

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: CEO-Risk Management Division

BOARD AGENDA # \*B-6

Urgent  Routine

AGENDA DATE October 28, 2014

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of a Health Insurance Agreement Between Stanislaus County and all Represented Labor Organizations for the Period of January 1, 2015 Through December 31, 2017 and Approval to Extend the Provisions of this Agreement to all Unrepresented Management and Confidential Employees

STAFF RECOMMENDATIONS:

1. Approve the tentative Health Insurance Agreement for the period January 1, 2015 through December 31, 2017 between Stanislaus County and each of the following Labor Organizations subject to final ratification:

California Nurses' Association  
County Attorneys' Association  
District Attorney Investigators' Association  
Stanislaus County Deputy Probation Officers' Association

(Continued on Page 2)

FISCAL IMPACT:

The County has completed negotiations on a new joint three-year agreement for health insurance with all 12 County labor organizations. The term of the agreement is from January 1, 2015 to December 31, 2017. This agreement provides the specific level of coverage for medical, dental and vision insurance programs for all labor organizations under one agreement. The provisions of this agreement will also apply to all unrepresented management and confidential employees in order to maintain a consistent benefit platform for all County employees.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2014-539

On motion of Supervisor Withrow, Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, Monteith, and Chairman De Martini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

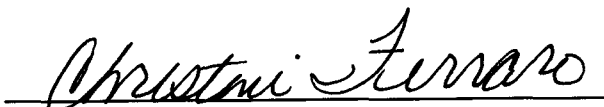
1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of a Health Insurance Agreement Between Stanislaus County and all Represented Labor Organizations for the Period of January 1, 2015 Through December 31, 2017 and Approval to Extend the Provisions of this Agreement to all Unrepresented Management and Confidential Employees

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**STAFF RECOMMENDATIONS: (Continued)**

Service Employees' International Union Local 521  
Stanislaus County Deputy Sheriffs' Association  
Stanislaus County Employees' Association/AFSCME Local 10  
Stanislaus County Sheriff Supervisors' Association  
Stanislaus Regional Emergency Dispatchers' Association  
Stanislaus County Sheriffs' Management Association  
Stanislaus County Probation Correction Officers' Association  
Stanislaus Sworn Deputy's Association

2. Authorize the extension of the agreement provisions to all unrepresented management and confidential employees.
3. Authorize the Chairman of the Board of Supervisors and all parties to sign the agreement.
4. Authorize the Chief Executive Officer or designee to execute all agreements related to implementation and maintenance of employee health insurance programs effective January 1, 2015 through December 31, 2017.

**FISCAL IMPACT: (Continued)**

The new agreement includes cost containment changes to the County's medical insurance plan configuration that reduces the number of health plans offered and focuses available plan options based on subscriber residency at the time of open enrollment. To take advantage of local discounts and minimize out-of-area costs, employees living within the Stanislaus County Partners-in-Health (SCPH) local service area will be enrolled in a SCPH plan while employees living outside the SCPH local service area will be enrolled in an Anthem Blue Cross plan. The County will charge the same insurance rates for subscribers regardless of their residence status and corresponding health plan enrollment. This means that subscribers living outside of the SCPH local service area who enroll in Anthem Blue Cross will have the same rates as subscribers who live locally and are enrolled in SCPH. This new plan design offers the most efficient configuration of health plan options by increasing locally negotiated discounts through SCPH while leveraging maximum discounts outside of the local area through Anthem Blue Cross.

The County's health insurance program is funded by County departments, employees, retirees, special districts and COBRA participants. Costs for County departments are driven by the rates of the lowest cost medical insurance program, SCPH. Employee's costs are driven by their individual selections during open enrollment, with the employee paying more out-of-pocket for any costs above the low cost plan. The new benefit plan

Approval of a Health Insurance Agreement Between Stanislaus County and all Represented Labor Organizations for the Period of January 1, 2015 Through December 31, 2017 and Approval to Extend the Provisions of this Agreement to all Unrepresented Management and Confidential Employees  
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design will reduce plan options to all participants while standardizing the cost of insurance for all employees. This will have the effect of reducing employee costs for those individuals who are currently enrolled in higher cost benefit plan options which will no longer be available under the new agreement. The following table summarizes the estimated cost impact of the negotiated agreement for all plan participants assuming no changes in the total enrollment population between 2014 and 2015:

<b>2014 Current Annual Cost</b>				
	<b>Medical</b>	<b>Dental</b>	<b>Vision</b>	<b>Total</b>
County	\$ 45,753,591	\$ 2,675,964	\$ 260,130	\$ 48,689,685
Employee	\$ 6,954,755	\$ 668,991	\$ 65,033	\$ 7,688,779
Retirees	\$ 2,990,770	\$ -	\$ -	\$ 2,990,770
Special Dist. & COBRA	\$ 992,322	\$ -	\$ -	\$ 992,322
	\$ 56,691,438	\$ 3,344,955	\$ 325,163	\$ 60,361,556

<b>2015 Projected Annual Cost</b>				
	<b>Medical</b>	<b>Dental</b>	<b>Vision</b>	<b>Total</b>
County	\$ 45,979,740	\$ 2,675,964	\$ 547,531	\$ 49,203,235
Employee	\$ 4,998,795	\$ 668,991	\$ 136,883	\$ 5,804,669
Retirees	\$ 2,674,980	\$ -	\$ -	\$ 2,674,980
Special Dist. & COBRA	\$ 852,249	\$ -	\$ -	\$ 852,249
	\$ 54,505,764	\$ 3,344,955	\$ 684,414	\$ 58,535,133

<b>Total Increase/(Decrease)</b>				
	<b>Medical</b>	<b>Dental</b>	<b>Vision</b>	<b>Total</b>
County	\$ 226,149	\$ -	\$ 287,401	\$ 513,550
Employee	\$ (1,955,960)	\$ -	\$ 71,850	\$ (1,884,110)
Retirees	\$ (315,790)	\$ -	\$ -	\$ (315,790)
Special Dist. & COBRA	\$ (140,073)	\$ -	\$ -	\$ (140,073)
	\$ (2,185,674)	\$ -	\$ 359,251	\$ (1,826,423)

Departments should experience an overall increase in health insurance cost of approximately 1%. This cost has been included in existing County budget appropriations. Approximately 30% of the County's insurance program costs are attributed to General Fund departments.

While costs to County departments have increased, the overall cost to employees and other plan participants is expected to decrease as a result of the elimination of higher

cost health plan options which are funded entirely by the members who enroll in those health plans.

The County is self-insured for medical, dental and vision insurance benefits, and establishes insurance rates each year based on actuarial and underwriting recommendations. A separate agenda item will be forwarded to the Board of Supervisors to consider recommended insurance rates for the 2015 plan year. The plan design changes included in the health insurance tentative agreement will support the County's effort to maintain minimal increases in medical insurance rates while also including a supplemental premium necessary to fund a portion of the accumulated deficit generated in the medical insurance program in plan years 2012 and 2013. The recommended insurance rates will also restore base funding in the vision insurance program in 2015 which is reflected in the cost increases attributed to the vision program for 2015. Vision insurance rates were reduced by 50% in plan years 2013 and 2014 as a result of significant savings that were generated in the vision insurance program from prior years. Restoring the vision rates to the base level will ensure the program does not generate a deficit going forward.

The final fiscal analysis for 2015 is dependent upon how many employees enroll in Exclusive Provider Organization (EPO) plan options and how many enroll in High Deductible Health Plan (HDHP) plan options with a higher level of County funding. The total cost of the new agreement will be determined after the open enrollment process when County employees have completed insurance plan choices for the new plan year. The final results of open enrollment selections and the resulting fiscal impact of this agreement will be reported in the Fiscal Year 2014-2015 Mid-Year Financial Report.

#### **DISCUSSION:**

The current Health Insurance Agreement between the County and all employee organizations will expire on December 31, 2014. Staff have worked with representatives from all County labor groups through the required meet and confer process to develop a new Health Insurance Tentative Agreement for employee benefits. The negotiation process included eight negotiation sessions with all bargaining units and multiple proposals exchanged between the County and all labor organizations. The parties reached a final Health Insurance Tentative Agreement on October 7, 2014, which was supported by all County labor organizations. Each labor group is in the process of ratifying the agreement with their individual bargaining units. Based on voting timelines and individual voting requirements, some labor groups may not finalize their ratification votes until after recommended Board approval on October 28, 2014. This agenda item is being submitted to the Board to approve the new Health Insurance Agreement for all labor groups, subject to individual bargaining unit ratification, and to extend the provisions of the new agreement to unrepresented management and confidential employees.

Prior to the start of negotiations over a new Health Insurance Agreement, County staff recognized that contracts would be expiring with each of the County's three current health plans effective December 31, 2014. As such, the County completed a Request for Information (RFI) to solicit information from health care organizations doing business in Stanislaus County. Based on the RFI proposals and findings, current administrative considerations, and actuarial cost projections, several viable County health benefit plan configurations emerged. Plan options included status quo (no change to current plan structure), total replacement (single plan) options, and several variations of dual plan configurations that provided potential savings opportunities. Each plan configuration option was fully disclosed and discussed with labor groups, including but not limited to plan network information, quality of care metrics, and cost analysis.

After careful consideration, labor groups unanimously agreed to move forward with the SCPH plan for local service area resident subscribers and the Anthem Blue Cross plan for out-of-area resident subscribers. This plan configuration continues to provide a high-level of quality and accessibility to care and is the most cost efficient plan configuration evaluated during the RFI and negotiation process. Based on the RFI and actuarial evaluation, it is estimated that the current self-insured plan configuration option that includes Kaiser, Anthem Blue Cross, and SCPH would cost approximately \$6.3 million more in 2015 and an estimated \$21.3 million more over the three year term of the new agreement than the agreed upon plan configuration. The ability to reduce the projected cost of the health insurance program by efficiencies in plan configuration will assist the County in establishing health insurance rates that absorb the inflationary cost of healthcare while also supporting a supplemental increase necessary to address an accumulated deficit generated in the self-insured medical program in the 2012 and 2013 plan years.

The County recognized that employees who are currently enrolled in Kaiser and Anthem Blue Cross plans would be impacted by the negotiated plan configuration changes. As a result, the County has tentatively agreed to offer a premium reimbursement program to those employees who are currently enrolled in Kaiser plans, or who are currently enrolled in Anthem Blue Cross and no longer eligible to remain enrolled in that program starting in 2015 due to their residence. The premium reimbursement program would allow those employees to obtain coverage outside of the County and be reimbursed up to 80% of their medical premium, or 75% of the County's medical EPO contribution, whichever amount is lower. There are approximately 475 employees that will be impacted by the County's medical plan configuration change and would be eligible for the new premium reimbursement program.

The County will continue to administer the open enrollment process internally. The dates for the open enrollment process are from October 28 to November 21, 2014. Employee Benefits staff is coordinating five on-site open enrollment benefit meetings at various County locations to facilitate communication to employees and retirees about

their health care benefits with the County, provide free flu vaccinations, and answer health care related questions. Vendors from each of the health care programs will be at each of the meetings and Employee Benefits staff will provide open enrollment presentations to employees and retirees to provide a complete overview of all available benefit options. In addition, County staff is working with Alliant Benefit Consultants to assist employees and retirees impacted by the elimination of Kaiser plans, and limiting Anthem Blue Cross to only subscribers who live outside the SCPH local service area, by setting up a toll-free number to call a health counselor and discuss available medical plan options through Covered California and the private marketplace.

Although not outlined in the Tentative Agreement, employees will be able to elect, at their own cost, coverage for Critical Illness and Accident coverage during the 2014 open enrollment period. In addition, employees will have the choice of enrolling in Long Term Care, at their own cost, during a special open enrollment period in early 2015.

The following information summarizes the final version of the Tentative Agreement and insurance plan selections subject to ratification by all County labor groups and approval of the Board of Supervisors:

#### **Medical Insurance Plans**

- Participation in medical plans will be based on the employee's residence at the time of open enrollment.
- All employees who live in the Stanislaus County Partners-in-Health (SCPH) local service area will be enrolled in SCPH.
- All employees who live outside of the SCPH local service area will be enrolled in Anthem Blue Cross.

#### **Impacts to Employees Currently Enrolled in Kaiser and Anthem Blue Cross**

- Kaiser will no longer be offered under the County's medical insurance program.
- Employees currently enrolled in Kaiser will be eligible to enroll in Kaiser (or any other qualified plan) outside of the County's medical insurance program and receive a direct premium reimbursement from the County to support their new medical plan selection.
- This same premium reimbursement opportunity will be available for any employees currently enrolled in Anthem Blue Cross who are residing in the SCPH local service area and are therefore no longer eligible to enroll in Anthem under the County's program.

### **Health Insurance Costs**

- There are no changes in the premium cost share agreement. The County will continue to pay 95% of the premiums for High Deductible Health Plans (HDHP) and 80% of the premiums for Exclusive Provider Organization (EPO) plan options. The County will also continue to pay 80% of the premiums for dental and vision programs. Waive credits for employees choosing to waive insurance benefits will remain unchanged.
- There are no changes in the contributions the County makes to Health Savings Accounts (HSA). The County will continue to fund HSA accounts with deposits of \$1,200 annually for Employee-Only and \$2,000 for Employee +1 and Family accounts.
- Health insurance premiums will be blended for SCPH and Anthem, resulting in the County charging the same rates for both SCPH and Anthem plans. This will result in significant savings for employees currently enrolled in Anthem or Kaiser plans, while maintaining a very minimal increase for employees currently enrolled in SCPH.

### **Plan Design Changes and Upgraded Dental Plan Option**

- The medical insurance plan design will be modified for certain co-pays to neutralize the current differences in co-pays between EPO and HDHP plan options. Employees will also have a new hearing aid benefit added to the plan design.
- Vision benefits will be enhanced to include, among other things, greater allowances for frames and contact lenses for a \$10 exam and materials co-pay.
- Employees who want to upgrade their dental benefits to include a higher annual plan maximum per member, orthodontia for eligible dependent children (\$2,000 lifetime maximum benefit per child), and access to the Delta Premier network at a lower cost will be able to enroll in the “buy-up” plan at a higher employee contribution. If elected, employees must remain on the “buy-up” dental plan for three years.

Attached is the final recommended agreement tentatively agreed to between the County and all represented employee organizations.

### **POLICY ISSUE:**

Board approval of the tentative Health Insurance Agreement between Stanislaus County and all employee labor organizations supports the Board’s priorities of A Healthy Community, Efficient Delivery of Public Services and Effective Partnerships.

Approval of a Health Insurance Agreement Between Stanislaus County and all Represented Labor Organizations for the Period of January 1, 2015 Through December 31, 2017 and Approval to Extend the Provisions of this Agreement to all Unrepresented Management and Confidential Employees  
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**STAFFING IMPACT:**

Existing Employee Benefits staff will continue to implement and administer the County's health insurance plans.

**CONTACT PERSON:**

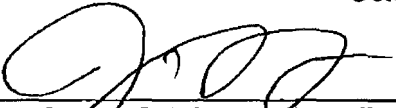
Jody Hayes, Assistant Executive Officer (209) 525-5714.

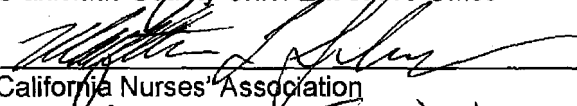


STANISLAUS COUNTY  
HEALTH INSURANCE TENTATIVE AGREEMENT

THIS TENTATIVE AGREEMENT IS SUBJECT TO FINAL RATIFICATION  
OF EACH INDIVIDUAL BARGAINING UNIT AND FINAL APPROVAL  
OF THE BOARD OF SUPERVISORS

October 7, 2014

  
Stanislaus County Chief Executive Office

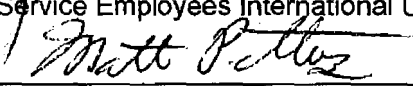
  
California Nurses' Association

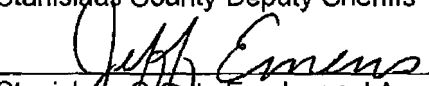
  
County Attorneys' Association

  
District Attorney Investigators' Association

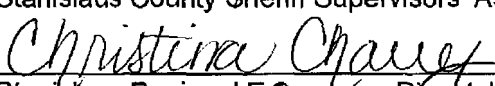
  
Stanislaus County Deputy Probation Officers' Association


  
Service Employees International Union Local 521

  
Stanislaus County Deputy Sheriffs' Association

  
Stanislaus County Employees' Association/AFSCME Local 10

  
Stanislaus County Sheriff Supervisors' Association

  
Stanislaus Regional Emergency Dispatchers' Association

  
Stanislaus County Sheriffs' Management Association

  
Stanislaus County Probation Correction Officers' Association

  
Stanislaus Sworn Deputy's Association

## TENTATIVE AGREEMENT

October 7, 2014

**Health Insurance Agreement Between Stanislaus County and the  
California Nurses' Association  
County Attorneys' Association  
District Attorney Investigators' Association  
Stanislaus County Deputy Probation Officers' Association  
Service Employees' International Union Local 521  
Stanislaus County Deputy Sheriffs' Association  
Stanislaus County Employees Association/AFSCME Local 10  
Stanislaus County Sheriff Supervisors' Association  
Stanislaus Regional Emergency Dispatchers' Association  
Stanislaus County Sheriffs' Management Association  
Stanislaus County Probation Correction Officers' Association  
Stanislaus Sworn Deputy's Association**

### Term of the Agreement

This agreement shall remain in full force and effect for the period of January 1, 2015 through December 31, 2017, unless extended by mutual agreement of the parties.

### Medical Insurance

For the term of this agreement, the County will offer the following four medical plan options based on employee residency at the time of open enrollment:

#### Within Stanislaus County Partners-in-Health Local Service Area

- Stanislaus County Partners-in-Health EPO
- Stanislaus County Partners-in-Health HDHP

#### Outside Stanislaus County Partners-in-Health Local Service Area

- Anthem Blue Cross EPO
- Anthem Blue Cross HDHP

For employees enrolled in an EPO plan, the County shall contribute an amount equal to 80% of the EPO plan premium at each level of coverage.

For employees enrolled in a High Deductible Health Plan, the County shall contribute an amount equal to 95% of the HDHP plan premium at each level of coverage. The County will also fund individual HSA accounts in the following amounts:

- Employee only - \$1,200 annually
- Employee +1 - \$2,000 annually
- Family - \$2,000 annually

HSA contributions will be made as a lump sum equivalent to six months of the annual contribution on the first business day in January of each year, and then semi-monthly beginning in July. For the period of January through June, the County will make no additional HSA contributions to employees' accounts after the initial lump-sum contribution unless there is a change in family status. The last six months of HSA contributions will begin in July, and will be included in employees' biweekly benefit-eligible paychecks. Employees are responsible for paying any account related fees on their individual Health Savings Account (up to \$2.75 monthly as of September 2014).

Moving forward, the County will only provide one County-provided HSA contribution to two employees who are married together. Therefore, if two employees who are married together want separate medical plans, one employee must choose an EPO plan and the other employee must choose a HDHP plan.

Participants enrolled in HDHP plan options are subject to deductible payments and co-pays, which may be reimbursable through HSAs subject to available balances. Please refer to the specific plan documents to confirm deductibles and co-payments for each plan option.

The parties recognize that health insurance providers may institute benefit changes that are not within the control of the County.

#### **Medical Premium Rates**

The County will continue to establish medical insurance premium rates each year based on actuarial and underwriting recommendations. The County reserves the right to adjust medical insurance premium rates based on these recommendations. Medical insurance rates for the 2015 plan year will not exceed those rates provided to bargaining units during the meet and confer process on October 2, 2014.

#### **Medical Plan Design Changes**

The medical benefit plan design and co-pays will remain unchanged during the term of this agreement with the exception of the attached changes that were agreed to by the parties during the meet and confer process, and those changes which may be required by law during the term of this agreement.

The annual out-of-pocket maximums for SCPH and Anthem (Individual/Family) HDHP plans are as follows:

<u>In-Network SCPH and Anthem</u>	<u>Out-of-Network Anthem</u>
\$3,000 / \$6,000	\$5,000 / \$10,000

The annual out-of-pocket maximums for SCPH and Anthem (Individual/Family) EPO plans are as follows:

<u>SCPH and Anthem</u>
\$1,500 / \$3,000

## **Premium Reimbursement**

The County has agreed to offer a premium reimbursement program to employees who are enrolled in a County Kaiser medical plan (or enrolled in a County Anthem Blue Cross medical plan if the employee lives in the SCPH local service area) prior to the start of the 2014 open enrollment period.

In order to receive the premium reimbursement, the eligible employee must waive coverage with the County and enroll in a non-County qualified medical insurance program, individual or group coverage, meeting minimum standards under the Patient Protection and Affordable Care Act (ACA). Employees receiving a premium reimbursement are not eligible to receive a medical waive credit.

The County's premium reimbursement rate will not exceed 80% of the eligible employee's out-of-pocket medical insurance premium cost for the new medical plan, or 75% of the County's monthly medical premium contribution for County EPO plans, whichever amount is lower.

In order to receive reimbursement, the employee must provide proof of other coverage and proof of cost to the employee as required by the County. The County will implement a process prior to open enrollment in October 2014 to establish the guidelines for employees to participate in the premium reimbursement. In no event, shall the premium reimbursement impact the compensation eligible for employee pensions or employer-paid deferred compensation.

Employees may only return to the County medical insurance program during annual open enrollment periods, or anytime the employee experiences a qualifying event in accordance with County benefit policies. If an employee who is receiving a premium reimbursement elects to return to the County's medical insurance program, they will no longer be eligible to receive the premium reimbursement should they choose to opt out of the County's medical insurance program in the future.

Employees who enroll in a non-County qualified medical insurance program are not eligible to receive any County provided HSA contributions.

## **Medical Waive Credit**

The County agrees to continue offering a standard medical waive credit to any employee who waives medical insurance through the County. Employees receiving a medical waive credit are not eligible to receive a premium reimbursement.

In order to receive the standard medical waive credit, the employee must enroll in a non-County qualified medical insurance program, individual or group coverage, meeting minimum standards under the ACA. Employees must complete a County enrollment form waiving County coverage and attach proof of other coverage.

The standard medical waive credit will be paid on a post-tax, semi-monthly basis. The amount of the standard medical waive credit is \$47.50 monthly for non-management employees and \$150.00 monthly for management and confidential employees.

Employees may only return to the County medical insurance program during annual open enrollment periods, or anytime the employee experiences a qualifying event (involuntary loss of outside coverage).

Employees who enroll in a non-County qualified medical insurance program are not eligible to receive any County provided HSA contributions.

### **Dental Insurance**

The County will provide employees with two dental plan options through the Delta Dental program. Employees have the choice of remaining on the "Core" dental plan, meaning no change in benefits, and the County will continue to pay 80% of the premium cost at each level of dental coverage (Employee only, Employee +1 and Family).

Alternatively, employees may elect a "Buy-Up" dental plan option, which includes a \$500 per member increase to the plan calendar year maximum and a child(ren) orthodontics benefit that pays 50% of orthodontia care up to a lifetime maximum of \$2,000 per child. Additionally, the "Buy-Up" dental plan option includes access to the Premier network with claims being paid at the Premier contracted fee without balance billing. Employees who elect the "Buy-Up" dental plan option must remain on the "Buy-Up" dental plan for three (3) years. Any amount of the "Buy-Up" dental premium rate that exceeds the "Core" dental plan premium rate will be paid solely by the employee.

The County will continue to establish dental insurance premium rates each year based on actuarial and underwriting recommendations. The County reserves the right to adjust dental insurance premium rates based on these recommendations.

### **Vision Insurance**

The parties agree to change vision coverage through the VSP Choice Plan to include a \$10 co-payment for exam and materials, increase the frame allowance to \$150 (\$80 at Costco), increase the wholesale full-cost frame allowance to \$57, increase the contact lens allowance to \$150, and allow members to receive a frame allowance 12 months after utilizing their contact lens benefit instead of waiting 24 months. The County shall pay 80% of the premium cost at each level of vision coverage (Employee only, Employee +1 and Family).

The County will continue to establish vision insurance premium rates each year based on underwriting recommendations. The County reserves the right to adjust vision insurance premium rates based on these recommendations.

### **Impacts of Healthcare Reform**

The parties recognize the implementation of additional healthcare reform regulations may present financial and operational consequences to the County. The parties agree that the County may request to meet and confer with all labor groups in advance of the 2017 plan year to address impacts of healthcare reform. Any changes in this agreement as a result of the meet and confer process must be mutually agreed between the County and labor organizations.

## Additional Provisions

1. Benefit deductions are taken out of 24 of the 26 paychecks each year (twice monthly). Benefits for new hires are effective the 1st of the month following date of hire. For terminated employees, benefits continue through the last day of the month of termination.
2. The County will invite a representative of each labor group to participate in the County's Employee Wellness Program Workgroup to discuss implementing a comprehensive wellness program for County employees. Participation is voluntary and subject to department head or designee approval for any changes in standard working hours and will not result in overtime compensation.
3. An Employee Benefits Committee consisting of one employee and/or the designated labor representative per bargaining unit will meet in February, May, and September to discuss the financial and operational performance of the self-insured health plans. The County's Employee Benefits Department will be responsible for coordinating these meetings. The County maintains all plan fiduciary responsibilities, including setting annual rate adjustments based on actuarial review and analysis.
4. Regular full-time employees must work 30 hrs/wk to qualify for a County benefit contribution (medical, dental, vision, premium reimbursement, and/or waive credit). Employees working 30-34 hrs/wk will be credited with 75% of benefit contributions. Employees working 35-39 hrs/wk will be credited with 90% of benefit contributions. Additional employee contributions to health insurance premiums will be paid through payroll deduction.
  - For purposes of this policy, hours worked includes all forms of paid time rounded to the nearest whole number. Examples of paid time include, but are not limited to vacation, sick, comp time off, public safety leave (4850 leave), paid admin leave, etc.
  - This provision does not apply to part-time extra-help employees who are not eligible for benefits.
  - For regular full-time employees who change their employment status to percentage employment, this provision will be effective the first of the month following the date they assume the reduced percentage employment schedule. Benefits will return to 100% the first of the month following the effective date the employee returns to 100% regular employment status.
  - For regular full-time employees who are paid less than 80 hours per 14-day pay period (employees going into DOC time, etc.), employee contributions will be adjusted if the employee does not receive 80 hours of paid time in three consecutive pay periods within the quarter. This process will be modified for regular full-time employees working an alternative work schedule that does not provide 80-hours of regular compensation per pay period (such as the "6/3" work schedule). Unpaid suspension time as a result of employee disciplinary actions will not count against an employee in determining health insurance eligibility.

- Employee benefit eligibility will be evaluated on a quarterly basis.
  - If an employee's hours fall below 80 hours in three consecutive pay periods within a quarter, the employee will be provided a letter of warning for the first quarter.
  - If the employee's hours fall below 80 hours in three consecutive pay periods the following quarter, the employee's contributions will be adjusted based on the employee's quarterly average. The effective date of the adjustment will be the first pay period of the following quarter.
  - Benefits will be restored to 100% effective the first pay period of the following quarter in which the employee is paid an average of 80 hours in the quarter.
- For employees on a paid leave of absence, the County will continue the current process for coordinating leave accruals with State Disability benefits. This process allows an employee to combine their State Disability benefits with their leave accruals to equal 40 hours of compensation per week while maintaining their full health insurance benefits. For employees participating in disability plans other than State Disability, the County will continue to provide the same level of coordinated benefits consistent with the benefits available through State Disability.
- Under current policy, employees on an unpaid leave of absence do not receive health insurance contributions effective the first of the month following the start of their unpaid leave status. Employees returning from an unpaid leave will have their health insurance contributions restored effective the first of the month following their return to paid status. Please see applicable County policies regarding unpaid leave status, exceptions for FMLA eligible employees and the availability of COBRA benefits.
  - For benefit information related to Voluntary Time Off, Job Sharing and benefit provisions for Certain Part-Time Nurses, please refer to the individual County policies and CNA labor agreement.
  - Nothing in this agreement shall enhance or reduce existing policy provisions related to military leave benefits.

It is understood by the parties that these provisions fully set forth the agreement of the parties in matters of health insurance as herein specified. Other than the provisions contained herein, the parties agree that only through mutual agreement of all the parties to this agreement would discussion occur during the term of this agreement on health insurance matters.

## EPO/HDHP Benefits with Blended Co-Pays

SERVICE	2015 Changes to Co-pays
House Calls	\$0 copay (after ded)
Infusion Services	\$10 copay (after ded)
Injections and Immunizations - Non-routine, includes travel immunizations. Injection only (materials and administration)	\$10 copay (after ded)
Nutrition Visits	\$15 copay (after ded)
Vision Exam	\$10 copay (after ded)
Inpatient Hospital	\$150 copay (after ded)
Ambulance	\$50 copay (after ded)
Emergency Services	\$75 copay (after ded)
Outpatient Surgery	\$100 copay (after ded)
Abortion	
Outpatient Surgery	\$100 copay (after ded)
Inpatient Hospital	\$200 copay (after ded)
Bariatric Surgery	
Outpatient Surgery	\$125 copay (after ded)
Inpatient Hospital	\$200 copay (after ded)
Organ Transplants	
Outpatient Surgery	\$100 copay (after ded)
Inpatient Hospital	\$200 copay (after ded)
Inpatient Maternity	\$200 copay (after ded)
Diagnostic Lab & X-ray	\$10 copay (after ded)
High Tech/Advanced Radiology - CT, MRI, Nuclear Medicine and PET	\$25 copay (after ded)
Mental Health - Inpatient	\$200 copay (after ded)
Chemical Dependency - Transitional Residential Recovery Services	\$50 copay (after ded)
Skilled Nursing Facility	\$200 copay (after ded)
Medical Dental Care	
Outpatient Surgery	\$100 copay (after ded)
Inpatient Hospital	\$200 copay (after ded)
Durable Medical Equipment	\$20 co-payment (after ded)
Sexual Dysfunction Device	40% (after ded)
Hearing Aids	
\$5000 max per calendar year	\$0 copay (after ded)
Outpatient Prescription Drugs	(after deductible)
Non-Formulary	\$25 - 30-day supply
	\$50 - 60-day supply
	\$75 - 100-day supply
Mail Order Prescription Drugs	(after deductible)
Non-Formulary	\$25 - 30-day supply
	\$50 - 100-day supply

2015 Medical Plan Design Changes

All co-pays under the HDHP are subject to the annual deductible with the exception of preventative care.