plan that includes family or spousal coverage, the employee is not eligible for coverage under the East Providence Schools group plan. Similarly, without limitation, Medicare eligibility or a teacher's employment by an employer who maintains a group health insurance plan would also render the teacher ineligible for coverage pursuant to the East Providence School Department plan. Each employee and retiree claiming eligibility for health insurance coverage pursuant to the School Department's plan shall be required each year to provide the School Department with an affidavit in form satisfactory to the School Department, averring under oath and penalties of perjury, that the teacher does not have available to him/her health insurance and/or dental

insurance from any source other than the School Department. Such affidavits shall be provided by the teacher or retiree annually during the period of August 1st through August 15th in form satisfactory to the East Providence School Committee. In instances of a Major Life Event, as defined in COBRA, resulting in loss of all availability of alternate health or dental insurance, the employee shall be eligible for coverage under the School Department group plan.”

c. Section 5.9 – Retirees

Amend to read as follows:

“Eligible retirees shall be entitled to receive individual health insurance and/or dental insurance benefits during the first two years after retirement, or until Medicare eligibility whichever occurs earlier, on the same terms and under the same conditions as apply to active employees. Such retired teachers may, in addition to required contributions to their individual coverage pay the difference in cost between individual and family coverage in order to purchase family coverage during the period of their own eligibility for coverage. Failure to make any required contribution in advance of the month of coverage shall result in termination of coverage.” [This is not intended to apply to those who have already retired as of this date.]

3. Personal Leave.

(§ 8.7.1). Change “two (2) days” to “one (1) day.”

4. Legal Proceedings. (§ 8.6)

Delete and amend to read as follows:

“In cases in which teachers are compelled, or requested by the School Department, to appear before a Court or a Grand Jury to testify on behalf of the School Department and in which they are neither the petitioner nor the defendant, they shall be paid the difference between the witness fee and the normal salary for the period of absence. This shall be accomplished by the teacher receiving full pay from the School Department and relinquishing all witness fees to the School Department. Teachers shall be granted a temporary leave of absence with full pay for the time necessary for such appearances in legal proceedings.”

5. Longevity Pay. (Appendix J):

1. Amend schedule to read as follows:

<u>Years</u>	<u>2008-2011</u>
16-19 years	\$ 1188
20-24 years	\$ 1505

25 years and up

\$ 1675

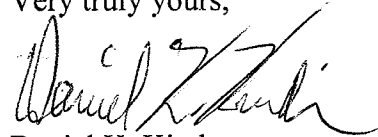
2. Change "twenty-five (25)" to "thirty (30)" and "fifteen (15)" to "twenty-five (25)".
 3. Delete, including first three paragraphs.
 4. Amend fourth paragraph by deleting "or J3".
6. In-Service Facilitator. (Appendix O).
1. Amend paragraph 3 to read: "The pay for said position shall be Twenty-Five Hundred Dollars (\$2,500)."
 2. Paragraph 5 delete.
 3. Paragraph 6 delete.

The School Committee regrets the necessity of these steps, but it has been over two months since you told us that EPEA had no more movement to offer and the School Department's deficit has grown every day. This has to stop now. It is truly an emergency.

The School Committee again invites you and the EPEA bargaining committee to meet and negotiate a new labor agreement whenever you decide that further discussion might be fruitful.

Thank you for your attention to this matter.

Very truly yours,



Daniel K. Kinder



HealthMate
COAST • TO • COAST

Benefit Summary

HealthMate Coast-to-Coast Deductible Plan

Benefit	Within the BlueCard® PPO Network you pay:	Outside of the BlueCard® PPO Network you pay:	Notes
Deductible	\$500	\$500	Individual plan deductible is \$500 per calendar year up to a maximum of two individuals per family. In- and out-of-network deductibles accumulate separately.
Coinsurance percentage	As noted below.	As noted below.	
Out-of-pocket maximum	\$0	\$4,000	Up to a maximum of two individuals per family. Once you exceed this amount, we will pay up to our allowance for most covered services. Deductibles and copayments do not apply to your out-of-pocket maximum.
<p><i>Please remember that you are responsible for paying any copayment, coinsurance, and/or deductible to your provider. This is a mandatory requirement when receiving healthcare services. Copayments are due at the time of service. Any coinsurance and/or deductible amounts can be paid at the time of service or within the time frame specified by your provider. Coinsurance and deductible amounts are shown on the explanation of benefits that we send to you after processing your claim. You must pay the provider the total amount shown in the section labeled "Your Responsibility" on the explanation of benefits.</i></p>			
Preventive Care			
Adult preventive care	\$15	\$15 plus 20% after deductible	Includes one physical exam and one gynecological exam per calendar year.
Pediatric preventive care	\$15	\$15 plus 20% after deductible	
Immunizations	\$15	\$15 plus 20% after deductible	Includes adult and pediatric immunizations. An office visit copayment will apply if the provider bills for the immunization administration in addition to an office visit.
Lab services, machine tests, and X-rays	0% (deductible does not apply)	20% after deductible	Includes pap smears, screening mammograms, and prostate-specific antigen (PSA) tests.
Office Visits			
Personal physician Includes family practitioners, internists, obstetricians, gynecologists, and pediatricians.	\$15	\$15 plus 20% after deductible	
Specialist Includes office visits to all other medical providers who specialize in a certain area of medicine, such as oncology, cardiology, ophthalmology, dermatology, etc.	\$25	\$25 plus 20% after deductible	Chiropractic visits are limited to 12 per calendar year. Routine eye exams are limited to 1 per calendar year. Mental health visits are limited to 30 per calendar year. Chemical dependency visits are limited to 30 hours per calendar year.
Urgent care center	\$25	\$25 plus 20% after deductible	
Outpatient Services			
Outpatient medical/surgical care (facility and doctor services)	0% after deductible	20% after deductible	

continued

continued

Obstetrical care	0% after deductible	20% after deductible	Prenatal visits, delivery, and postnatal care. \$15 office visit copayment applies to initial exam.
Lab services, machine tests, and X-rays (diagnostic)	0% after deductible	20% after deductible	
Inpatient Services			
Inpatient hospital services inpatient hospital facility, inpatient mental healthcare, and inpatient chemical dependency	0% after deductible	20% after deductible	Unlimited days at a general or mental health hospital; up to 45 days at a physical rehabilitation hospital. Inpatient care for chemical dependency is limited to 30 days per calendar year.
Inpatient medical/surgical care (doctor services)	0% after deductible	20% after deductible	Unlimited days at general hospitals; up to 45 days per calendar year at specialty hospitals.
Emergency Services			
Emergency room care	\$100	\$100	If emergency room visit results in hospital admission, \$100 copayment is waived. You may be billed an additional specialist copayment if you are seen by a specialist in the emergency room.
Ambulance services	\$50	\$50	Coverage for medically necessary/emergency services. Air and water ambulance are limited to a maximum of \$3,000 per occurrence.
Additional Services			
Prescription drugs	See prescription drug insert for details. Prescription drug copayments and coinsurance do not apply to your out-of-pocket maximum.		
Physical/occupational therapy	0% after deductible (see notes at right)	20% after deductible	With a hospital-based therapist and within 30 days following a hospital stay, home care program, or ambulatory surgical procedure. Otherwise covered at 80% after deductible.
Durable medical equipment (DME)	20% after deductible	20% after deductible	Must be purchased from a participating DME vendor. Pharmacies are NOT participating in the DME network.
Home and hospice care	0% after deductible	20% after deductible	Includes physician, nurse, and home health aide visits.

This grid provides a general summary of your HealthMate benefits. It is not a contract. For details about your coverage, including any limitations or exclusions not noted here, refer to your subscriber agreement or call our Customer Service Department at (401) 459-5000 or 1-800-639-2227 (outside of Rhode Island). If you have any questions about receiving medical care, call your personal physician.

How Your Deductible Works

Your plan features a deductible. The deductible is the amount of covered expenses you must pay per calendar year before we start to pay for covered services.

- Two family members must satisfy the individual deductible. Once the second family member meets their individual deductible, the family deductible is satisfied and any deductible credit taken on remaining family members will be reimbursed.
- Once the out-of-network deductible is met, the family only needs to pay coinsurance (if applicable) up to the out-of-pocket maximum.

The family out-of-pocket maximum accumulates the same way as the family deductible.

Family Deductible Example

Here's how your family deductible works.

- Member 1 incurs expenses totaling \$625. \$500 would be used to satisfy the member's individual deductible and \$125 would be paid at 100%.
- Member 2 incurs expenses totaling \$75. That amount is applied to the member's individual deductible.
- Member 3 incurs expenses totaling \$1,000. \$500 is used to satisfy the member's individual deductible and \$500 is paid at 100%.
- This also satisfies the family deductible, so the \$75 deductible credit taken on Member 2 is now paid at 100%.



Your Plan for Life.™

www.BCBSRI.com

444 Westminster Street • Providence, RI 02903-3279

Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.

12/08 HM-5255 • 463885

Your Prescription Drug Plan

We are pleased to present you with your prescription drug plan. The following information will help you understand your prescription drug benefits.

How does my prescription drug benefit work?

Your plan divides all covered drugs into three different levels (tiers).

Tier 1: Includes generic drugs. Requires the lowest copayment.

Tier 2: Includes preferred brand name medications. Requires a higher copayment.

Tier 3: Includes non-preferred brand name drugs that may have generic or preferred brand name alternatives. Requires the highest copayment.

The entire list of drugs in all tiers that your prescription plan covers is known as the **preferred drug list**.

What is my copayment?

Retail

You can receive up to a 30-day supply of either maintenance or non-maintenance drugs at the pharmacy. You will pay a copayment for each 30-day supply. The amount of the copayment depends on the type of drug you are obtaining.

Tier 1: \$7

Tier 2: \$30

Tier 3: \$50

Mail Order

You can order up to a 90-day supply of most medications through the mail. The amount of your copayment depends on the type of drug you are ordering.

Tier 1: \$14

Tier 2: \$60

Tier 3: \$100

Where can I have my prescriptions filled?

- Our network includes more than 50,000 pharmacies, including most major chains and independent pharmacies.
- You can also use our mail order vendor, PrecisionRx.

Out of Network Pharmacies

If you have a prescription filled at a non-participating pharmacy, you must pay for it in full at the time of purchase. You will be reimbursed at 80 percent of our allowance, less a \$50 copayment.

Save money at the pharmacy.

Generic Drugs

You can maximize your pharmacy benefit and substantially lower your out-of-pocket cost by choosing generic drugs.

A generic drug:

- Is the same drug as its higher-priced, heavily advertised, brand name equivalent.
- Has the same active ingredients as its brand name equivalent and is approved by the U.S. Food and Drug Administration (FDA).
- Has passed rigorous tests to ensure that it's safe and effective.

If a brand name drug is prescribed, ask your doctor or pharmacist if a generic alternative is available.

Over-the-Counter Drugs

Over-the-counter drugs (OTCs) are medications that do not require a prescription. There are many benefits to OTCs, including:

- Most are less expensive than their prescription equivalents, but have the same active ingredients.
- Manufacturer coupons are frequently available for OTCs.
- No prescription is required, so you don't have to make an appointment with your doctor, or pay an office visit copayment, before purchasing an OTC.

Discuss your prescription and over-the-counter drug options with your doctor to ensure the best possible course of treatment.

(Continued on back)



Your Plan for Life.™

Additional information about your prescription drug plan

A **formulary** is a list of **preferred drugs** that are covered by your plan. A committee of local physicians and pharmacists, established by Blue Cross & Blue Shield of Rhode Island (BCBSRI), developed our drug formulary to ensure that our members have access to a wide range of medically effective, safe, and economical drugs.

Our review committee will consider new drugs for possible inclusion in our preferred drug list (formulary). New drugs will be reviewed within the first six months from the final FDA marketing approval date. A new drug will not be covered by BCBSRI before the committee has the opportunity to review the new drug and make a determination as to whether it is appropriate for inclusion in the preferred drug list.

This insert provides a general summary of your prescription drug program. It is not a contract. For details of your coverage, including any limitations or exclusions not noted here, please refer to your subscriber agreement. Also included in your subscriber agreement is information on our preferred drug list and how that list is developed. If you have any questions about coverage for a specific drug or any other questions related to your prescription drug program, please call us at the appropriate number below.

Customer Service for BlueCHiP plans:

(401) 274-3500 or 1-800-564-0888

Customer Service for all other BCBSRI plans:

(401) 459-5000 or 1-800-639-2227



Your Plan for Life.™

www.BCBSRI.com

444 Westminster Street • Providence, RI 02903-3279

Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.

03/07

SAL-3589 • 8100FL