



National Postal Mail Handlers Union

Paul V. Hogrogian
National President

Michael J. Hora
National Secretary-Treasurer

June Harris
Vice President
Central Region

John A. Gibson
Vice President
Eastern Region

David E. Wilkin
Vice President
Northeastern Region

Lawrence B. Sapp
Vice President
Southern Region

Don J. Sneesby
Vice President
Western Region

June 17, 2020

TO: All Local Unions

FROM: Paul Hogrogian, National President *PVH*
Michael Hora, National Secretary-Treasurer *MJH*
Teresa Harmon, Manager, CAD *TH*

RE: MHA Health Insurance Under the 2019 National Agreement

The 2019 National Agreement contains significant changes in the options for health insurance available to Mail Handler Assistants. As previously discussed during prior conferences, however, the NPMHU finds itself in an ongoing dispute with USPS Headquarters about the timing and implementation of these changes. (The parties continue to discuss these matters, and hope to resolve their disputes, but in the meantime the NPMHU is filing National-level protective grievance in case a resolution is not reached.) Here are more details.

There are two major components or choices for MHA health insurance under the 2019 National Agreement: the first is the USPS Noncareer Health Care Plan; and the second consists of two options under the Mail Handler Benefit Plan, the MHBP Consumer Option and the MHBP Value Plan.

First, the Postal Service will continue to provide the USPS Noncareer Health Plan with self-only, self plus one, and family options for the duration of the 2019 National Agreement. These options also were available under the prior 2016 National Agreement. Under the new agreement, however, the cost of premiums to be paid by MHAs have changed, as reflected below for pay periods in 2020.

There will be a special open enrollment period for MHAs to gain access to the USPS Noncareer Health Benefits plan, currently scheduled to run from approximately July 10, 2020 to August 9, 2020, with coverage to be effective starting on August 1, 2020 for those MHAs who sign up during that open season. For MHAs who already have had coverage since before the effective date of the 2019 National Agreement (that is, before April 25, 2020), there is a dispute concerning the date upon which the new, reduced rates take effect – at the earliest on April 25, 2020 and at the latest on August 1, 2020, so a dispute over five pay periods.



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Under the prior National Agreement, the Postal Service contribution for insurance under the USPS Noncareer Plan was \$125 per pay period for all types of coverage. Under the new National Agreement, the Postal Service continues to contribute \$125 per pay period for self-only coverage, but contributes 65% of the total cost during an MHA's first year of employment and 75% thereafter (after the first year of employment) for self plus one or family coverage.

Here is the official chart of contribution amounts described above:

Premium Costs Per Pay Period for USPS Noncareer Health Plan – 2020

MHA First-Year Appointment

	What USPS Pays	What MHA Pays
Self	125.00	61.00
Self plus one	274.95	148.05
Family	389.35	209.65

MHA After First-Year Appointment

	What USPS Pays	What MHA Pays
Self	125.00	61.00
Self plus one	317.25	105.75
Family	449.25	149.75

Open Disputes for USPS Noncareer Health Plan: With regard to the USPS Noncareer Plan, the remaining disputes concern the proper or contractually required effective dates for these new rates: the USPS says not until August 1, 2020, towards completion of the upcoming open season, whereas the NPMHU argues that MHAs who already had this coverage as of April 25, 2020 or are eligible to obtain this coverage because of a 360-day reappointment or a qualifying life event between April 25, 2020 and August 1, 2020 should have the new rates applied to them on April 25, 2020 or the pay period after their reappointment or life event, whichever is earlier. In addition, the Postal Service previously proposed, and the NPMHU announced, a special open season that was to take place four weeks earlier than July 10 to August 9, 2020. The USPS has since unilaterally withdrawn and rescheduled these dates for a special open season, citing administrative burdens and lack of resources. This unilateral action and delayed enrollment period also will be addressed in a National-level grievance.





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Second, after an initial appointment for a 360-day term and upon reappointment to another 360-day term, an eligible MHA may elect to participate in the Federal Employee Health Benefit Program (FEHB). For most health plans, the total expense would have to be covered completely by the MHA, but the Postal Service under the 2019 National Agreement will make a contribution toward the premium for any eligible MHA who selects the Mail Handler Benefit Plan (MHBP) Value Plan or MHBP Consumer Option. For self-only enrollment, this contribution shall be equal to, but no greater than, the dollar amount of the Postal Service’s contribution toward self-only coverage for MHAs under the USPS Plan. For self plus one or family coverage, the contribution shall be equal to, but not greater than, the dollar value of 75% of the total premium for self plus one or family coverage under the USPS Noncareer Plan.

Here is a chart reflecting these amounts:

Premium Costs Per Pay Period for FEHB/MHBP Value Plan– 2020

MHA After First-Year Appointment – MHBP Value Plan

	What USPS Pays	What MHA Pays
Self	125.00	84.22
Self plus one	317.25	178.48
Family	449.25	56.38

Premium Costs Per Pay Period for FEHB/MHBP Consumer Option – 2020

MHA After First-Year Appointment – MHBP Consumer Option

	What USPS Pays	What MHA Pays
Self	125.00	139.59
Self plus one	317.25	268.28
Family	449.25	165.55

Open Disputes for FEHB/MHBP Plans: With regard to these FEHB/MHBP plans, the remaining disputes also concern the proper or contractually required effective dates for these new rates: the USPS says not until January 2021, after the usual November-December open season for FEHB plans, whereas the NPMHU argues that MHAs who are eligible to obtain this coverage because of a reappointment or a qualifying life event between April 25, 2020 and December 31, 2020 should have the new rates applied to them on April 25, 2020 or the pay period after their reappointment or life event, whichever is earlier.





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A copy of this memorandum has been posted on the NPMHU website. Please do not hesitate to contact the National CAD should you have any questions.

Cc: National Executive Board
National/Regional CAD