

**TENTATIVE AGREEMENT
MEMORANDUM OF AGREEMENT
Regarding Insured Benefits**

**By and Between
King County**

And

The Joint Labor Management Insurance Committee Unions

Subject: SmartCare Plan - ACA “Grandfather Status”

WHEREAS, the Joint Labor Management Insurance Committee (JLMIC) is empowered to negotiate and implement modifications to insured benefits for JLMIC-Eligible Employees to be effective on January 1 of the following calendar year;

NOW THEREFORE, having bargained in good faith, the JLMIC hereby agrees to the following:

1. Due to changes to the SmartCare plan (HMO), it lost “grandfather status” under the Affordable Care Act (ACA). Therefore, the JLMIC agrees to make the following changes to comport with law:
 - a. The emergency room and prescription copays will apply to the annual out-of-pocket maximum.
 - b. The emergency room copay for out-of-network coverage will be at the same rate of the in-network emergency room copay.

Term: This Agreement shall be in effect, when it is law following its adoption by ordinance by the King County Council.

APPROVED this _____ day of _____, 2018.

**TENTATIVE AGREEMENT 9/11/18
MEMORANDUM OF AGREEMENT
Regarding Insured Benefits**

**By and Between
King County**

And

The Joint Labor Management Insurance Committee of Unions

Subject: Early Retiree Subsidy

WHEREAS, the Joint Labor Management Insurance Committee (JLMIC) is empowered to negotiate and implement modifications to insured benefits for JLMIC-Eligible Employees to be effective on January 1 of the following calendar year;

NOW THEREFORE, having bargained in good faith, the JLMIC hereby agrees to the following:

1. JLMIC-Eligible Employees who retire from County service and elect a JLMIC benefits plan upon retirement shall be eligible for a medical premium subsidy, as provided under Section 2 below, provided they meet the following terms and conditions:
 - a. The JLMIC-Eligible Employee retires as defined by the County.
 - b. The JLMIC-Eligible Employee retires in 2019 or 2020; or,
 - c. The JLMIC-Eligible Employee retired between January 1, 2016 and December 31, 2018, and elects a JLMIC plan during open enrollment for the 2019 benefit year (there is no retroactive application of the subsidy prior to 2019).
 - d. The JLMIC-Eligible Employee is not eligible for Medicare.
2. The medical premium subsidy shall be the COBRA rate for each offered medical plan (e.g, PPO, HMO) and plan tier (e.g., retiree only, retiree and spouse, retiree and child(ren), retiree and full family).
3. This Agreement shall be in effect, when it is law following its adoption by ordinance by the King County Council.

APPROVED this _____ day of _____, 2018.

MEMORANDUM OF AGREEMENT
Regarding Insured Benefits
By and Between
King County
And
The Joint Labor Management Insurance Committee of Unions

Subject: Long Term and Short Term Disability Plans

WHEREAS, the Joint Labor Management Insurance Committee (JLMIC) is empowered to negotiate and implement modifications to insured benefits for JLMIC-Eligible Employees to be effective on January 1 of the following calendar year;

NOW THEREFORE, having bargained in good faith, the JLMIC hereby agrees to the following:

Long Term Disability - Summary:

1. The current Long Term Disability Plan (LTD) buy-up plan (i.e., 90 days elimination period) JLMIC-Eligible Employees can elect to self-pay will be eliminated.
2. The JLMIC will fund 100% of the cost of Long Term Disability Plan (LTD) that has an elimination period of 90 days for JLMIC-Eligible Employees. This improves the current LTD plan which had a 180 days elimination period.
3. The benefit amount will be 60% of the employee's salary up to \$7,200 maximum monthly amount. This improves the salary replacement amount which was \$6,000 maximum monthly amount.

Short Term Disability - Summary:

1. The JLMIC shall offer a Short Term Disability Plan (STD) option for JLMIC-Eligible Employees who will be responsible for paying 100% of the premium cost.
2. If a JLMIC-Eligible Employee elects the STD, the plan will provide a benefit amount of 60% of salary up to \$1,500 maximum weekly benefit (\$130,000 annual salary) for a 90 day benefit period.

Term: This Agreement shall be in effect, when it is law following its adoption by ordinance by the King County Council.

APPROVED this _____ day of _____, 2018.

**TENTATIVE AGREEMENT
MEMORANDUM OF AGREEMENT
Regarding Insured Benefits**

By and Between

King County

And

The Joint Labor Management Insurance Committee of Unions

Subject: Vision Plan Enhancement

WHEREAS, the Joint Labor Management Insurance Committee (JLMIC) is empowered to negotiate and implement modifications to insured benefits for JLMIC-Eligible Employees to be effective on January 1 of the following calendar year;

NOW THEREFORE, having bargained in good faith, the JLMIC hereby agrees to the following:

1. The hardware (i.e., frames, contacts) allowance under the vision plan to \$200 every 24 months from \$130 every 24 months.

Term: This Agreement shall be in effect, when it is law following its adoption by ordinance by the King County Council.

APPROVED this _____ day of _____, 2018.

TENTATIVE AGREEMENT 9/11/19
MEMORANDUM OF AGREEMENT
Regarding Insured Benefits
January 1, 2019 through December 31, 2020
For Represented Benefits-Eligible Employees
By and Between
King County
And
Joint Labor Management Insurance Committee of Unions

WHEREAS, certain designated representatives of King County (“County”) and the Unions signatory to this Memorandum of Agreement (“Agreement”), referred to hereafter as the Parties, have agreed to participate in negotiations as members of the Joint Labor Management Insurance Committee (“JLMIC”) for the purposes of negotiating the plan provisions and funding of the County’s fully insured and self-insured medical, dental, vision, disability, accidental death and dismemberment, and life insurance programs (“insured benefits”); and TA

WHEREAS, the County and the Unions ~~signatory hereto~~ have agreed to a format for ~~funding and~~ negotiating plan provisions and funding to meet the anticipated cost increases associated with providing insured benefits to represented, benefits-eligible employees; and TA

WHEREAS, the County and the Unions agree that for the term of this Agreement, insured benefits will include a wellness program, a Health Maintenance Organization Plan (“HMO”), ~~and~~ a Preferred Provider Organization Plan (“PPO”); and an Accountable Health Network Plan (“AHN”); and TA

WHEREAS, the JLMIC agrees to explore options that incent benefits-eligible employees to choose healthcare that is more effective and produces better health outcomes; TA

NOW THEREFORE, having bargained in good faith, the JLMIC hereby agrees to the following:

- 1. Scope of Agreement.** This Agreement shall ~~apply be offered by the County to~~ all ~~county~~ County employees represented by the Unions signatory ~~hereto (“the Parties”)~~ to the 2017-2018 JLMIC Health Benefits Memorandum of Agreement. In addition, this Agreement shall apply to any non-represented County employees identified by ~~Council the County~~ to be treated in the same way as the represented employees covered by this Agreement. ~~All employees to which this Agreement applies shall be referred to as “JLMIC-Eligible Employees.”~~ This agreement shall not be offered to any employees represented by the Amalgamated Transit Union, Local 587, ~~and~~ the King County Police Officers’ Guild, the Puget Sound Police Managers Association, and the Technical Employees Association representing employees in Transit. All employees to which this Agreement applies shall be referred to as “JLMIC-Eligible Employees.” TA
- 2. Continuation of JLMIC Protected Fund Reserve.** The balance of the 2018 JLMIC Protected Fund Reserve (“PFR”) shall be carried over to this Agreement and the PFR shall continue to be maintained solely for the purpose of funding, providing and maintaining

insured benefits, and providing a reserve fund to self-insure against unanticipated increases in the cost of those insured benefits, for JLMIC-Eligible Employees. It is expressly agreed that no funds from the PFR shall at any time be used for any other purpose except for benefits outlined in ~~the Coalition of Unions Total Comp agreement covering 2019-2020~~this Agreement. It is further agreed that the County and organizations handling PFR funds have a responsibility to ensure that PFR funds are being used solely on behalf of JLMIC-Eligible Employees. TA

3. County Funding Rate. TA

A. Commencing on January 1, 2019, the County shall maintain the same funding rate contributed in 2018 (i.e., \$1,524 per month) on behalf of each JLMIC-Eligible Employee.

B. Commencing on January 1, 2020, the County shall maintain the same funding rate contributed in 2018 (i.e., \$1,524 per month) on behalf of each JLMIC-Eligible Employee.

4. Insufficient County Funding. To the extent that the County's funding rate identified in Paragraph 3 and other yearly non-funding rate revenue (e.g., interest earnings, participant benefit access fees, and other plan participant contributions such as COBRA payments), attributed proportionally to JLMIC-Eligible Employees, is at any time inadequate to fully fund the cost of providing insured benefits for JLMIC-Eligible Employees, the ~~p~~Parties agree that the PFR will be used to fund the difference until such time as the PFR is exhausted. TA

5. Excess County Funding. To the extent that the County's funding identified in Paragraph 3, and other yearly non-funding rate revenue, attributed proportionally to JLMIC-Eligible Employees, provides greater funding than is necessary to fully fund the cost of insured benefits for JLMIC-Eligible Employees, the Parties agree that the excess shall be added to the PFR. TA

6. Health and Welfare Plan Provisions. Insured benefits provisions for JLMIC-Eligible Employees during the term of this Agreement shall be as described in Attachment A, including but not limited to maintaining the 2019-2020 JLMIC-Eligible Employees' out-of-pocket costs for the ~~HMO, PPO and ACN Pplans, PPO Plan and HMO Plan~~, unless otherwise modified by the Parties or modified pursuant to the terms of this Agreement. The ~~parties~~Parties hereby agree ~~to make the following that~~ modifications will be by written agreement subject to ratification, as necessary. TA

7. Supplemental Medical Plans. During the term of this Agreement, the Parties may add a supplemental plan(s) options beyond the HMO, PPO and ACN plans for the 2019-2020 benefits years. TA

8. Voluntary Employees Beneficiary Association (VEBA). The County will continue to offer VEBA benefits to JLMIC-Eligible Employees consistent with the program parameters outlined as described in the attached memorandum of agreement Attachment B. TA

- 109. Modification to Plan Provisions and Administration of Protected Fund Reserve.** The JLMIC is hereby empowered to negotiate and implement modifications to insured benefits for JLMIC-Eligible Employees during the term of this Agreement. The JLMIC will negotiate any changes to plan provisions and/or supplemental premium funding methodology to be effective on January 1 of the following calendar year. **TA**
- 910. Scope and Purpose of the Annual Reconciliation Meeting.** The JLMIC will convene a reconciliation meeting ~~“true-up meeting”~~ no later than April 15th of each calendar year to review the insured benefits expenditures for the prior year, projected expenditures for the current and future year(s), plan provisions, and any other information or factors that the JLMIC deems relevant. **TA**
- 1011. Dispute Resolution.** If at any time during the term of this Agreement, the PFR is projected to fall below fifteen million dollars (\$15,000,000), the JLMIC must consider plan changes and may consider other funding options to be implemented by the following January 1. If the JLMIC is unable to reach agreement on such modifications by June 1st of any calendar year, the matter will be submitted to a panel of three (3) subject matter experts (“Panel”) for final and binding resolution, whose decision must be issued no later than August 15 of the same calendar year. The Panel shall be comprised of one expert selected by the County, one expert selected by the Unions signatory hereto, and one expert selected jointly by the two selected partisan experts. The Parties agree to cooperate to present relevant information to the Panel in sufficient time for the Panel to issue a decision by August 15th. The Panel shall be empowered to make plan design changes and/or add employee premium share and/or County contribution increases. The costs of the Panel shall be ~~shared equally by the Parties~~ paid out of the PFR. **TA**
- 11.12 Subsequent Agreement.** The Parties agree to commence negotiations for a successor insured benefits agreement (to be effective starting January 1, 2021) no later than January of 2020. **TA**
- 13. Total Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the matters covered herein, and no other agreement, statement or promise made by any party which is not included herein shall be binding or valid. This Agreement may be modified or amended only by a written agreement. **TA**
- 14. Term.** This Agreement shall be in effect, ~~upon following adoption of an ordinance approval of by~~ the King County Council, from January 1, 2019 through December 31, 2020. **TA**

APPROVED this _____ day of _____, **2018**.

By: _____
King County Executive

