

MEMORANDUM OF UNDERSTANDING
HEALTH CARE COVERAGE

This Memorandum of Understanding is entered into by and between the City of Mayfield Heights, Ohio ("Employer") and the American Federation of State, County, and Municipal Employees, AFSCME ("Union") for the purpose of adjusting Article 22, Health Care Coverage of the current collective bargaining agreement entered into between the Employer and the Union (SERB Case No. 14-MED-09-1132), effective January 1, 2015 through December 31, 2017.

The parties agree to amend Article 22 of the current agreement as follows:

ARTICLE 22
HEALTH CARE COVERAGE

22.1 All full-time employees of the bargaining unit shall be eligible to participate in a group health care plan established by the City, which shall include medical, dental, vision, and prescription drug coverage. Such group plan may be provided through a self-insured plan or an outside provider, or a combination thereof. The City shall offer a base plan and may offer alternate plans. Cost containment measures may be adopted by the City pursuant to the provisions of Section 22.5 herein.

Eligible employees may elect the base or alternate plan, and single or family coverage (or other appropriate and available tier) at their option and in accordance with the provisions/requirements of the plan(s).

The parties recognize that employee affordability under the Patient Protection and Affordable Care Act (ACA) will be measured based upon the cost of the lowest level single plan offered.

22.2 New members shall be covered at the next monthly enrollment date.

22.3 Commencing January 1, 2014, the employees' contribution to health insurance will be ten (10%) percent of the City's costs. Commencing January 1, 2016, the City's contribution to base health insurance coverage will not exceed the following amounts:

2016 Base Contribution

Monthly Base January 1, 2016	Employer Contribution	Monthly Base January 1, 2016	Employee Contribution	Total Base Contribution January 1, 2016
Single	\$642.59	Single	\$71.40	\$713.99
Family	\$1,735.09	Family	\$192.79	\$1,927.88

Commencing in 2016, any costs above the cumulative total of the Employer and employee base contribution amounts set forth above shall be paid sixty percent (60%) by the Employer and forty percent (40%) by the participating employee. *In the event that costs for coverage are reduced*

below the total base contribution amount, such savings shall be apportioned on a forty percent (40%) basis to the Employer's share and a sixty percent (60%) basis to the employee's share of the base contribution, up to the total base employee contribution amount.

22.4. HSA/HRA Structure. In addition to the base funding amount provided for above, the City agrees to establish an HRA and HSA funding structure. Employees may elect to participate in either option. Effective with the 2016 plan year, the HRA plan will contain a maximum HRA City funding level of \$2,600 for single and \$5,200 for family. Effective with the 2016 plan year, the HSA option will have a maximum City funding level of ~~\$2,000~~ **2,340** for single and ~~\$4,000~~ **4,680** for family. Funding for the HSA or HRA shall be allocated in the manner established by the City up to the maximum provided under this section. The City will not withdraw funding under this section so as to provide less than the established funding level in this section.

22.5. Health Care Committee. A health care committee will be created for the purposes of reviewing usage, studying cost containment programs and options for health plan coverage (medical, dental, vision, and prescription), and recommending changes to the plan and benefit levels. Once created, the Union agrees to participate in the committee. The first order of the committee shall be to establish ground rules and the parties recognize that no ground rule can supersede or conflict with the provisions herein.

The committee shall consist of one (1) representative from the recognized bargaining units, (1) non-bargaining employee, and up to four (4) administrators/department heads selected by the Mayor/designee. One of the administrators shall be the ~~Director of Human Resources~~ **Compliance Standards Officer**, whether a plan participant or not. Each representative must be an active participant in a City provided group health care plan except as otherwise provided herein.

The Mayor/designee, plus one staff representative from each certified Union may attend all or some of the committee meetings for informational purposes, but shall not be a voting member. Additionally, the City's health care consultant and labor relations consultant of the City may also be requested to attend for informational purposes only.

The health care committee shall have the authority to recommend alterations to the plan(s) and benefit levels and/or to recommend adjustments to coverage levels for the next plan year through a majority vote. Recommendations will be in compliance with the ACA regarding coverage levels and will be submitted to the Mayor in writing at least thirty (30) calendar days prior to the end of the applicable plan year, except where the deadline is extended in conjunction with the City's health care consultant and the applicable plan provider. Specifically, the committee may recommend any of the following options:

- A. To keep the same plan and/or benefit levels and pass on any cost increase consistent with the cost sharing provisions set forth in Section 22.3; or
- B. To change the plan and/or alter the benefit levels to reduce or minimize the cost increase to be passed on; or

C. To change the plan and/or alter the benefit levels so that there is no increase in the cost of the plan(s).

A timely and valid recommended option of the health care committee (A, B or C above) will be considered an agreement between all the bargaining units and the City, and will be implemented by the City.

If, however, the health care committee fails to submit a timely and valid recommendation (A, B, or C above) for the following plan year, Option C shall apply and will be implemented.

This Memorandum of Understanding shall be effective upon execution, but subject to ratification by City Council and the bargaining unit, and shall remain in full force and effect until December 31, 2017.

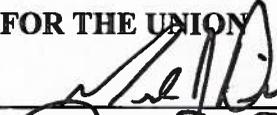
FOR THE EMPLOYER





DATE SIGNED _____

FOR THE UNION





DATE SIGNED _____