

HEALTH, DENTAL, LIFE AND VISION INSURANCE

Effective January 1, 2010 the following provisions shall supersede all previous articles/ sections regarding health/medical, dental, vision and life insurance benefits. This Section shall be included in each respective PERC recognized organization's Collective Bargaining Agreement, or negotiated modifications thereto, upon ratification by each respective employee organization and approval of the School Board.

1. (a) Effective January 1, 2010, the District will provide a choice of benefits to eligible employees under a cafeteria plan hereinafter referred to as a "Flexible Benefits Plan."

A full time eligible employee is defined as a non-temporary employee who is in a regular established position and works six (6) or more hours per day.

A part time eligible employee is defined as a non-temporary employee who is in a regularly established position and works four (4) or more but less than six (6) hours per day. [For those in the CTA bargaining unit, part-time is defined as those who work at least three and three quarters (3.75) hours, but less than six (6) hours per day.]

- (b) Within the Flexible Benefits Plan, the District shall make available to each eligible employee an option of medical health plans. Such medical plans shall consist of a regular Health Maintenance Organization (HMO) Plan, a Point of Service (POS) Plan, a Preferred Provider Organization (PPO) Plan, and a catastrophic HMO Plan.
- (c) DENTAL PLANS: The District will also make available choices of dental plans, including a Managed Dental Plan and a Preferred Provider (PPO) Plan to be paid by the employee with pre-tax dollars through payroll deduction.
- (d) VISION PLAN: The District will also make available a vision plan to be paid by the employee with pre-tax dollars through payroll deduction.
- (e) TERM LIFE INSURANCE: Basic Term Life Insurance will be provided and paid by the District for eligible employees in the following amounts:
 - \$20,000 face value for full time eligible employees.
 - \$10,000 face value for part time eligible employees.

The Term Life Policy will include equal amounts of Accidental Death and Dismemberment (AD&D) coverage and will provide an employee a conversion right to an individual whole life policy directly with the life insurance carrier without the need for a physical examination if the employee ends his or her employment with the District. No other continuation or portability plans will be offered.

Eligible employees will be able to purchase additional term life and AD&D insurance if they enroll within thirty (30) days of their first date of hire at the same rates the Board pays in \$20,000 increments, up to \$100,000 or five (5) times their annual salary, whichever is less.

Employees who avail themselves of this option may also enroll their non-disabled spouse with one-half (1/2) the face value of the additional insurance the employee has opted to purchase. Such spousal coverage includes AD&D and may only be purchased in \$10,000 increments. If an employee's spouse is also an eligible employee, the employee is not eligible to purchase spouse optional life or AD&D and only one of the eligible employees may purchase term life for their dependent children.

Employees who purchase additional term life insurance may also purchase coverage without AD&D for their non-disabled dependent children, who are under the age nineteen (19) or under age twenty-five (25) if the child is a student. Such dependent coverage will have two options:

- \$ 5,000 coverage on all dependent children over six (6) months of age, or
- \$10,000 coverage on all dependent children over six (6) months or age.

All voluntary purchased coverage will be paid through payroll deduction and no medical questionnaire or physical exam need to taken if the eligible employee enrolls within the first thirty (30) days of employment and for less than \$100,000 coverage. Rates for optional employee coverage will not be more than the rates that the District pays for the basic coverage described above.

Term life insurance coverage in excess of \$100,000 and enrollment during annual enrollment periods will require satisfactory proof of insurability by the insurance carrier.

- (f) CLAIMS ADMINISTRATION: An employee will be required to comply with any and all rules and regulations and/or limitations established by the carrier or applicable third party administrator and contained in the policy, and employees and their dependents shall look solely to such carrier or third party administrator for the adjudication of the payment of any and all benefits claims.

2. The District has established a retirement program under IRS Code Section that defers taxation until retirement or other severance from employment and permits the employee to forfeit and allow the District to contribute each year all of his/her benefit dollars to this retirement plan. This program is called the Special Retirement Plan. At the option of the District, additional contributions may also be made by the District. Any contributions to the Special Retirement Plan shall be made as an employer contribution to such eligible retirement program. Account values under this Plan shall be available to the employee only as permitted under, and in accordance with applicable Federal and Internal Revenue Service regulations governing such programs.

3. Contributions by the District to the Special Retirement Plan will not be considered for the purpose of computing overtime.

4. (a) Effective January 1, 2010 and thereafter, those eligible employees whose benefit choices include employee only medical insurance in the catastrophic HMO Plan will receive contributions to the Special Retirement Plan as follows:

\$40.00 will be provided monthly for full-time eligible employees, (\$20 for part-time eligible employees), who elect employee only coverage in the catastrophic HMO Plan, provided the difference between the monthly premiums of the full time employee only regular HMO Plan and the full time employee only catastrophic HMO Plan does not fall below \$40. Should the difference fall below \$40, the \$40 monthly amount for full time employee only in the catastrophic HMO Plan will be reduced to the actual difference between the regular HMO Plan and the catastrophic HMO Plan monthly premiums for full-time employee only coverage. The same dollar amount reduction will be applied to the Special Retirement Plan contribution provided to part-time eligible employees who elect employee only coverage in the catastrophic HMO Plan.

Effective January 1, 2010 and thereafter, those eligible employees who elect not to participate in any of the Medical Plans (regular HMO, catastrophic HMO, POS, or PPO), and who sign a form indicating other medical coverage, will receive contributions to the Special Retirement Plan as follows:

- \$120.00 monthly for each full-time eligible employee.
- \$ 90.00 monthly for each part-time eligible employee.

(b) (i) Effective January 1, 2010 and thereafter, the District will pay the following towards the monthly medical insurance premium cost for employees enrolled in the regular HMO Plan:

<u>Tiers</u>	<u>Full-Time</u>	<u>Part-Time</u>
Employee only	\$ 359.51	\$ 359.51
Employee plus children	\$ 693.76	\$ 663.76
Employee plus spouse	\$ 714.01	\$ 684.01
Employee plus full family	\$ 805.45	\$ 775.45

(b) (ii) Effective January 1, 2010 and thereafter, the District will pay the following towards the monthly medical insurance premium cost for employees enrolled in the catastrophic HMO plan:

<u>Tiers</u>	<u>Full-Time</u>	<u>Part-Time</u>
Employee only	\$ 306.11	\$ 306.11
Employee plus children	\$ 656.55	\$ 626.55
Employee plus spouse	\$ 673.84	\$ 643.84
Employee plus full family	\$ 716.43	\$ 686.43

- (b) (iii) Effective January 1, 2010 and thereafter, the District will pay the following towards the monthly medical insurance premium cost for employees enrolled in the POS and PPO Plans:

<u>Tiers</u>	<u>Full-Time</u>	<u>Part-Time</u>
Employee only	\$ 359.51	\$ 359.51
Employee plus children	\$ 693.76	\$ 663.31
Employee plus spouse	\$ 714.01	\$ 684.01
Employee plus full family	\$ 805.45	\$ 775.45

- (c) The parties agree to reopen coalition negotiations in 2010 on any additional premium increases for calendar year 2011.
5. (a) Effective January 1, 2010 and thereafter, all eligible employees may purchase through payroll deductions the following benefits with pre-tax dollars when legally eligible:
- The purchase of the insurance benefits of their choice from among a menu of pre-tax benefits, which include dental and vision plans for themselves and their eligible dependents.
 - Eligible employees may also contribute to a Medical Flexible Spending Account, (an annual minimum contribution of \$300 and an annual maximum contribution of \$3,500) and/or to a Dependent Care Flexible Spending Account (following IRS requirements) through payroll deductions with pre-tax dollars.
- (b) Effective January 1, 2010 and thereafter eligible employees may purchase other optional benefits through payroll deductions with post-tax dollars such as Disability Income Protection and Optional Term Life Insurance. Optional Term Life Insurance may also be purchased for eligible dependents. See paragraph 1 (e) above.
- (c) If an employee does not complete the required benefits enrollment process, including the completion of any and all enrollment forms or on-line process within 30 days of employment or during enrollment periods, he/she will automatically be enrolled in a default benefits plan with employee only coverage. If an employee does not submit all required dependent and/or domestic partner verification documents within 30 days of employment or during enrollment periods the employee will be denied dependent and/or domestic partner coverage as applicable.
6. (a) The regular HMO Plan will cover in-network physicians and hospitals with deductibles, co-payments and/or co-insurance. Prescription coverage will require a \$100 annual deductible per individual with a maximum of \$200 per family as well as various co-payments for Tier I, Tier II, Tier III and Tier IV prescriptions. There will be no annual deductible for mail order maintenance prescriptions. The carrier will determine tier placement of all drugs covered under the Outpatient Prescription Drug coverage. Additionally, the following language will be included in our Summary Plan Description (SPD):

Exclusions

- A Prescription Drug Product that contains (an) active ingredient(s) available in and Therapeutically Equivalent to another covered Prescription Drug Product.
- A Prescription Drug Product contains (an) active ingredient(s) which is (are) a modified version of and Therapeutically Equivalent to another covered Prescription Drug Product.

- (b) The regular HMO Plan is defined as an HMO with a primary care provider office visit co-pay of \$25, a specialist office visit co-pay of \$35, an emergency room co-pay of \$150, an urgent care co-pay of \$50, an emergency ambulance, in-patient hospitalization, outpatient surgery, approved durable medical equipment and diagnostic testing with co-insurance of 10%, an out-patient rehabilitation therapy co-pay of \$20 per visit, and a mental health and substance abuse out-patient co-pay of \$20 per individual session and a co-pay of \$15 per group session. Out of pocket maximums for this percentage co-insurance will be applied per policy language with an annual calendar year maximum of \$3,000 per individual and \$6,000 per family.

Additionally, the prescription co-pay for up to a 30-day supply will be \$10 for Tier I prescriptions, \$30 for Tier II prescriptions, \$60 for Tier III prescriptions and \$100 for Tier IV prescriptions. Mail order will be available for 2 times the co-pays previously listed for up to a 90-day supply of maintenance prescriptions.

- (c) A catastrophic HMO Plan will be offered for 2010 and thereafter provided the cost of the catastrophic HMO Plan does not exceed the cost of the regular HMO Plan. This catastrophic HMO will have lower premiums than the regular HMO Plan, but will have higher co-pays, co-insurance and a deductible. For 2010 and thereafter, the catastrophic HMO Plan's co-pays are as follows:

A primary physician's office visit co-pay of \$40, a specialist office visit co-pay of \$60, an emergency room co-pay of \$250, an urgent care co-pay of \$75, an emergency ambulance co-pay of \$150. In-patient hospitalization, out-patient hospitalization, approved durable medical equipment and diagnostic testing will have 20% co-insurance after a plan deductible. Out of pocket maximums for this percentage co-insurance will be applied per policy language with an annual calendar year maximum of \$6,000 per individual and \$12,000 per family. Out-patient rehabilitation therapy will have co-pays of \$35 per individual session and co-pays of \$25 per group session. Prescription benefits will be the same as those in the regular HMO Plan as described in 6 (a) and the second paragraph of 6 (b) above.

- (d) The POS and PPO Medical Plan will provide medical coverage such as the regular HMO Plan, but with higher co-payments, deductibles and co-insurance, as well as out of network coverage, which will be subject to deductibles and co-insurance. Office visit co-pays for in-network primary care providers will be \$25 and co-pays for in-network specialist office visits will be \$40. In the POS plan, out of pocket maximums for the percentage co-insurance will

be applied per policy language with an annual calendar year maximum of \$4,000 per individual and \$8,000 per family for in-network and \$8,000 per individual /\$16,000 per family for out of network. In the PPO plan, out of pocket maximums for this percentage co-insurance will be applied per policy language with an annual calendar year of \$5,000 per individual and \$10,000 per family in network and \$10,000 individual/\$20,000 per family for out of network.

7. An employee eligible for medical benefits is eligible to enroll his/her eligible domestic partner in the medical plan. An employee and his/her domestic partner must meet the following requirements in order to enroll in a medical plan:
 - Must both be at least 18 years of age and mentally competent.
 - Must not be related by blood in a manner that would bar marriage under the law of the State of Florida.
 - Must be considered each others sole domestic partner and not married to or partnered with any other spouse, spouse equivalent or domestic partner.
 - Must have shared the same regular and permanent residence in a committed relationship for at least one year and intend to do so indefinitely.
 - Neither partner can have had another domestic partner at anytime during the 12 months preceding this enrollment.
 - Must provide proof of registration with the Palm Beach County Clerk & Comptroller's Office.

A signed affidavit attesting to the above will be required by both partners as well as proof that both are financially interdependent and living together.

Premiums will be paid on a post tax basis and will be subsidized by the District to the same extent as other eligible employees; however, the amount of premium paid by the District towards dependent coverage for an employee's domestic partner will be considered imputed income and will be subject to Federal Withholding, FICA, Social Security and Medicare taxes. In other words, the premium for domestic partner benefits is the same as the premium for the Employee Plus Spouse option except that the domestic partner benefits premium will be taxed on a post tax basis and any District paid contribution will be taxed as imputed income to the employee as set forth above. A domestic partner is not considered a qualified beneficiary under COBRA.

In those cases when an employee elects to cover both his/her dependent children and a domestic partner, the employee will pay the premium of the Employee Plus Children option on a pre-tax basis and in addition the premium for domestic partner

benefits on a post-tax basis as set forth above.

8. Payroll deductions for benefits will be made as follows:

- For employees on a 24 to 26-pay cycle, annual premiums will be spread equally over 24 pays.
- For employees on a pay cycle having fewer than 24 pays, annual premiums will be equally spread over 22 pays.

All premiums to medical, dental and vision benefits paid by employees shall be paid via the Section 125 Premium Conversion Plan, when legally allowed, i.e. with pre-tax dollars.

9. The parties agree that one member of each PERC certified District employee group identified above may serve as a participating and voting member on the District RFP committee any time the District seeks proposals on medical, dental and/or vision insurance for its employees. The District shall be entitled to a maximum of six representatives.

10. Any changes or modifications to the provisions under this Section shall be negotiated during regular coalition bargaining with all District PERC recognized associations/unions as provided herein. In addition to the limited re-opener provision contained in (4) (c) (ii), all parties agree that coalition negotiation may be reopened on all aspects of this Section in the event any of the following occurs:

- Whenever the parties mutually agree to reopen negotiations on this Section; or
- Whenever more than three years (36 months) have lapsed since the parties reopened negotiations and had the opportunity to negotiate on all aspects of this Section.

In the event the parties fail to reach agreement during negotiations of this Section, the impasse process outlined in Florida Statutes Chapter 447 will be utilized to resolve any dispute or impasse.

11. The effective date of the District's insurance coverage for those employees who are less than twelve-month employees who are newly hired in August and are scheduled to work and are on a paid status at least fifteen (15) work days in August, will be September 1. New employees hired in August but who are not scheduled to work and on a paid status at least fifteen (15) work days in August will have their District insurance coverage effective October 1. Otherwise, benefits for employees will be effective on the first day of the month following thirty (30) continuous calendar days of employment.

An employee who is not a twelve-month employee whose employment ends with the District at the end of any school year and who is on a paid status through the last day of his/her contract year will continue to be covered by the District's insurances (except for term life and/or income protection insurances which end June 30) through July 31 of that calendar year provided the employee makes proper payment of his/her share of the insurance premiums through payroll deductions or other means of payment mutually agreed to by that employee and

the District. Otherwise, benefits will end the last day of the month in which the employee's active paid employment or FMLA leave with the District ends provided all employee required premiums are paid. Nothing herein shall be construed as denying any eligible employee from continuing his/her insurance(s) as provided under Federal COBRA rule and regulations.

12. Wellness Initiatives

During 2010, through the Insurance Committee, the District and the bargaining units agree to explore, implement and support wellness rewards that reward active employee participation in the District's Health and Wellness efforts. This will be accomplished in partnership with the District, bargaining units and the providers to create intensive communication efforts, utilization of community resource information, and other support tools.