

**STANISLAUS COUNTY AND  
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521**

**Health Plan Agreement**

**1. Term of the Agreement**

This agreement shall remain in full force and effect for the period of January 1, 2023 through December 31, 2025, unless extended by mutual agreement of the parties.

**2. 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 Health Partners of Northern California (HPNC) Local Service Area

- Health Partners of Northern California EPO
- Health Partners of Northern California HDHP

Outside Health Partners of Northern California (HPNC) Local Service Area

- United Healthcare (UHC) EPO
- United Healthcare (UHC) 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 (HDHP), the County shall contribute an amount equal to 95% of the HDHP plan premium at each level of coverage.

For the term of the agreement, the County will also fund individual Health Savings Accounts (HSA) in the following amounts:

Employee only - \$1,350 annually

Employee +1 - Effective January 1, 2023, \$2,400 annually

Effective January 1, 2024, \$2,500 annually

Effective January 1, 2025, \$2,600 annually

Family - Effective January 1, 2023, \$2,400 annually

Effective January 1, 2024, \$2,500 annually

Effective January 1, 2025, \$2,600 annually

HSA contributions will be made as a lump sum equivalent to six months of the annual contribution processed on the first payroll cycle paid 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.

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.

### **3. 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 each plan year will not exceed those rates provided to bargaining units during the meet and confer process each year prior to open enrollment for each benefit year.

### **4. 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 those changes which may be required by law during the term of this agreement.

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

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

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

<u>HPNC and UHC</u>
\$1,500 / \$3,000

Should the IRS inflation adjusted limits increase the minimum annual deductible for high deductible health plans, the County will apply the appropriate changes to our plans with no additional County contribution to the HSA. County HSA contributions are fixed during the term of this agreement irrespective of potential regulatory changes to the deductible.

## **5. Medical Waive Credit**

The County agrees to continue offering a standard medical waive credit to any employee who waives medical insurance through the County.

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.

## **6. Dental Insurance**

The County will continue to provide employees with two dental plan options through the Delta Dental program. The County will continue to pay 80% of the premium cost for the Core dental plan at each level of dental coverage (Employee only, Employee +1 and Family).

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.

Should enrollment in the "Buy-Up" plan drop below 10% participation of benefit eligible employees, it will be eliminated and no longer offered. Enrollment will be reviewed and evaluated each year prior to Open Enrollment, using enrollment effective on July 1 of each year to determine if the plan will be offered during Open Enrollment for coverage effective January 1 in the following year.

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.

## **7. Vision Insurance**

The County will continue to provide vision coverage through the VSP Choice Plan to include a \$10 co-payment for exam and materials, frame allowance of \$150 (\$80 at Costco), wholesale full-cost frame allowance of \$57, contact lens allowance of \$150, and allow

members to receive a frame allowance 12 months after utilizing their contact lens benefit. 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.

## **8. Employee Wellness**

The County will invite a representative of each labor group to participate in the County's Health Partnership Focus Group to plan and implement a comprehensive wellness program for County employees. The County has implemented wellness engagement activities for all County employees. The parties agree if participation in the health and wellness engagement opportunities falls below thirty (30) County employees in attendance, they may be cancelled in the future.

The County will plan and host wellness events with participant incentives as provided in this section.

The County will host a wellness event in conjunction with SEIU's Cesar Chavez Recognition event on the following dates:

- Friday March 31, 2023
- Friday March 29, 2024
- Monday, March 31, 2025

Quarterly Health Partnership Focus Group meetings may take place at the request of either party. Participation in the Health Partnership Focus Group is voluntary and if less than 50% of the labor groups participate, the Workgroup may be disbanded. In the event labor participation drops below 50%, SEIU will act in an advisory capacity to the County on wellness initiatives on behalf of SEIU members. County or its designated representative will attend one meeting per quarter. Department head or designee approval is required for any changes in standard working hours for participation in the Workgroup by representatives of labor groups and will not result in overtime compensation.

As part of the collaboration process, the County will provide notice to the SEIU labor representative and SEIU President of the dates for the wellness initiative events, annual health fair and planning meetings. Additionally, the County will provide SEIU the County's wellness posters to be placed on SEIU's departmental bulletin boards.

The County and SEIU support the County's wellness program. The parties agree release time will be provided up to four (4) Job Stewards to attend the quarterly wellness meetings and two (2) Job Stewards per wellness initiative event.

As is already provided for and approved by the Board of Supervisors, the County will continue to support the County Employee Wellness Program through the County's Medical Self-Insurance Fund. A budget for Wellness activities, including the annual Wellness Connect event, is established annually. These funds are used for costs associated with conducting the annual health and wellness event (Wellness Connect), development of marketing and communication materials, and development of online resources and applications necessary to fully implement employee engagement strategies. The County will designate these funds to provide incentives, as approved by the County and allowed under County policy, to

encourage employee engagement in the wellness initiatives events. The expenditure of \$1,000 per year of these funds on such incentives will be at the collaborative agreement of SEIU and the County, for items that are available to and for the benefit of all County employees. Examples of such incentives include:

- Exercise equipment (i.e., yoga pads, dumbbells, jump ropes)
- Fit Bits
- Water Bottles

## 9. Additional Provisions

- a. 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.
- b. The Health Partnership Focus Group consisting of one or two employees and/or the designated labor representative(s) per bargaining unit will meet quarterly to discuss the County's wellness program, employee issues with the usage of the health plan, the financial and operational performance of the self-insured health plans and providing input into the Market Study prior to it being completed. The County's Employee Benefits Department will be responsible for coordinating these meetings. Participation in the Health Partnership Focus Group is voluntary and subject to Department Head or designee approval for any changes in standard working hours and will not result in any overtime. The Health Partnership Focus Group will work to ensure a comprehensive market study is performed every three to five years and shared with bargaining units prior to negotiations for the subsequent Health Insurance Agreement. The County maintains all plan fiduciary responsibilities, including setting annual rate adjustments based on actuarial review and analysis.
- c. Regular full-time employees must work 30 hours per week to qualify for a County benefit contribution (medical, dental, vision, medical premium reimbursement, and/or waive credit). Employees working an approved percentage schedule of 30-34 hours per week will be credited with 75% of benefit contributions. Employees working an approved percentage schedule of 35-39 hours per week 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.

- d. For regular full-time employees not on an approved percentage schedule who are paid less than an average of 40 hours per week (employees going into unapproved, unpaid, unprotected time off, DOC time, etc.), employee contributions will be adjusted if the employee does not average 40 hours per week of paid time in 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, based on paychecks paid in the quarter.
  - Analysis of hours paid in the quarter will occur during the first month of the following quarter. If the employee's hours fall below 40 hours per week in the quarter being reviewed, 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 second month of the following quarter.
  - For purposes of this provision, employees averaging 36-40 hours per week will see no change in County benefit contribution. Employees averaging 31 to 35 hours per week will be credited with 90% of County benefit contributions. Employees averaging 30 hours per week will be credited with 75% of County benefit contributions. Employees averaging less than 30 hours per week will not be eligible for a County benefit contribution. Additional employee contributions to health insurance premiums will be paid through payroll deduction.
  - County benefit contributions will be restored to 100% effective the first pay period of the second month of the following quarter in which the employee is paid an average of 40 hours per week in the quarter.
- e. 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.
- f. Under current policy, employees on an unpaid, unprotected 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 full-time paid status. Please see applicable County policies regarding unpaid leave status, exceptions for FMLA eligible employees and the availability of COBRA benefits.
- g. Pandemic and Infectious Diseases: The County will support employee's wellness during pandemic events by taking under advisement the recommendations of the CDC, Cal/OSHA, California Department of Public Health and local public health guidance prior to making administrative decisions.
- h. Ergonomics: The County shall notify all employees on an annual basis that an Ergonomics evaluation is available upon an employee's request.

- i. Nothing in this agreement shall enhance or reduce existing policy provisions related to military leave benefits.

## **10. Dependent Audit**

The County, at its own expense, will develop a dependent audit program. Before the County administers or implements the process, the County will meet and confer with SEIU 521 over the effects of the audit process.

In order to verify that only eligible individuals are covered under the County's medical, dental and vision plans, the County will be conducting an audit of all persons enrolled as dependents under the employee's plan.

The County, at its own expense, will utilize broadly accepted, industry-standard processes to determine if covered dependents meet the requirements as outlined in the County's Summary Plan Description. These processes may include, but are not limited to:

- Collection of legal documents (e.g. birth certificates, marriage certificates, legally binding adoption agreements, etc.)
- Obtaining dependent eligibility information from Medicare or health insurance companies
- Completion of sworn affidavit by County employee and/or dependents
- The purpose of this audit is to determine dependent eligibility. Data collected by the County shall be used to determine dependent eligibility and may be used as applicable to Article 11 of this agreement.
- Information related to the plan participants health will not be a determinant for audit selection

## **11. Ineligible Dependents**

The definition of eligible dependents is in the Health Benefit Summary Plan Description document and is further more subject to change according to regulatory and legislative requirements.

If ineligible dependents are enrolled as a result of negligent behavior by the County employee, all claims and/or premiums for the ineligible dependent will become the responsibility of the County employee.

Willful misrepresentation of dependent status may result in disciplinary action up to and including termination.

## **12. Employee Health Retirement Benefits Educational Meetings**

The County and SEIU will meet on a quarterly basis to discuss, for the purpose of mutual education, health benefits for individuals that retire from the County. Topics are limited to Retiree Medical Trusts, sick leave and vacation cash outs and conversions, and retiree

access to County Health Plans. SEIU will be responsible for initiating the request for these meetings.

### **13. Full Understanding**

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.



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SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521  
HEALTH INSURANCE AGREEMENT**

January 1, 2023 – December 31, 2025



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Stanislaus County Chief Executive Office

*Karyn Clark - SEIU 521 Chapter Pres*

Karyn Clark - SEIU 521 Chapter Pres (Jan 6, 2023 16:11 PST)

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Service Employees' International Union Local 521