

1 **Memorandum of Agreement**  
2 **Modification of Article 11 – Health and Welfare**  
3

4 **I. Parties**

5 The parties to this Agreement are Multnomah County, Oregon, hereinafter referred to as  
6 the County, and Local 88, of the American Federation of State, County and Municipal  
7 Employees, AFL-CIO, hereinafter referred to as the Union.  
8

9 **II. Background**

10 During contract negotiations of 2007 the parties agreed to form two separate committees.  
11 (Article 11.I.A.2.d and Article 11.I.B) The committees are:

12 A. The "Joint Committee on 30-Hour Employees" formed to review the benefits  
13 structure for employees who are regularly scheduled to work thirty (30) hours per week but less  
14 than thirty-two (32) hours. The Joint 30-Hour Committee convened on February 4, 2008 and  
15 completed its work on July 23, 2008.

16 B. The "Employee Benefit Team" (EBT) formed to review and approve carrier or County  
17 initiated changes in plan designs, changes in plans offered, or changes in carriers, prior to  
18 implementation for the following plan year. In addition, during the first year, the EBT was  
19 charged with meeting to review the current health plan structure, examine alternatives to plan  
20 design changes outlined in Addendum K of the 2007-2011 agreement, and propose changes.  
21 The EBT convened on December 17, 2007 and completed its' initial work on July 24, 2008.

22 Whereas the work of both committees is related and affect each other, because they both  
23 address health plans and the cost of those plans, it was agreed by the parties to combine the  
24 final agreements of both committees into one Memorandum of Agreement. All changes agreed  
25 to by the parties will go into effect January 1, 2009.  
26

27 **III. Overall Summary of Changes**

28 For health (medical and dental) coverage there will be three (3) employee status  
29 designations: Half-Time, Full-Time, and the new designation of Three-Quarter Time. County  
30 and employee contributions will vary by the designation which is based on the employee's  
31 regular work schedule. (This work was completed by the Joint 30-Hour Committee.)

32 A new revised medical plan (Platinum Plan) will be offered in lieu of the Plus and Preferred  
33 plans; the Platinum Plan is the result of consolidating the coverage levels of the Plus and  
34 Preferred plans. The employee premium shares will be different as well. This memorandum

1 will outline the plan changes, employee co-pays and premium shares. (This work was  
 2 completed by the EBT.) The balance of this MOA will describe the agreements reached by both  
 3 committees.

4  
 5 **IV. Agreements**

6 **A. Medical/Vision/Prescription/Dental Insurance Plans**

7 **1. ODS Medical Plan**

8 a. Effective January 1, 2009, the County will offer a new self-insured  
 9 medical plan administered by ODS. The new plan is the ODS Platinum Plan.

10 b. Effective January 1, 2009, the Plus and Preferred plans will no longer be  
 11 available to members (active, COBRA, or retired).

12 c. The Major Medical Plan will continue to be offered through December 31,  
 13 2009 to Full-Time, Part-Time employees, COBRA, and retired participants. Effective January 1,  
 14 2010, the Major Medical Plan will only be available to Part-Time employees, COBRA, and  
 15 retired participants.

16 d. The new ODS Platinum Plan will be administered by ODS and will include  
 17 the following coverage:

18  
 19

Medical Coverage Levels		
Annual Deductible	\$300.00 individual	\$900.00 family
Annual Out of Pocket Maximum	\$1,500.00 individual	\$4,500.00 family
Alternative Care (limited to licensed chiropractor or massage therapist)	50% up to \$350.00 per individual	No family maximum
Emergency Room	\$100.00 co-pay Waived if admitted	
Routine Physical (payable at appropriate co-insurance level and not subject to annual deductible)	Up to \$400.00 – per plan year for services rendered by a MD, DO, or ND	
Percentage of coverage by plan		
Type of Care	In-Network Provider	Out of Network Provider
Office Visits	85%	65%
Inpatient Hospital	85%	65%
Outpatient Surgery	85%	65%
Acupuncture	85%	65%
Lifetime Maximum	\$2 million per person (all ODS plans combined)	
Hearing aids (exam/appliance)	50% up to \$500 per 36 months, per ear	

Prescription Drug Coverage for ODS Platinum Plan		
Retail Prescription Drugs	30-Day Supply	
Generic (Tier 1)	20% co-pay with \$50 maximum	
Preferred Brand Name (Tier 2)	20% co-pay with \$50 maximum	
Non-Preferred Brand Name (Tier 3)	50% co-pay with no maximum	
Mail Order Prescription Drugs	90-Day Supply	
Generic (Tier 1)	20% co-pay with \$30 maximum	
Preferred Brand Name (Tier 2)	20% co-pay with \$125 maximum	
Non-Preferred Brand Name (Tier 3)	50% co-pay with no maximum	
Annual Rx out of pocket maximum Tier 1 and Tier 2 only apply towards annual maximum. Co-pays for Tier 3 Non-Preferred Brand Name do not apply towards out of pocket maximum.	\$2,000.00 per person	No family maximum. Not combined with medical out of pocket maximum

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2 e. Naturopathic doctors (ND) will be covered the same as medical doctors  
3 (MD) and osteopathic doctors (DO). The parties recognize that not all naturopathic doctors are  
4 PPO Network members and not all naturopathic procedures are covered by insurance.  
5 Employees are responsible for confirming both provider PPO Network status and coverage  
6 levels prior to treatment. Routine physical exams are covered per the chart above. The  
7 deductible and applicable co-payments will apply for all other covered services. All prescription  
8 medication must be purchased through the County's network pharmacy plan.

9 2. ODS Dental Plan There are no changes to the existing ODS Dental Plan.

10 3. Kaiser Medical Plan

11 a. Effective January 1, 2009 office visit co-pays will be ten dollars (\$10).

12 b. Prescription co-pays will be ten dollars (\$10) for a thirty (30) day supply  
13 for generic and formulary brand-name medications. The mail order co-pay will be twenty dollars  
14 (\$20) for a ninety (90) day supply, generic and formulary brand-name medications.

15 c. The Kaiser Maintenance Medical Plan is available to Part-Time  
16 employees and retirees. It is not available to Full-Time employees.

17 4. Kaiser Dental and Orthodontia Plan

18 a. Effective January 1, 2009 office visit co-pay will be ten dollars (\$10).

19 b. Effective January 1, 2009 coverage for Orthodontia treatment will  
20 continue to be limited to children under age eighteen (18) only. The maximum benefit  
21 allowance, per child, will be one thousand five hundred dollars (\$1,500.00). A member will pay  
22 fifty percent (50%) of charges, from a Kaiser Orthodontist, for the first three thousand dollars  
23 (\$3000) in treatment costs. A member will pay one hundred percent (100%) of charges in  
24 excess of the first three thousand dollars (\$3,000) in treatment costs. For example: if the total

1 cost for orthodontia comes to three thousand seven hundred dollars (\$3700), the employee  
2 would be responsible for fifty percent (50%) of the first three thousand dollars (\$3000), and then  
3 one hundred percent (100%) of the remainder. In this example the total employee cost would  
4 be two thousand two hundred dollars (\$2200) ( $\$3000 \times 50\% = \$1500 + \$700$  which is 100% of the  
5 balance over \$3000). (Any covered dependent who has been banded prior to January 1, 2009  
6 under the existing Kaiser Orthodontic program (which will end December 31, 2008) will remain  
7 eligible to receive the existing orthodontic benefit for the remainder of current orthodontic  
8 treatment plan or treatment phase.)

9  
10 **B. Definitions and Contributions Toward Insurance Premiums**

11 1. Definitions

12 a. Full-Time Employee Definition

13 Employees who are regularly scheduled to work at least thirty-two (32)  
14 hours per week, or regularly scheduled to work at least thirty (30) hours per week on a ten (10)  
15 hour per day schedule.

16 b. Part-Time Employee Definition

17 Effective January 1, 2009 the following definitions will apply to Part-Time  
18 employees related only to Article 11, Section I Medical and Dental Insurance. These new  
19 definitions do not apply to other sections or articles of the contract.

20 i) Three-Quarter Time Employee Definition

21 Employees who are regularly scheduled to work at least thirty  
22 (30) hours but less than thirty-two (32) hours per week (however, not scheduled for three (3),  
23 ten (10) hours per day) are hereinafter referred to as Three-Quarter Time employees.

24 ii) Half-Time Employee Definition

25 Employees who are regularly scheduled to work at least  
26 twenty (20) hours but less than thirty (30) hours per week are hereinafter referred to as Half-  
27 Time employees.

28  
29 2. Medical Insurance Contributions

30 a. Full-Time Employees

31 Effective January 1, 2009 each eligible Full-Time active, enrolled  
32 employee's monthly contribution for medical/vision/prescription coverage will be calculated as a  
33 percentage of the total monthly premium as follows:

Full-Time Employees		
Medical Plan	County Contribution	Employee Contribution
ODS Platinum Plan	93.25%	6.75%
ODS Major Medical Plan	100%	0%
Kaiser Medical Plan	95%	5%

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2 During 2009 Full-Time employees who enroll in the Major Medical  
3 coverage will be eligible for a monthly fifty dollar (\$50) rebate.

4 b. Three-Quarter Time Employees

5 Effective January 1, 2009 each Three-Quarter Time eligible active,  
6 enrolled employee's monthly contribution for medical/vision/prescription coverage will be  
7 calculated as a percentage of the total monthly premium by tier as follows:

Three-Quarter Time Employees		
Medical Plan	County Contribution	Employees' Contribution
ODS Platinum Plan	75%	25%
ODS Major Medical Plan	100%	0%
Kaiser Medical Plan	75%	25%
Kaiser Maintenance Medical Plan	90%	10%

8  
9 c. Half-Time Employees

10 Effective January 1, 2009 each Half-Time eligible active, enrolled  
11 employee's monthly contribution for medical/vision/prescription coverage will be calculated as a  
12 percentage of the total monthly premium for each medical/vision/prescription benefit plan and  
13 coverage tier as follows:

Half-Time Employees		
Medical Plan	County Contribution	Employees' Contribution
ODS Platinum Plan	50%	50%
ODS Major Medical Plan	100%	0%
Kaiser Medical Plan	50%	50%
Kaiser Maintenance Medical Plan	90%	10%

14  
15 d. Effective January 1, 2009 Half-Time employees who enroll in the ODS  
16 Platinum Plan will receive an additional thirty-five dollar (\$35) monthly premium subsidy  
17 provided by the County. This additional premium subsidy will end December 31, 2009.  
18 Beginning January 1, 2010, there will be no premium subsidy associated with this election.

1 e. Effective January 1, 2009 Half-Time employees who enroll in the Kaiser  
2 Medical Plan will receive an additional fifty dollar (\$50) monthly premium subsidy provided by  
3 the County. This monthly premium subsidy will continue for the duration of the contract.

4 3. Dental Insurance Contributions

5 a. Effective January 1, 2009 each eligible Full-Time active, enrolled  
6 employee's monthly contribution for dental coverage will be calculated as a percentage of the  
7 total monthly premium as follows:

Full-Time Employees		
Dental Plan	County Contribution	Employee Contribution
ODS Dental Plan	95%	5%
Kaiser Dental Plan	95%	5%

8  
9 b. Effective January 1, 2009 each eligible Three-Quarter Time active,  
10 enrolled employee's monthly contribution for dental coverage will be calculated as a percentage  
11 of the total monthly premium as follows:

Three-Quarter Time Employees		
Dental Plan	County Contribution	Employees' Contribution
ODS Dental Plan	75%	25%
Kaiser Dental Plan	75%	25%

12  
13 c. Effective January 1, 2009 each eligible Half-Time active, enrolled  
14 employee's monthly contribution for dental coverage will be calculated as a percentage of the  
15 total monthly premium as follows

Half-Time Employees		
Dental Plan	County Contribution	Employees' Contribution
ODS Dental Plan	50%	50%
Kaiser Dental Plan	50%	50%

16  
17 **C. Premium Reimbursement for Part-time Employees**

18 1. Reimbursement Eligibility

19 Effective January 1, 2009 Three-Quarter Time and Half-Time employees will be  
20 eligible for premium reimbursement if they work the minimum required number of hours for each  
21 of six (6) consecutive pay periods. The six (6) pay periods used for calculation are considered a  
22 single qualifying block of time. The six (6) consecutive pay period block shall only be applied to  
23 one reimbursement request. Changes to a submitted reimbursement request will be considered  
24 only if a submitted payroll period is determined to be ineligible.

1           2.   Hours Required for Reimbursement

2           a.   For purposes of this calculation, Full-Time is defined as the total number  
3 of regular hours in a pay period for an employee scheduled to work Monday through Friday,  
4 eight (8) hours per day.

5           b.   “Work” for purposes of this section is defined as regular hours worked, and  
6 any paid time such as holiday, vacation or sick time. Overtime hours are not considered time  
7 worked for purposes of reimbursement calculations.

8           c.   Hours required for Three-Quarter-Time reimbursements and Full-Time  
9 reimbursements per pay period will be calculated according to the chart below.

Per Pay Period		
Total Regular Hours	Minimum Qualifying Hours	
Full-Time	Full-Time Reimbursements	Three-Quarter Time Reimbursements
72	57.5	54
80	64	60
88	70.5	66
96	76.75	72

10  
11           3.   Reimbursement Options (Effective January 1, 2009)

12           a.   Full-Time Reimbursement

13                   Three-Quarter Time employees and Half-Time employees may be eligible  
14 for Full-Time reimbursements. To qualify, time worked in each pay period must meet the  
15 minimum qualifying hours for Full-Time reimbursements for all six (6) consecutive pay periods.  
16 Any such premium reimbursements made to the employee will be adjusted for appropriate  
17 taxes.

18           b.   Three-Quarter Time Reimbursement

19                   Half-Time employees may be eligible for Three-Quarter Time  
20 reimbursements. To qualify, time worked in each pay period must meet the minimum qualifying  
21 hours for Three-Quarter Time reimbursements for all six (6) consecutive pay periods. Any such  
22 premium reimbursements made to the employee will be adjusted for appropriate taxes.

23           c.   Example

24                   A Half-Time employee works six (6) consecutive pay periods, three (3) pay  
25 periods at Three-Quarter Time and three (3) pay periods at Full-Time (see chart). The  
26 employee would be eligible to apply for a Three-Quarter reimbursement using these six (6)  
27 consecutive pay periods. The employee would not be eligible to apply for a Full-Time  
28 reimbursement using these six (6) consecutive pay periods.

1 d. Reimbursements Combining 2008 and 2009 Pay Periods

2 Any requests using a combination of 2008 and 2009 pay periods will be  
3 eligible for Full-Time reimbursement only. The minimum qualifying hours for 2008 is sixty-four  
4 (64) hours per pay period. The minimum qualifying hours for 2009 is based on Full-Time  
5 reimbursement hours in the above chart listed above.

6 e. Employees who elect the Kaiser Maintenance Plan will not be eligible for  
7 medical plan premium reimbursements.

8 f. Employees who elect the Major Medical Plan will not be eligible for  
9 medical plan premium reimbursements.

10 g. Employees who elect to "Opt-out" and/or decline dental plan enrollment  
11 will not be eligible for premium reimbursement.

12 h. Reimbursement payments will be made only upon written request  
13 submitted by the employee to the Employee Benefits Office within ninety (90) days of the last  
14 payroll period of eligible Full-Time or Three-Quarter Time work.

15  
16 **D. Employee Cost-Share Review**

17 1. The parties recognize that the current structure for employee premium sharing  
18 needs to be reviewed and modified. Certain inequities are built into the current system. For  
19 example, employees who are regularly scheduled to work:

20 a. at least thirty-two (32) hours per week but less than forty (40) hours or  
21 regularly scheduled to work at least thirty (30) hours per week on a ten (10) hour per day  
22 schedule are considered Full-Time employees,

23 b. at least thirty (30) hours per week but less than thirty-two (32) hours per  
24 week are considered Three-Quarter Time employees, and

25 c. at least twenty (20) hours per week but less than thirty (30) hours per  
26 week are considered Half-Time employees.

27 The parties agree that the Employee Benefit Team is charged with exploring  
28 the feasibility of designing a pro-rated employee premium sharing structure that is more  
29 equitably linked to actual FTE than the three tiers created by this Memorandum of Agreement.

30 The parties agree that the Employee Benefit Team shall review the current  
31 structure and issue a recommendation for change no later than September 30, 2010.

32  
33 **E. Changes in Plan Designs During the Term of Agreement**

34 Local 88 and the County recognize the increase in health care costs to be a major



1 concern. In an effort to collaborate over quality health plans, design changes and increasing  
2 costs, the established Employee Benefit Team (EBT) will continue to meet to review and  
3 approve carrier or county initiated changes in plan designs, changes in plans offered, or  
4 changes in carriers, prior to implementation for the following plan year. Meetings will continue  
5 on a regular basis. Changes in plans or plan designs which are mandatory due to carrier  
6 changes, and which cannot be resolved by the committee, shall be subject to impact bargaining  
7 only. Mandated coverage changes due to Federal or State laws, rules, or regulations shall be  
8 presented to the EBT but will be implemented by the County as required by law.

9  
10 **F. Other Provisions and Effective Dates**

11 All other provisions of Article 11, Health and Welfare will still apply. This Memorandum of  
12 Agreement shall stay in force and effect for the term of the parties 2007 – 2011 agreement. This  
13 Memorandum of Agreement supersedes and nullifies the parties' prior Memorandum of  
14 Agreement dated June 7, 2005, pertaining to premium reimbursement.

**Memorandum of Agreement**  
**Modification of Article 11 – Health and Welfare**  
**Signature Page**

Agreed to this date August 20, 2008

**For the Union**

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Valerie Andreas, Council Representative  
(EBT)

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**For the County**

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