



OFFICE OF THE CHANCELLOR

May 12, 2015

Ms. Mary Rita DuVall
Head of Labor Relations Department
Association of Pennsylvania State College and University Faculties
319 North Front Street
Harrisburg, PA 17101

Dear Ms. DuVall:

This is in response to the Association of Pennsylvania State College and University Faculties' (APSCUF's) letter of April 29, 2015, demanding to bargain over the proposed changes to Pennsylvania's State System of Higher Education's (State System's) health care plans to make them compliant with the Affordable Care Act (ACA). Compliance must be effective July 1, 2015.

First, the State System is allowing certain previously ineligible faculty and coaches who meet the criteria of full-time employees as defined under the ACA the opportunity to participate in available medical plan coverage to comply with the ACA and avoid substantial penalties for non-compliance. Allowing ineligible faculty and coaches the opportunity to purchase benefits at full cost will establish compliance by the State System and avoid the substantial ACA penalties under Section 4980H(a) related to this issue.

Second, it is the State System's position that APSCUF and the State System have bargained over eligibility for health care benefits for faculty and coaches as provided in the respective agreements. The State System plans no changes to the eligibility provision.

Third, the State System is not changing health benefits for those faculty members and coaches who are eligible for health care benefits under the terms of Article 21, Fringe Benefits, of the faculty collective bargaining agreement and Article 11, Hospital and Medical Insurance and Supplemental Benefits, of the non-faculty athletic coaches collective bargaining agreement, respectively.

Finally, as APSCUF and the State System are currently in bargaining for successor collective bargaining agreements, the State System is completely willing to bargain over this issue. Please call if you have any questions concerning any of the above.

Sincerely,

Lisa A. Sanno
Assistant Vice Chancellor for Employee and Labor Relations

LAS/keb



c: Thomas Giotto, Buchanan, Ingersoll, and Rooney, P.C.
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