DATE: May 3, 2023

TO: Melinda Pearson, AFSCME Council 5
Pat Arseneault, IFO

FROM: Galen Benshoof
Enterprise Director, Employee Insurance

RE: 2023-2025 Contract Negotiations – State's Opening Proposal to the Insurance Coalition

Below, please find a list of the modifications/additions/clarifications developed by the State for the 2023-2025 round of bargaining with the Union Insurance Coalition. All section and page references are to Article 19 - Insurance in the 2021-2023 AFSCME Council 5 contract. While we consider this to be our comprehensive package, we reserve the right to add, modify, or drop proposals as necessary.

S1 – Disability RFP

Section 7. Optional Coverage (pages 77-78)

C. Disability Coverage.
3. Procurement. A disability insurance Request for Proposals (RFP) may be issued during the term of this labor agreement. This RFP may result in changes to the current disability coverage benefit. The Joint Labor Management Committee on Health Plans (JLM) will participate in the disability coverage RFP process and the JLM must agree to changes that modify the disability coverage provisions from status quo benefit levels.

S2 – Life RFP

Section 6. Basic Coverage. (page 74)

B. Employee Life Coverage.
3. Procurement. A life insurance Request for Proposals (RFP) may be issued during the term of this labor agreement. This RFP may result in changes to the current life insurance benefit. The Joint Labor Management Committee on Health Plans (JLM) will participate in the life insurance RFP process and the JLM must agree to changes that modify the life insurance provisions from status quo benefit levels.

Section 7. Optional Coverage. (pages 75-77)

B. Life Coverage.
7. Procurement. A life insurance Request for Proposals (RFP) may be issued during the term of this labor agreement. This RFP may result in changes to the current life insurance benefit. The Joint Labor Management Committee on Health Plans (JLM) will participate in the life insurance RFP process and the JLM must agree to changes that the optional life insurance provisions from status quo benefit levels.

MANAGEMENT AND BUDGET

S3 – Dental premium percentage

Section 4. Amount of Employer Contribution (page 63)

B. **Contribution Formula - Dental Coverage.**
1. **Employee Coverage**. For employee dental coverage, the Employer contributes ~~an amount equal to the lesser of ninety percent (90%) of the employee premium of the State Dental Plan, or the actual employee premium of the dental plan chosen by the employee. However, for calendar years beginning January 1, 2019, the minimum employee contribution shall be thirteen dollars and fifty cents ($13.50) per month.~~ seventy percent (70%) of the employee premium of the dental plan.

2. **Dependent Coverage**. For dependent dental coverage, the Employer contributes ~~an amount equal to the lesser of~~ fifty percent (50%) of the ~~dependent premium of the State Dental Plan, or the actual~~ dependent premium of the dental plan ~~chosen by the employee~~.

S4 – Wellness

Section 6. Basic Coverages

Page 7:

4) Advantage Benefit Chart for Services Incurred During Plan Years 2022 and 2023.

2022 and 2023 Benefit Provision	Benefit Level 1 The member pays:	Benefit Level 2 The member pays:	Benefit Level 3 The member pays:	Benefit Level 4 The member pays:
Deductible for all services except drugs and preventive care (S/F)	$250/$500	$400/$800	$750/$1,500	$1,500/$3,000
Office visit copay/urgent care (copay waived for preventive services)	$35	$40	$70	$90
Mental health office visit copay	$0	$20	$50	$70

Page 69:

~~b. Incentive. Employees will receive a $70 first-dollar credit to their individual deductible (regardless of whether the employee is enrolled in single or family coverage), conditional upon completion of qualifying activities in the wellbeing program by the deadline.~~

Page 78:

~~b. Incentive. Employees will receive a $70 first-dollar credit to their individual deductible (regardless of whether the employee is enrolled in single or family coverage), conditional upon completion of qualifying activities in the wellbeing program by the deadline.~~

Page 82:

~~**d. Health Promotion Incentives**. The Joint Labor-Management Committee on Health Plans shall develop a program which provides incentives for employees who participate in a health promotion program. The health promotion program shall emphasize the adoption and maintenance of more healthy lifestyle behaviors and shall encourage wiser usage of the health care system.~~

S5 – Out-of-area coverage

Section 6. Basic Coverages

Page 69:

b. **Service Area.** The Minnesota Advantage Health Plan service area shall be comprised of all Minnesota counties as well as border communities, with the specific boundaries established and updated periodically by MMB.

Page 71:

~~**i. Individuals whose permanent residence is outside the State of Minnesota and outside the service areas of the health plans participating in Advantage.** (This category includes employees temporarily residing outside Minnesota on temporary assignment or paid leave (including spouses living out sabbatical leaves) and all dependent children (including college students) and of area.) The point of service (POS) benefit described below is available to these individuals. All terms and conditions outlined in the Summary of Benefits apply. This benefit is not available 72 for services received within the service areas of the health plans participating in Advantage.~~

~~1) Deductible. There is a three hundred fifty dollar ($350) annual deductible per person, with a maximum deductible per family per year of seven hundred dollars ($700).~~
~~2) Coinsurance. After the deductible is satisfied, seventy percent (70%) coverage up to the plan out-of-pocket maximum designated below~~

i. Health Care Services Received Outside the Minnesota Advantage Health Plan's Service Area

For covered services received by employees, former employees, and dependents outside of the Advantage service area, all care that is received within the national network of the member's plan administrator will be covered at Benefit Level 3, with a separate out-of-area deductible. Urgent care and emergency care will be covered at Benefit Level 3 whether or not the providers are within the member's plan administrator's national network. All other out-of-area care must be received within the given plan administrator's national network to be covered by the plan. Referrals are not required for care received outside of the Advantage Plan's service area.

Page 70-71:

g. Individuals whose permanent residence and principal work location are outside the State of Minnesota and outside of the Advantage Plan's service area~~s of the health plans participating in Advantage~~. If these individuals use a provider within the plan administrator's national network ~~preferred provider organization in their area,~~ services will be covered at Benefit Level Two. If a national network ~~preferred~~ provider is not available in their area, services will be covered at Benefit Level Two through any other provider available in their area. If a ~~the~~ national network ~~preferred~~ provider ~~organization~~ is available but not used, benefits will be covered at Benefit Level Three. ~~paid at the POS level described in paragraph "i" below~~. All terms and conditions outlined in the Summary of Benefits will apply.

Page 71:

h. Children living with an ex-spouse outside the Advantage Plan's service ~~area of the employee's plan administrator~~. Covered children living with former spouses outside the service area ~~of the employee's plan administrator~~, and enrolled under this provision as of December 31, 2003, will be covered at Benefit Level Two ~~benefits~~. If available, care must be received ~~services must be provided~~ by providers in the plan administrator's national network ~~preferred provider organization~~. If a ~~the~~ national network ~~preferred~~ provider ~~organization~~ is available but not used, benefits will be covered at Benefit Level Three. ~~paid at the POS level described in paragraph "i" below.~~

S6 – Insurance article

Section 1. State Employee Group Insurance Program (SEGIP). (page 56)

During the life of this Agreement, the Employer agrees to offer a Group Insurance Program that includes health, dental, life, and disability coverages equivalent to existing coverages, subject ~~to the provisions of this Article~~ to the insurance eligibility and employer contribution provisions in this Article and to the insurance benefit provisions of the Insurance Addendum.

Then transfer sections 4, 5, 6, 7 to a separate Insurance Addendum document, which would be applicable to all labor agreements and compensation plans.

MANAGEMENT AND BUDGET

S7 – Technical changes

Technical change #1 – clarify vision coverage

Page 56:

Section 1. State Employee Group Insurance Program (SEGIP).
During the life of this Agreement, the Employer agrees to offer a Group Insurance Program that includes health, dental, life, <u>vision,</u> and disability coverages equivalent to existing coverages, subject to the provisions of this Article. All insurance eligible employees will be provided access to an electronic summary of benefits (SOB) or certificate of coverage (COC) for each insurance product. These documents shall be provided no less than biennially and prior to the beginning of the insurance year.

Page 78:

E. Vision Coverage.
~~A fully employee paid vision benefit will be available beginning January 1, 2021 subject to agreement by the subcommittee of the Joint Labor Management Insurance Committee to the benefit set determined through the state's Request for Proposal (RFP) process.~~
<u>Under the life of this agreement, an optional and fully employee-paid vision benefit will be available pursuant to contract parameters with the State's vision vendor.</u>

Technical change #2 – update year references

Roll dates forward to reflect new contract period (multiple pages)

Technical change #3 – removed outdated references

Page 63:

Section 5. Coverage Changes and Effective dates.
A. When Coverage May be Chosen.
3. Waiving Medical Coverage. ~~Effective July 1, 2017~~
Employees may choose to waive medical coverage. If an employee is eligible for the full employer contribution and desires to waive medical coverage, the employee must submit a Waiver of Medical Coverage form and provide proof of other coverage by the end of the employee's enrollment period. If an employee does not submit the form and proof by the end of the employee's enrollment period, the employee will be enrolled in medical coverage, with the next opportunity to waive coverage during Open Enrollment or upon a permitted Qualified Life Event. If an employee waives medical coverage, the employee can elect it again during the next Open Enrollment or midyear upon a permitted Qualified Life Event.

MANAGEMENT AND BUDGET

Page 66:

Section 5. Coverage Changes and Effective dates.
D. Open Enrollment.
1. Frequency and Duration.
There shall be an open enrollment period for health coverage in each year of this Agreement, and for dental coverage in the first year of this Agreement. ~~Dental coverage will be offered during the 2023 plan year Open Enrollment. Each year of the Agreement, all employees shall have the option to complete a Health Assessment.~~ Open enrollment periods shall last a minimum of fourteen (14) calendar days in each year of the Agreement. Open enrollment changes become effective on January 1 of each year of this Agreement. Subject to a timely contract settlement, the Employer shall make open enrollment materials available to employees at least fourteen (14) days prior to the start of the open enrollment period.

Page 78:

Section 7. Optional Coverages
A. Employee and Family Dental Coverage.
~~1. Coverage Options. Eligible employees may select coverage under any one of the dental plans offered by the Employer, including health maintenance organization plans, the State Dental Plan, or other dental plans. Coverage offered through health maintenance organization plans is subject to change during the life of this Agreement upon action of the health maintenance organization and approval of the Employer after consultation with the Joint Labor/Management Committee on Health Plans. However, actuarial reductions in the level of HMO coverages effective during the term of this Agreement, including increases in copayments, require approval of the Joint Labor/Management Committee on Health Plans. Coverage offered through the State Dental Plan is determined by Section.~~

Page 67:

Section 6. Basic Coverages
A. Employee and Family Health Coverage.
2. Coverage Under the Minnesota Advantage Health Plan
a. Benefit Options
2) Benefit Level. The primary care clinics available through each plan administrator are assigned a Benefit Level. The Benefit Levels are outlined in the benefit chart below. Primary care clinics may be in different Benefit Levels for different plan administrators. Family members may be enrolled in clinics that are in different Benefits Levels. Employees and their dependents may change to clinics in different Benefit Levels during the annual open enrollment. Employees and their dependents may also elect to move to a clinic in a different Benefit Level within the same plan administrator ~~up to two (2) additional times during the plan year~~ by calling their plan administrator, with changes typically effective the following day. Unless the individual has a referral from their primary care clinic, there are no benefits for services received from providers in Benefit Levels that are different from that of the primary care clinic in which the individual has enrolled.

Technical change #4 – clarify dependent coverage

Page 56:

Section 2. Eligibility for Group Participation.
C. Dependents. Eligible dependents for the purposes of this Article are as follows:
6. Child Coverage Limited to Coverage Under One Employee.
If both spouses work for the State or another organization participating in the State's Group Insurance Program, either spouse, but not both, may cover the eligible dependent children or grandchildren. This restriction also applies to two divorced, legally separated, or unmarried employees who share legal responsibility for their eligible dependent children or grandchildren. A member in the State's Group Insurance benefits may only be covered once, by one parent or guardian.

Technical change #5 – correct inaccurate CERP section references in AFSCME contract

Pages 60-61:

Section 3. Eligibility for Employer Contribution.
D. Special Eligibility.
4. Corrections Early Retirement Incentive.
a. Corrections Early Retirement Incentive Options. Any employee who is employed in a classification covered by the Correctional Employees Retirement Plan (M.S. §§352.91 and 352.911) shall be eligible to retire under one of the following Corrections Early Retirement Incentive programs if the conditions for eligibility as set forth in Section ~~3C4b~~ 3D4b below are met.

1) Pre-Fifty-Five Corrections Early Retirement Incentive. Any employee who attains the age of fifty (50) after the effective date and before the expiration date of the contract and who is employed in a classification covered by the Correctional Employees Retirement Plan (M.S. §§352.91 and 352.911) who retires at or after their fiftieth (50th) birthday but before their fifty-fifth (55th) birthday shall be entitled to participate in the Pre-Fifty-Five (55) Corrections Early Retirement Incentive in accordance with the provisions set forth in Section ~~3C4b~~ 3D4b below

2) Post-Fifty-Five Corrections Early Retirement Incentive. Any employee who attains the age of fifty-five (55) after the effective date and before the expiration date of the contract and who is employed in a classification covered by the Correctional Employees Retirement Plan (M.S. §§352.91 and 352.911) may opt during the pay period in which their fifty-fifth (55th) birthday occurs or any time thereafter until the employee attains the age of sixty-five (65) to participate in the Post-Fifty-Five Corrections Early Retirement Incentive in accordance with the provisions set forth in Section ~~3C4b~~ 3D4b below.

Section 3. Eligibility for Employer Contribution.
D. Special Eligibility.
4. Corrections Early Retirement Incentive.
b. Conditions for Eligibility.

1) CERP Employees Who Are Covered by This Agreement Before July 1, 2009
f) Employees on an unpaid leave of absence in excess of one (1) year, excluding military and medical leaves, shall be subject to the provisions in Section ~~3C4b2)~~ 3D4b2 below.

Technical change #6 – correct inaccurate list of services not requiring PCC referral

Page 69:

Section 6. Basic Coverages
A. Employee and Family Health Coverage.
2. Coverage Under the Minnesota Advantage Health Plan.
d. In-Area Services Not Requiring Referral From ~~Authorization by~~ a Primary Care Physician Within the Primary Care Clinic.

1) **Routine Eye Exams**. Limited to one (1) routine examination per year for which no copay applies. Eye injury or illness at an in-network provider will be covered as an office visit based on the benefit level in which the individual is enrolled.
2) ~~**Outpatient.**~~ **Emergency** ~~and Urgicenter~~ **Services and Urgent Care.** ~~Within the Service Area.~~ The emergency room copay applies to all outpatient emergency visits that do not result in hospital admission within twenty-four (24) hours. ~~The urgicenter copay is the same as the primary care clinic office visit copay.~~
3) ~~**Emergency and Urgently Needed Care Outside the Service Area**. Professional services of a physician, emergency room treatment, and inpatient hospital services are covered at eighty percent (80%) of the first two thousand dollars ($2,000) of the charges incurred per insurance year, and one-hundred percent (100%) thereafter. The maximum eligible out-of-pocket expense per individual per year for this benefit is four hundred dollars ($400). This benefit is not available when the member's condition permits them to receive care within the network of the plan in which the individual is enrolled.~~
4) Obstetrics and gynecological care
5) Mental health care and substance use disorder treatment
6) Chiropractic care

For all services listed above apart from urgent care and emergency care, a provider must be in-network with the member's plan administrator for the service to be covered.