

**LETTER OF AGREEMENT
BETWEEN
GLADWIN COUNTY
And
POLC COMMAND UNIT**

This Amendment Agreement is made and entered into this ____ day of _____, 2010, between the **County of Gladwin** ("Employer") and **POLC Command Unit** ("Union").

WHEREAS, the Employer and the Command Unit have entered a collective bargaining agreement with a term running from January 1, 2008, through December 31, 2010, and are currently in negotiations for a successor agreement; and

WHEREAS, the Employer has experienced substantial insurance cost increases that will increase both the Employer and Employee costs; and

WHEREAS, the parties have investigated alternative health plan options; and

WHEREAS, the parties are agreeable to amending the collective bargaining agreement to implement these alternative plan changes.

NOW, THEREFORE, IT IS HEREBY AGREED between the parties as follows:

1. Article XIV, *HOSPITALIZATION - MEDICAL COVERAGE*, of the Agreement will be amended to read as follows:

Section 1. Hospitalization Insurance.

The Employer agrees to provide hospitalization insurance for eligible full-time employees as set forth below:

A. The County agrees to provide eligible full time employees with the plan set forth in Attachment "1" to this Agreement. The County's contribution to this Plan, shall be limited to the amount in effect after the Plan is implemented in 2011, being the BCN Premium then in effect as listed below, and the HRA amounts paid as provided in subsection B below. The monthly BCN premium levels for 2011 shall be:

		<u>BCN Premium</u>
Single Person	-	\$390.26
Two Person	-	\$878.08
Family	-	\$1,053.73

B. After December 31, 2011, any increase in the cost for this BCN Plan Premium shall be borne equally (50/50) between the County and the

employee, with the Employee share paid through payroll deduction. Should the BCN Premium levels fall below the 2011 levels listed above, those savings shall be shared equally (50/50) between the Employer and the Employee by equally reducing any employee premium payments, provided, however, lower insurance premium payments that arise from the Employer self-insuring for greater amounts under the HRA, or otherwise increasing Employer costs, shall not be considered as a savings under this provision. Should the employee savings share exceed the then in effect Employee premium payment deduction level, the Union and the Employer shall mutually agree how the savings will be paid. These cost sharing provisions will become effective after subsection I below has been complied with.

C. The County shall also offer to eligible employees covered by this BCN Plan a Health Reimbursement Account program (HRA) with reimbursement for eligible medical expenses, up to the levels set forth in Attachment "1".

D. If an employee participating in the Medical Insurance Program wishes to purchase the Community Blue PPO 2 as in effect in December of 2010, the employee may do so by paying the increased costs through payroll deduction. The following amounts per two-week pay period shall be paid during 2011 toward the purchase of such a Community Blue PPO 2 Plan:

Single Person	-	\$8.60
Two Person	-	\$28.97
Family	-	\$46.66

After 2011, the employee electing to be under this Community Blue PPO 2 Plan shall be responsible for payment of the difference in rate between the Employer's premium share toward the BCN Plan referred to in Subsections A above, and the Community Blue PPO 2 plan.

E. If an employee wishes to be covered by any other available BC/BS plan, the employee shall be responsible for the payment of the difference between the between the Employer's premium share toward the BCN Plan referred to in Subsections A above, and the plan of the employee's choosing. The availability of such additional plans shall be subject to the terms and conditions of the carrier.

F. Buy-Out Option: Full-time employees, funded in whole or in part by Gladwin County, and having completed sixty (60) days of employment, may, in writing, elect to accept a cash payment in lieu of the insurance program. The amount shall be equal to the fifty percent (50%) of the Employer's contribution toward the single subscriber BCN Plan (base

plan) rate paid by the Employer. If any employee is employed for less than the entire year or elects to take hospitalization insurance, he/she shall receive a pro rata amount for the period of time he/she did not take the insurance. The payment shall be made the first pay period in December. An employee must still be employed December 1 in order to receive the payment.

If an employee has "comparable" health insurance coverage available elsewhere, the employee shall not be eligible to participate in the County's health insurance plan, but must take the buy-out. If, however, a spouse's Employer or entity that a spouse retired from has a similar provision in his/her of health insurance plan, the County will provide health insurance coverage for the employee, and for eligible children if the employee's birth month and date are earlier in the year than the spouse's. The employee must produce a document from the healthcare/insurance provider showing that he/she is covered by another policy to be eligible for the buy-out. If the employee spouse's health insurance is terminated for any reason, the employee will again be eligible to participate in the County's health care program, if permitted by the insurance carrier.

G. An employee retiring and receiving retirement benefits from Gladwin County or being transferred from full to part-time employment or as may be required by Federal law, shall be entitled to continue with the group hospitalization plan at his/her own expense. Premium payments for same shall be deposited with the County Clerk at least ten (10) days prior to payment due date. In addition, a surviving spouse may also continue with the group hospitalization plan at his/her own expense and is subject to the same payment provisions provided in this Article.

Effective upon January 1, 2003, the following premium contributions will also be available to certain County retirees:

The County agrees to contribute towards the health insurance premium for future retirees as follows:

- (1) for future retirees with County years of service between 10 and 20 years, 70% of the BCN/HRA Plan referred to in Subsections A and B above, single subscriber rate for the retiree only.
- (2) for future retirees with County years of service of 20 plus years, 80% of the BCN/HRA Plan referred to in Subsections A and B above, single subscriber rate for the retiree only.

The retiree will be responsible for additional premium costs in carrying a

spouse on the retiree's policy. The employee must be the primary carrier under the County medical plan when the employee retires to receive the retiree premium contribution. The medical premium contributions shall be toward the County health care plan. No contribution shall be made for retiree health insurance for retirees not covered by the County plan. No retiree premium contributions shall be provided for persons already eligible for coverage under another County paid health insurance policy.

H. Employees may enroll, as an alternate to the present hospitalization/medical coverage, in any HMO or PPO (Preferred Provider Plan) available in the area. The Employer's contribution toward payment of the premium shall not exceed Employer's contribution that which is contributed to the medical health insurance plan as provided in Subsection 1(A) above. Any additional premium required shall be paid by the employee through payroll deduction as noted in this Article, above.

I. If premium costs for the BCN policy in subsection A increase, the parties agree to commence negotiations on a revised healthcare plan within 30-days of receiving new rates, and if an agreement is not agreed to within 60 days after negotiations start, the Employee cost sharing in subsection B will be implemented.

Section 2. Dental Insurance.

The Board agrees to provide eligible full time employees with a Dental Insurance Plan providing 50% Employer or Insurance Paid and 50% Patient Paid Dental Benefits, up to an Eight Hundred Dollars (\$800) maximum per person, per contract year. This Dental Insurance shall be at no cost to the employee for the life of the successor agreement, being through December 31, 2013.

Section 3. Selection of Insurance Carriers.

The Employer reserves the right to select or change any or all of the insurance carriers, to be a self-insurer, either wholly or partially, and to choose and change the administrator of any self-insured insurance program for the benefits stated in this Agreement, provided the level of benefits remains substantially equivalent or better.

Section 4. Lay Off.

The Employer shall continue to pay its portion of the premium to provide health insurance for laid off employees for the rest of the month following a layoff and for the following month.

Section 5. Health Care Cost Containment Committee.

The Employer and the Union recognize the rapidly escalating health care costs, including the cost of medically unnecessary services and inappropriate treatment, have a detrimental impact on the health benefit program. The parties hereby establish a joint committee for the purpose of investigating health care cost containment issues which shall continue during the term of this Agreement. The Committee shall be subject to the following provisions:

- a. The Committee shall be comprised of not less than one (1) or more than two (2) representatives from the Board of Commissioners, from the non-union/elected officials, and from the each participating Union.
- b. The Union representatives shall be granted time off as is reasonably necessary to complete the foregoing.
- c. The Committee shall meet as soon as projected new insurance rates are available at the mutually agreed upon times between the Employer and the Unions. Minutes of each meeting shall be taken.
- d. This Committee may provide recommendations as to the Health Insurance Program options for each year of this Agreement after 2011.

2. It is hereby agreed between the Employer and the Union that the provisions of this Amendment Agreement shall be effective from and after January 1, 2011, or as soon thereafter as they may be implemented, through December 31, 2013. The balance of the terms other than these provisions on insurances for a successor agreement commencing January 1, 2011 shall be subject to negotiation between the parties.

COUNTY OF GLADWIN

POLC, COMMAND UNIT

Attachment 1



Group Health Options:	Opt #2 - BCN	Reimb Plan
Deductible	3000/6000	100/200
Co-Pay	20%	10%
Maximum Stop loss	1500/3000	500/1000
Prescription	20/40/60	10/40 BC
Mail Order	40/80/120	20/80 BC
Office Visit Co-Pay	\$30 / \$45 Spec	\$10
Chiropractic/Max Visits	\$45 (referral req'd)	100% / 24
Urgent Care/Emergency Room	\$60 / \$100	\$10 / \$50
Preventive Care	Copay applies	Copay applies
Vision	24/24/24	24/24/24
Notes:	MHParity, Img \$150	Img \$75
Plan Design:	BCN 3k Ded	BCN