



Legislation Text

File #: O-504-20, Version: 1

Exempt Employee Health Care Changes
Human Resources
Tyrome Alexander (x1031)

Repealing current Toledo Municipal Code Sections 2101.32 and 2101.48; and enacting new Toledo Municipal Code Sections 2101.32 and 2101.48; and declaring an emergency.

SUMMARY & BACKGROUND:

Toledo Municipal Code Chapter 2101 governs the terms and conditions of employment for the City of Toledo's Classified Exempt and Executive Exempt employees. Recently the City negotiated new terms of the health care plan with all of its bargaining units. As part of that tentative agreement, the City agreed to enact the same changes for its employees, both classified and unclassified, who are not in a bargaining unit. Thus, this Ordinance repeals Sections 2101.32 Hospitalization; Prescriptive Drug; Dental Insurance, and 2101.48 Probationary Period; Fringe Benefits, and enacts new Toledo Municipal Code Sections 2101.32 and 2101.48 to reflect those terms consistent with the changes made to the collective bargaining agreements.

The current Toledo Municipal Code Sections 2101.32 and 2101.48 are hereby repealed and replaced with new Sections 2101.32 and 2101.48, as indicated below.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That Toledo Municipal Code Section 2101.32, which states as follows:

2101.32 Hospitalization; Prescriptive Drug; Dental Insurance.

(a) GENERAL PROVISIONS: The City shall continue to provide hospital, medical, surgical, major medical, outpatient diagnostic laboratory services, prescription drug, dental care and benefits under the terms and conditions set forth below. Coverage will be in accord with any mandatory requirements of Federal law. In the event of any conflict between mandatory requirements of Federal law and the City's health benefits plan, the Federal law will prevail.

(i) Coverage shall be provided to each employee, each employee's spouse, and all unmarried dependent members of the employee's family to age twenty-three (23) or other age as determined by applicable state or federal law. Spouses who are both employed by the City must jointly elect only one coverage. A new election may occur after an open enrollment due to circumstances such as layoff or other separation of one of the spouses, death, or divorce. Where spouses who are both employed have dependents from prior marriages for whose hospitalization coverage they are responsible they shall be exempt from this joint election requirement.

Where the spouse of a City employee has health care coverage through a different employer, the spouse must enroll in his/her employer's plan. Dependents shall be covered as provided by the "Birthday Rule". Coordination of benefits shall be provided so that coverage is extended to the spouse and dependents that is not provided by the other employer's plan. In cases of demonstrated hardship due to excessive co-premiums (i.e.

40% co-premiums or premium payments equaling 30% or more of earnings) special consideration may occur.

(ii) Coverage for this purpose shall be furnished through the insurance carrier(s) selected exclusively by the City on a fair fee basis until such time as some other insurer may be selected or the City determines that it would be in its best interest to self insure these benefits.

(b) The following health care cost containment procedures shall be effective for all employees:

(i) Second surgical opinions, pre-admission notification or certification, emergency care limitations, post-admission concurrent review, outpatient surgery, continued treatment and technological review, medical case management, planned discharge, and other procedures as may be established under the medical review programs established by the City shall be followed. Failure to follow the procedures shall result in only eighty percent (80%) coverage for necessary care.

(ii) Full-time employees covered by another health care program due to marriage, or other reasons may waive their City of Toledo coverage and receive twenty-five thousand dollars (\$25,000.00) in additional life insurance coverage. This shall also be extended to those employees whose spouses are also employed by the City.

(iii) Coverage for nervous and mental treatment is limited as follows. Inpatient care shall be maintained at a maximum of thirty-one (31) days per calendar year. Outpatient coverage shall be expanded to a maximum of twenty-two visits per year at fifty percent (50%) co-insurance.

(iv) Coverage for drug and alcoholism treatment is limited as follows. Inpatient care shall be maintained at a maximum of thirty-one (31) days per calendar year. Coverage is limited to a maximum of twenty-five thousand dollars (\$25,000.00) lifetime benefits for all inpatient and outpatient care. Inpatient coverage shall be at one hundred percent (100%) for an individual's first admission, seventy-five percent (75%) for a second admission, and fifty percent (50%) for a third admission. No coverage shall be provided beyond three (3) admissions per lifetime or thirty-one (31) days per calendar year. Outpatient coverage shall be expanded to a maximum of \$2,500 per calendar year at fifty percent (50%) co-insurance.

(v) The panel of providers, and/or Preferred Provider Organization (P.P.O.), selected by the City for managing and providing nervous and mental, drug and alcohol treatment must be utilized. The City will request proposals toward a managed care plan for this purpose with an effective date of June 1, 1999. The schedule of benefits in effect as of February 9, 1999 shall be maintained, without additional co-pays or deductibles.

(c) The following cost sharing plan and cost coverage restrictions shall be effective for all employees:

(i) There shall be a five hundred dollar (\$500.00) annual per person maximum on chiropractic care and a one thousand three hundred dollar (\$1,300.00) annual per person maximum on physical therapy, both subject to the major medical deductible (\$100/individual and \$200/family) and co-insurance (80%/20%).

(ii) Major medical benefits shall be paid to a lifetime maximum of one million dollars (\$1,000,000.00) per person with a one hundred dollar (\$100.00)/individual and two hundred dollar (\$200.00)/family deductible and 80%/20% co-payment; provided that coverage for nervous and mental, drug and alcoholism treatment is limited per paragraph (b)(iii).

(iii) There shall be a one hundred dollar (\$100.00) co-pay for all emergency room visits, which shall be waived if the individual is admitted or if the visit is between the hours of 8:00 p.m. and 9:00 a.m., or on a

Saturday after 12:00 noon, or on a Sunday.

(iv) There shall be a monthly co-premium paid by each employee for hospitalization, prescriptive drug and dental insurance, depending on the type of coverage selected. Coverage selections are: single coverage (employee only); single +1 coverage (employee plus spouse/domestic partner or one (1) dependent); family coverage (employee plus two (2) or more dependents).

Employees will pay the following monthly co-premiums:

	Single Coverage	Single +1 Coverage	Family Coverage
Effective the first full pay period following Passage of this ordinance:	\$71	\$120	\$129
Effective the first full pay period of December, 2014:	\$94	\$160	\$166

The co-premium payments will be made by payroll deduction on a pre-tax basis. Spouses who are both employed by the City of Toledo will only pay one co-premium payment based on the level of coverage selected. The "Birthday Rule" and the spousal exclusion language in Section 2101.32

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(a) continue to apply to coverage options.

(d) Upon any future increases in monthly co-premiums that apply, uniformly, to all City of Toledo bargaining units covered under the City of Toledo's health benefits plan, the monthly co-premiums for employees covered under this Chapter shall increase to reflect the same monthly co-premiums. Such increase shall have the same effective date as that agreed to by the bargaining units.

(e) Effective June 1, 1994, all employees shall be enrolled in the Consortium Plan. Consortium Plan coverage and benefits shall be at the traditional plan levels as of May 31, 1994, except as otherwise provided here or in the Plan Document. Consortium Plan Medical providers shall be restricted to those hospitals, physicians, and other care providers designated in the plan as developed by the City.

(f) Coverage for well baby care, pap tests, and office visits shall be offered to all employees enrolled under conventional coverage as follows:

(i) Well baby care limited to routine examinations and immunizations for an infant until the infant's 1st birthday;

(ii) Pap tests as well as office fee will be paid in full once every twelve (12) months;

(iii) Office visits for routine wellness services and treatment of illness or injury rendered in the physician's office, including physical examinations and family planning, shall be subject to a ten dollar (\$10.00) co-payment, which shall be counted toward the individual's major medical deductible;

Fees that the physician charges for the services under paragraphs (i), (ii), and (iii) shall be paid on the same basis as other covered services (e.g. usual, customary, and reasonable). Payment for services under part (e)(i) and (iii) will be made for the first one hundred twenty-five dollars (\$125.00) per single contract or three hundred dollars (\$300.00) per family per calendar year collectively for well baby care (after the federally specified limits have been met) and for office visits. The ten dollar (\$10.00) office visit co-pay shall not be counted toward the \$125/300 limits. After deductibles are reached, payment shall then be under the major

medical plan; provided, however, that the bill shall be reduced by the ten dollar (\$10.00) office visit co-pay before the 80%/20% co-payment formula is applied.

(g) The City shall continue to provide a major dental program which provides the following:

Type A Services: Preventative 100%

Type B Services: Major and minor restorative 80%

Type C Services: Orthodontia 60%

Deductible for Type B Services: fifty dollars (\$50.00) per person per year; maximum payment of one thousand dollars (\$1,000.00) per year.

Maximum lifetime benefit for Type C Services for any covered person one thousand dollars (\$1,000.00); coverage limited to dependent children under age 19.

(h) The City shall provide a prescriptive drug purchase program with a deductible of twenty percent (20%) of the cost for each brand name prescription, up to a maximum deductible of eight dollars (\$8.00), and a two dollar (\$2.00) deductible for generic drug prescriptions. This program will include a generic drug substitution option. The City may select an alternative carrier at its option.

The City may implement managed care for the prescriptive drug program. This would allow for an evaluation of the interaction of an individual's different prescriptions on a voluntary basis. Recommendations could then be made to the individual and his/her physician for more effective drug therapy.

The coverages herein for dental and prescription drug shall be under either an individual or family contract as may be appropriate. The selection of the insurance carrier to provide the coverages herein is the exclusive right of the City.

(i) The City shall provide a vision care plan, which will contain a deductible plan. The City may select a carrier or become a self insurer as it deems necessary.

is hereby repealed.

SECTION 2. That a new Toledo Municipal Code Section 2101.32 is enacted as follows:

2101.32 Hospitalization; Prescription Drug; Dental Insurance.

(a) GENERAL PROVISIONS: The City shall continue to provide hospital, medical, surgical, major medical outpatient diagnostic laboratory services, prescription drug, dental care and benefits under the terms and conditions set forth below. Coverage will be in accord with any mandatory requirements of Federal law. In the event of any conflict between mandatory requirements of Federal law and the City's health benefits plan, the Federal law will prevail.

(i) Coverage shall be provided to each employee, each employee's spouse, and all dependent members of the employee's family to age twenty-six (26) or other age as determined by applicable state or federal law. Spouses who are both employed by the City must jointly elect only one coverage. A new election may occur at open enrollment, or due to circumstances such as a job status change, layoff or other separation of one of the spouses, death, or divorce.

Where the spouse of a City employee has health care coverage through a different employer, the spouse

must enroll in his/her employer's plan. Dependents shall be covered as provided by the "Birthday Rule", as that term is defined in the Summary Plan Document (SPD). Coordination of benefits shall be provided so that coverage is extended to the spouse and dependents that is not provided by the other employer's plan. Special consideration will be given to cases of demonstrated hardship due to excessive premiums based on spousal income. An "excessive premium" is identified in the following circumstances: (a) A spouse whose gross base income is less than \$30,000 who is required to pay 30% or more of their premium cost for "employee only" primary coverage; (b) A spouse whose gross base income is more than \$30,001 but less than \$50,000 must accept their employer's plan for "employee only" coverage. However, if the spouse is required to pay 40% or more of their premium cost for "family" coverage, the eligible dependents may be eligible to enroll in this Plan as primary and the spouse may be eligible for coverage under this Plan as secondary; (c) A spouse whose gross base income is more than \$50,001 must accept their employer's plan coverage and must carry any eligible dependents in accordance with the "Birthday Rule". The spouse and dependents may be eligible for secondary coverage through this Plan.

(ii) Coverage for this purpose shall be furnished through the insurance carrier(s) selected exclusively by the City on a fair fee basis until such time as some other insurer may be selected or the City determines that it would be in its best interest to self insure these benefits.

(iii) Full-time employees covered by another health care program due to marriage, or other reasons may waive their City of Toledo coverage and receive twenty-five thousand dollars (\$25,000.00) in additional life insurance coverage. This shall also be extended to those employees whose spouses are also employed by the City.

(b) The following cost sharing plan and cost coverage restrictions shall be effective for all employees:

(i) There shall be a one thousand dollar (\$1000.00) annual per person maximum on chiropractic care subject to the major medical deductible (\$100/individual and \$200/family) and co-insurance (80%/20%).

(ii) There shall be a two hundred dollar (\$200.00) co-pay for all emergency room visits, which shall be waived if the individual is admitted. An employee who is not admitted but is referred to the emergency room by his or her primary care physician, or by an urgent care facility, or by a tele-medicine service, may appeal the payment of one-half (1/2) of the co-pay. Such appeal will be decided by the City's third-party administrator for health care, with any further appeal to be made to the Health Care Cost Containment Committee, whose decision shall be final.

(iii) There shall be a monthly co-premium paid by each employee for **coverage under this section**, depending on the type of coverage selected. Coverage selections are: single coverage (employee only); single +1 coverage (employee plus one (1) dependent); family coverage (employee plus two (2) or more dependents). Employees will pay the following monthly co-premiums:

<u>Single</u>	<u>Single +1</u>	<u>Family</u>
\$94	\$160	\$166

The co-premium payments will be made by payroll deduction on a pre-tax basis. Spouses who are both employed by the City of Toledo will only pay one co-premium based on the type of coverage selected. The "Birthday Rule" and the spousal exclusion language in Section 2101.32

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(iv) Upon any future increases in monthly co-premiums that apply, uniformly, to all City of Toledo bargaining units covered under the City of Toledo's health benefits plan, the monthly co-premiums for

employees covered under this Chapter shall increase to reflect the same monthly co-premiums. Such increase shall have the same effective date as that agreed to by the bargaining units.

(v) Office visits rendered in the physician's office shall be subject to a ten dollar (\$10.00) co-payment, which shall be counted toward the individual's major medical deductible;

(c) The City shall continue to provide a major dental program which provides the following:

Type A Services: Preventative 100%

Type B Services: Major and minor restorative 80%

Type C Services: Orthodontia 60%

Deductible for Type B Services: fifty dollars (\$50.00) per person per year; maximum payment of one thousand three hundred dollars (\$1,300.00) per year.

Maximum lifetime benefit for Type C Services for any covered person: one thousand three hundred dollars (\$1,300.00); coverage limited to dependent children under age 19.

(d) The City shall provide a prescription drug program with a zero dollar (\$0) employee co-pay for generic drug prescriptions (Tier 1), a fifteen dollar (\$15.00) employee co-pay for preferred brand prescriptions (Tier 2), and a thirty dollar (\$30.00) employee co-pay for non-preferred brand prescriptions (Tier 3). This program shall include a generic drug mandate. The City may select an alternative pharmacy benefit manager at its option.

(e) The selection of the insurance carrier to provide all coverages herein is the exclusive right of the City.

(f) The City shall provide a vision care plan, which will contain a deductible plan. The City may select a carrier or become a self insurer as it deems necessary.

SECTION 3. That Toledo Municipal Code Section 2101.48, which states as follows:

2101.48 Probationary Period; Fringe Benefits - Administrative Groups 1-15.

(a) Newly hired employees shall have no seniority during their probationary period, but upon completion of the probationary period their seniority date shall be the date of hire. Newly hired employees, except clerical employees, shall be probationary employees for a period of 120 work days. Newly hired clerical employees shall be probationary employees for a period of seventy-five (75) work days. A newly hired probationary employee in Salary Groups 1-15 shall not receive any fringe benefits during the first sixty (60) work days of the probationary period unless, due to exceptional circumstances, the appointing authority approves provision of any or all of these benefits during that period. Unclassified employees in groups 1-15 do not serve a probationary period and accordingly shall be entitled to fringe benefits immediately upon hire.

(b) The seniority date of a City employee shall be the date of the employee's appointment as a permanent or provisional employee. If the employee was originally hired as a temporary employee and worked continuously full time and was subsequently made a permanent or provisional employee in any classification without a break in service, then upon the employee's successful completion of the probationary period in the permanent or provisional position, the employee's seniority date shall be the date of original appointment to the temporary appointment.

(c) All full-time continuous service as a temporary shall be counted for the purpose of determining the employee's entitlement to fringe benefits. If the employee had worked as a temporary continuously full time for one hundred and twenty (120) work days, then the employee shall be eligible for fringe benefits immediately upon appointment as a permanent or provisional employee.

(d) If an employee serving the initial one hundred and twenty (120) work day probationary period established herein fails to work for more than four (4) days during this initial probationary period, then the employee's probationary period shall be extended by the additional number of work days the employee did not work in excess of four (4).

is hereby repealed.

SECTION 4. That a new Toledo Municipal Code Section 2101.32 is enacted as follows:

2101.48 Probationary Period; Fringe Benefits - Administrative Groups 1-15.

(a) Newly hired employees shall have no seniority during their probationary period, but upon completion of the probationary period their seniority date shall be the date of hire. Newly hired employees, except clerical employees, shall be probationary employees for a period of 120 work days. Newly hired clerical employees shall be probationary employees for a period of seventy-five (75) work days. A newly hired probationary employee in Salary Groups 1-15 shall be entitled to health care benefits, as described in Section 2101. 32, immediately upon hire, but shall not receive any other fringe benefits during the first sixty (60) work days of the probationary period unless, due to exceptional circumstances, the appointing authority approves provision of any or all of these benefits during that period. Unclassified employees in groups 1-15 do not serve a probationary period and accordingly shall be entitled to fringe benefits immediately upon hire.

(b) The seniority date of a City employee shall be the date of the employee's appointment as a permanent or provisional employee. If the employee was originally hired as a temporary employee and worked continuously full time and was subsequently made a permanent or provisional employee in any classification without a break in service, then upon the employee's successful completion of the probationary period in the permanent or provisional position, the employee's seniority date shall be the date of original appointment to the temporary appointment.

(c) All full-time continuous service as a temporary shall be counted for the purpose of determining the employee's entitlement to fringe benefits. If the employee had worked as a temporary continuously full time for one hundred and twenty (120) work days, then the employee shall be eligible for fringe benefits immediately upon appointment as a permanent or provisional employee.

(d) If an employee serving the initial one hundred and twenty (120) work day probationary period established herein fails to work for more than four (4) days during this initial probationary period, then the employee's probationary period shall be extended by the additional number of work days the employee did not work in excess of four (4).

SECTION 5. This Ordinance is hereby declared to be an emergency measure and shall be in force and effect from and after its adoption. The reason for the emergency lay in the fact that same is necessary for the immediate preservation of public peace, health safety and property.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

_____.

Attest: _____
Clerk of Council