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## Poughkeepsie health deals with unions will save city \$330,000

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The City of Poughkeepsie expects to save more than \$330,000 in employee health insurance costs next year after taking a new approach to coverage.

Mayor John Tkazyik said the cost reduction resulted from collaboration between his administration, four employee unions and The Health Consultants Group, a Town of Poughkeepsie-based employee benefits insurance agency that works for the city.

Tkazyik said the city's insurance costs would have increased nearly 10 percent if union members did not accept the new approach to health coverage, which was approved this year by each of the four bargaining units during contract negotiations.

"Thanks to the leadership and creative thinking of the negotiating teams, I will be able to lower primary doctor co-pays to zero and reduce our health insurance premiums by over \$600,000 next year," Tkazyik said in a statement.

Rising health insurance costs are traditionally a main culprit behind municipalities' budget and tax increases.

Under deals with four unions representing the city's approximately 400 workers, officials said employees agreed to the new health reimbursement arrangement that should reduce premiums by nearly \$646,000.

Officials said The Health Consultants Group was assigned to obtain alternative plans with higher co-pays and deductibles that should reduce premiums.

Part of those savings will be used to fund a program known as The Difference Card, which would allow employees to be reimbursed for any out-of-pocket costs not outlined in union contracts.

Corporation Counsel Brian Morgan said contract negotiations gave officials the opportunity to re-examine employee health coverage.

"The health reimbursement arrangement language is one of those items that benefit both the employer and the employee," Morgan said in a release. "The city adheres to its obligations and everyone ends up paying less for better coverage."

Based upon conservative usage estimates of employees and their dependents, officials said the city expects to save more than \$330,000 in 2010.

"Our strong working relationship with The Health Consultants Group and The Difference Card has made these savings possible," city Finance Commissioner Milo Bunyi said. "I applaud the mayor and union leadership for their constant efforts in saving taxpayer dollars in these difficult economic times."

The Common Council this year reached contract agreements with the city's police, fire, water treatment plant and Civil Service Employees Association unions.

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