

STATE EMPLOYMENT  
RELATIONS BOARD

IN THE MATTER OF FACT-FINDING 2003 JUL 24 A 10: 13

BETWEEN

FRATERNAL ORDER OF POLICE  
CAPITAL CITY LODGE No. 9

AND

THE CITY OF COLUMBUS

BEFORE: Robert G. Stein

SERB CASE NO. 02 MED 10 1092, 1093

PRINCIPAL ADVOCATE FOR THE UNION:

Robert W. Sauter, Esq.  
Lawrence J. Deck, Lodge Chief Negotiator  
CLOPPERT, LATANICK, SAUTER & WASHBURN  
225 East Broad Street  
Columbus OH 43215

and

PRINCIPAL ADVOCATE FOR THE EMPLOYER:

Robert E. Thornton, Chief Negotiator  
CITY OF COLUMBUS  
Columbus City Hall  
90 West Broad Street  
Columbus OH 43215-9010

## INTRODUCTION

Prior to reaching impasse the parties held several bargaining sessions and were able to reach tentative agreement on a number of articles. In fact-finding/mediation, the Advocates represented their respective parties well and clearly articulated the position of their clients on each issue in dispute. The Fact-finder held several mediation sessions during which the parties reached agreement on numerous open matters, and were able to narrow their difference to nine (9) issues. Between the first and second day of fact-finding the parties were able to resolve an unresolved issue related to polygraph examinations (Article 8.11), leaving eight (8) issues to be reviewed by the Fact-finder.

The economy was a major focal point of these negotiations. The State of Ohio's budget has been suffering along with most other states, and the City of Columbus has not escaped the downturn in the economy. However, in recent weeks and days, a number of government and private sector officials, including Washington D.C.'s National Bureau of Economic Research (NBER), have been painting a more optimistic view of the future. Ironically, in an environment in which unemployment has increased, the NBER declared that the national recession ended several months ago. Whether it ended for Ohio and its

municipalities remains to be seen. However, there is little question that the City of Columbus is facing some new challenges, not the least of which is rising health care costs.

It is also recognized that these negotiations are the first negotiations for the police bargaining units since the events of September 11, 2001. The importance of protecting the populous from these heightened dangers adds a layer of complexity to the primary work of the bargaining unit members in serving the citizens of the City of Columbus.

In order to expedite the issuance of this report, the Fact-finder shall not restate the actual text of each party's proposal on each issue but instead will reference their Position Statements. The Union's Position Statement shall be referred to as UPS and the Employer's Position Statement shall be referred to as EPS. The order in which the issues will be reviewed is not necessarily the order in which they were presented.

## **CRITERIA**

### **OHIO REVISED CODE**

In the finding of fact, the Ohio Revised Code, Section 4117.14 (C)(4)(E) establishes the criteria to be considered for fact-finders. For the purposes of review, the criteria are as follows:

1. Past collective bargaining agreements
2. Comparisons
3. The interest and welfare of the public and the ability of the employer to finance the settlement.
4. The lawful authority of the employer
5. Any stipulations of the parties
6. Any other factors not itemized above, which are normally or traditionally used in disputes of this nature.

These criteria are limited in their utility, given the lack of statutory direction in assigning each relative weight. Nevertheless, they provide the basis upon which the following recommendations are made:

**ISSUE 1    ARTICLE 6.6 (C)    ADDITIONAL RELEASE TIME**

**Union's position**

SEE UPS

**Employer's position**

SEE EPS

**Discussion**

One of the statutory criteria that fact-finders apply to disputes is the history of bargaining between the parties. Prior to 1996 the parties did not place a limit of time on this provision of the Agreement. It was governed by past practice. In the 1996-99 contract the parties quantified the language and agreed upon a cap of five thousand (5,000) hours. There was no evidence or testimony to indicate whether this capping represented a reduction from the past usage of release time hours. In the 1999-2002 contract, the parties reduced the hours by 20% to four thousand (4,000) hours, and shifted the one-thousand hours to support an assistant grievance chairperson.

The City is now asking for an unconditional reduction of 37.5% in the number of hours allotted under this provision. However, I find the basis for the City's request to be lacking in several respects.

The current negotiations is the first negotiations in which the parties were able to assess the workability of the four thousand (4,000) hour limit. I find it puzzling that the City, without contemplating any exchange of benefits, is asking for a substantial

reduction of hours without having gathered any meaningful data to demonstrate the need for another change.

Secondly, I find the comparison of other City bargaining units with the FOP to be faulty. Each bargaining unit is unique in its mission and in the work of its members. As a result, each unit develops unique sets of needs that must be addressed. The isolated nature of the work and the geographic dispersion of the bargaining unit's membership are other factors that affect communications and negotiations planning. While the City's arguments related to accountability are valid goals, there was no evidence provided by the City that the Union acted in an irresponsible manner regarding the use of these hours.

Thirdly, it is not unreasonable to presume that when the Union and the City originally established this benefit it was designed around the dynamic of each party's authority structure. Each bargaining relationship involves parties who have their own formal and informal decision making structures, and it evolves in its own unique way of governance. For example, if each organization is less autocratic and more democratic operating with many power sources to please (such as a City and a large and diverse union), the importance of a well-informed and influential bargaining team takes on greater significance.

Fourthly, the value of educating new bargaining team members and maintaining some distance from the day to day operations for a period of time has advantages, particularly with large bargaining units. There is also considerable value in developing a relationship between bargaining team members from opposing sides. It is of value for a bargaining team to act as a unit, become educated, and gain an appreciation for the difficulty of negotiations. The more a bargaining team understands the needs of the City,

the greater the likelihood it will be thoughtful and creative in addition to arriving at reasoned decisions. Ignorance among bargaining team members often makes bargaining less reasonable, and it affects the ability of the parties to arrive at workable compromises.

**Recommendation**

Current language

**ISSUES 2 ARTICLE 15.1 LIMITED PROMOTIONAL  
(I) AND (J) APPOINTMENTS/REINSTATEMENTS**

**Union's position**

See UPS

**Employer's position**

See EPS

**Discussion**

Police promotional systems are complex and detailed in their make-up. In the experience of this Neutral they are of central importance to bargaining unit members and are a high priority for the unions that represent these employees. A promotional system that is perceived to be as fair and objective as possible is a cornerstone to maintaining a stable relationship between management and labor in a police department.

Police officers are reminded daily of the need to conduct themselves in a fair and objective manner. They are constantly under the scrutiny of the law and a fickle public that demands equitable treatment. Due to the nature of the work, police officers also

develop a healthy degree of skepticism and sometimes cynicism. Therefore, it is not surprising that they hold the promotional system to a high standard, place considerable value in its predictability, and “watch it like a hawk.” Surprises introduced into the promotional system are unwelcome at best.

The City’s arguments to maintain its flexibility in making appointments, particularly during times of war or other emergencies was persuasively presented by Brooke Carnevale, Human Resources Officer, in the Department of Public Safety and was supported by Civil Service Director, Barbara McGrath. However, the language of Article 15 simply does not mention limited appointments, and therein lies the problem. The comprehensive language of Article 15, that even includes a separate provision for disputes over promotions that are subject to binding arbitration, is sufficient evidence to demonstrate that promotions are matters of considerable significance to the Lodge bargaining units. It is reasonable to surmise that the parties have spent considerable time negotiating the details of the promotional procedures over the years.

Although two arbitrators (FOP Exhibit 3-B, #-C) have determined that using limited appointments does not violate the collective bargaining agreement, it does not mean the parties do not have to deal with this new (to the Lodge and City) method of appointment as it relates to the existing contractual promotional system. Arbitrator Smith noted in her Award that limited appointments had never been used before for sworn officers and stated, “...*nor had the concept ever come up in bargaining*” (FOP Exhibit 3-B).

An arbitrator’s ruling is no substitute for meaningful negotiations. The arbitrations simply addressed what does not exist in Article 15, not what should exist.

What should be part of a promotional procedure is a matter for the parties to determine in the negotiations process. The concept of fairness in promotions is an integral part of the relationship between the parties. When the City used limited appointments for the first time in the history of the bargaining relationship, it introduced a variable into the equations that had never been considered by the parties. In a sense of good faith dealing, it represented a departure from a promotion process that the parties had relied upon over many years. From the Union's perspective, it also represented a departure from a longstanding practice (See Article 2.7).

The bargaining history of the parties, as illustrated in the detailed and comprehensive language of Article 15, supports a recommendation that puts the question of dealing with limited appointments back into the lap of the parties. The Agreement provides for mid-term bargaining over changes that "*are not otherwise specifically addressed in a provision of this Contract*" (Article 37.4). If the issue of limited appointments arises for a second time in the history of the parties' relationship, the Union and the City should have the opportunity to engage in meaningful negotiations/dialogue as it relates to the comprehensive understandings contained in Article 15.

**Recommendation**

Change Article 15 as follows:

**Add new section \_\_\_\_**

**If the City contemplates the use of limited appointments to fill promotional vacancies, such contemplated action shall be communicated to the Lodge in writing and it may be subject to the provisions of Article 37.4.**

## **ISSUE 3    ARTICLE 20.1, 20.2    WAGES/PENSION PICK-UP**

### **Union's positions**

See UPS

### **Employer's position**

See EPS.

### **Discussion**

The comparable data provided by the Union demonstrates that it is not uncommon for police departments in Franklin County to negotiate salary increases that are in the 4% range (FOP Exhibit 4E). The City did not disagree on the face value of the Union's document. What is remarkable is that the median salary increase has remained in the 4% range for the past eight (8) years in Franklin County Municipalities, and most of the municipalities have negotiated increases in this range for 2003. The bargaining history between the parties demonstrates that in the last five (5) years (1998-2002) they have negotiated at or near 4% increases every year. From 1994 to 1997 the increases varied between 3.48% and 4.05%; three out of the four years the increase was either 3.48% or 3.49%. (See FOP Exhibit 4-E).

Internal comparables reflect a similar situation. FOP Exhibit 9F shows the City's AFSCME bargaining unit negotiated 4% increases in 2003, 2004, and 2005. CMAGE negotiated a 4% increase in 2003, and the IAFF negotiated a 4% increase in 2003 and a 6% increase in 2004 (with a 2% reduction on pension pick-up). The IAFF represents the

other safety force in the City. Police and Fire bargaining units are often compared more closely with one another than are other bargaining units in a municipality. Data outside of Franklin County, while useful, are not as meaningful for comparison purposes. Nevertheless, Union Exhibit 4H indicates that Columbus, a large and progressive metropolitan City, pays its police officers near the median of salaries for other large Northeast and Mid-West Cities, with the exception of starting salaries, which are lower, and five (5) year level salaries, which are above the median. Salaries at the ten, fifteen, and twenty-year level are very close to the median.

The City acknowledges the bargaining history of providing 4% increases over the last several years. However, it argues that the City is facing some unusual financial difficulties that were not present in the 1990s or early years of the 21<sup>st</sup> century. Wage data produced by SERB for police units throughout the state of Ohio indicates that through 2002 average wage rates for police and fire were in the range of 3.90 percent (FOP Exhibit 4-P).

However, the Employer made a case for a decline in revenue collection due in large part to the nationwide economic downturn (See testimony of Finance Director, Joel Taylor). City income tax accounts for some two-thirds (2/3) of the General Revenue Fund's income, the source for the salaries and benefits for the bargaining units. The City contends that for years it benefited greatly from a continual growth in revenue that led to end of the year balance surpluses. However, the City contends the rate of increase for 2001 was lower than 2000, which bucks the trend of the last seven to ten years of increased rates. Moreover, the receipt of income in 2002 was less than it was in 2001.

This was the first time in forty- (40) years that tax revenue declined from one year to the next.

The City also points out that income to the City through the Local Government Revenue Sharing Fund has declined steadily over the past two years (City Exhibit 7). This is in contrast to historical increases in funding from this source. At the time of the hearing, the City stated that the Auditor has certified to Council that its estimate of revenues for the year 2003 as provided in November of 2002, will likely fall short by about 5.9 million dollars. The City points out that in 2003 the City budget was balanced in part by decreasing expenditures (City Exhibit 8), a transfer of funds (Employee Benefits Trust), and a layoff of approximately sixty (60) non-uniformed employees. The City argues that there is a need to protect its excellent bond rating (See Director Taylor's testimony) in order to achieve good interest rates and save its citizenry money in the future.

While the national recession has clearly impacted the private and public sectors across the Nation and in Ohio, there are some indicators of a favorable change in the economic climate. On Tuesday, July 15, 2003, Federal Reserve Chairman, Alan Greenspan, appearing before a committee of the U. S. House of Representatives, stated that industrial production has finally stopped falling, and the housing market remains strong. He also stated investors are more willing to confront risk, which is improving the credit market. Greenspan indicated economic growth could reach 2.75 percent this year, according to a separate Fed report submitted to Congress in July 2003, and as high as 4.75 percent in 2004 (Source, New York Times, July 16, 2003). However, an article in the New York Times also stated:

*“Mr. Greenspan has a recent history, however, of predicting turnarounds that have failed to materialize on schedule. In May 2001, he said there was "ample evidence that we are experiencing only a pause in the investment in a broad set of innovations." But the pause has lasted more than two years. And in March of last year, he said that the job market seemed to be improving, a prediction that occurred before an additional 519,000 jobs were lost.”*

What will happen and how long it will take to happen is unclear. However, there is sufficient reason to address the issue of wages in a more cautious and creative manner than has been the case in the past several years.

The City is asking the Union to live with far more modest increases than it has provided to its other bargaining units. In the cases of AFSCME, IAFF, and CMAGE, it agreed to 4% increases covering different periods of time, coupled with a change in health care coverage and premium payments. The City is proposing to provide the same health care plan to the Lodge bargaining units without offering them nearly the same wage offer. Given the current slowdown in revenue collection there is justification for a corresponding slow down in wage increases. The City's lower revenue collections, reflective of Ohio's weak economy, justify a wage increase that is back loaded and split. Split pay raises are one technique commonly used in times of revenue slowdowns. The internal and external comparable data (both for City, Franklin County, and the State of Ohio for police units) justifies (in a cumulative sense) a raise that is on par with other City bargaining units. If the City expects to tie a major change in the bargaining unit's health care benefit to wage increases, as it did in negotiations with other bargaining units, it must in a comparable sense provide the police bargaining units with a similar wage offer.

**Recommendation**

Revise Article 20.1 by applying the following percentage increases to the Police Pay Plan as follows:

**20.1 Wages**

**Across-the-Board increase of 2% retroactive to December 9, 2002\***

**Across-the-Board increase of 2% effective August 3, 2003**

**Across-the-Board increase of 2% effective February 1, 2004**

**Across-the-Board increase of 2% effective August 2, 2004**

**Across-the-Board increase of 2% effective January 31, 2005**

**Across-the-Board increase of 2% effective August 1, 2005**

**\* per Article 37.3**

All other language of Article 20 shall remain the same.

**ISSUE 4                      ARTICLE 23.1    SHIFT DIFFERENTIAL**

**Employer's position**

See EPS

**Union's position**

SEE UPS.

**Discussion**

The shift differential was increased by \$.05 in 2001 and another \$.05 in 2002.

The City contends that if the rate of inflation remains at the same level from that of

December 1999 to December 2002 (or 6.5%), the current shift differential of \$.85 should only be adjusted by \$.06 cents per hour during the life of the next Agreement.

The Union is seeking an increase in shift pay every year of the Agreement, retroactive to December 8, 2002. The increase would result in moving from \$.85 an hour to \$1.00 per hour during the life of the Agreement (See Union's brief). The Union argues that according to FOP Exhibit 5-B, an increase of this nature would keep it competitive with other Franklin County municipalities.

The comparable data and the erosion effect of inflation warrant a modest adjustment in the shift differential. A significant problem is that there is no way to predict the precise rate of inflation. However, given that the bargaining unit just received an increase in shift differential in December of 2002 and the City's revenue collections are still slow due to the poor performing economy, an increase in the shift differential should occur later in the life of the Agreement.

### **Recommendation**

Revise Article 23.1 as follows:

#### **Article 23.1 Shift Differential Pay Rates.**

Effective December 9, 2002, \$ .85 per hour  
Effective August 1, 2005 \$ .95 per hour

## **ISSUE 5 ARTICLE 24.1 LONGEVITY PAYMENT SCHEDULE**

### **Employer's position**

See EPS.

### **Union's position**

See UPS.

### **Discussion**

The Union contends the bargaining unit is somewhat behind other Franklin County municipalities in terms of longevity pay. The Union also asserts that the effects of inflation, even modest inflation such as that experienced in the last several years, require some adjustment to maintain the value of longevity payments.

The City argues that the longevity pay system was overhauled extensively during the last round of negotiations leading to the current Agreement. The City contends as it did with the issue of shift differential that a predicted rise in inflation that is assumed to be at the same rate as the last contract period (6.75%), would warrant less than a \$100 increase per category. During rough economic times, the City argues revenue should be spent on wage increases that benefit all rather than longevity increases that benefit a few.

I find this benefit should be treated in a manner similar to shift differential.

### **Recommendation**

Revise Article 24.1 as follows:

#### **Article 24.1 Payment Schedule**

Members shall receive an annual longevity payment based on completed years of Service according to the following table:

Maintain current 2002 longevity language until June 6, 2004,  
**Effective August 2, 2004 add \$100 to all brackets of the Longevity  
Schedule (See FOP Exhibit 6-A).**

## **ISSUE 6    ARTICLE 25.2    UNIFORM ALLOWANCE**

### **Union's position**

See UPS

### **Employer's position**

See EPS

### **Discussion**

Given limited funds available for a variety of economic issues and improvements in economic benefits recommended in other areas, I find no compelling data to justify an increase in the clothing allowance during this contract period.

### **Recommendation**

**Maintain current language**

## **ISSUE 7    ARTICLE 27.4    VACATION ACCURAL**

### **Employer's position**

SEE EPS.

### **Union's position**

SEE UPS.

### **Discussion**

A change in the vacation accruals is not justified at this time, given other economic areas that have been recommended for an increase. The current vacation benefit remains competitive with other comparable communities.

**Recommendation**

**Maintain current language**

**ISSUE 8 ARTICLE 35.1, 35.11 HEALTH INSURANCE**

**Employer's position**

SEE EPS.

**Union's position**

SEE UPS.

**Discussion**

According to SERB data approximately 70% of public employees pay a monthly premium toward the cost of their healthcare coverage. The average cost of monthly premiums for single coverage is around \$30 per month, and for family coverage the average is approximately \$85 per month. However, these comparisons are limited in their value due to the fact that the coverage and terms (e.g. deductibles, co-pays, etc.) of healthcare plans vary greatly. An employee who has a no cost substandard healthcare

plan has little or no advantage over another employee who contributes toward a comprehensive plan. Furthermore, healthcare premiums are linked to wages and other benefits. What is not known in evaluating these numbers is the history of bargaining between the parties in relationship to other economic issues. For example, a bargaining unit may agree to pay higher insurance premiums in exchange for pension pick-up or improvement in some other benefit.

The current prescription drug co-pays and the current monthly employee premiums have not changed since February of 1996, over six years ago. However, since that time the cost of health care and in particular, prescription drugs, has risen dramatically. The City wants to add a health care provision to the language of the agreement that addresses the acceptance of responsibility for pre-existing health care conditions, which is permitted by federal law (See HIPPA regulations). The City persuasively argues that all of the City's bargaining units have agreed to such a provision since 1998. The City's proposal would only affect future hires, not current employees of the bargaining unit. The current state of health care is requiring employers to take bold steps to protect their ability to continue to provide health care coverage. If accepted by the parties, such a regulation would help to control health care premiums.

I find the changes being sought in the prescription drug benefit to mirror what many employers in both the public and private sector are attempting to accomplish. In order to save money, employees have to relearn their approach to purchasing prescription drugs in order to avoid spending money unnecessarily. For example, generic drug use when available as a substitute for brand name drugs, is a simple and pragmatic cost saving strategy. However, in the current benefit scheme, there is little incentive to think

about the generic drug alternative. I also find that the current prescription drug portion of the health care plan does not encourage mail order prescription, which have generally been a less expensive source of maintenance drugs in particular. The current annual Out of Pocket Maximum (OPM) is \$200 for both single and family coverage. Director Christie's testimony was persuasive when he argued that employees need to become better-informed consumers of health care through an increased economic participation in the plan.

The City's proposal for health care coverage changes is very similar to the provisions negotiated with AFSCME and CMAGE, with the exception of caps on monthly premium contributions. MCP employees have a similar model with higher caps. The City's predicament regarding increasing health care costs is illustrated in City Exhibit 27. From 1999 to 2002 health care costs have risen an average of 10.12% per year, and prescription drug cost increases over the same period averaged 26.42%.

It is also noted that the City's other safety bargaining unit, the IAFF, pays less in monthly premiums for health care than does the FOP units. The City contends that at a \$10 per month premium the bargaining units represented by the FOP are paying less than 2% of the real cost of their premiums.

What needs to be kept in mind is the magnitude of what the City is proposing. For the FOP/Lodge 9 bargaining units the City is proposing a major change. For example, the Union and the City agree that a recommendation to accept the City's proposal, without any modification, would result in premium increases for single coverage and family coverage that are far in excess of what the other bargaining units will experience (FOP Exhibit 9F, revised). The term "sticker shock" mentioned in the City's

brief is an accurate characterization of the effects of this change. The percentage change for other bargaining units (except IAFF) is less, due to the fact they began at a higher level of payment.

The City agrees with the Union's contention that with AFSCME and CMAGE, the City paid for its proposed health care modifications with 4% increases each year of their Agreements. Director Christie made the important point that each set of negotiations presents its own challenges and that in each case a quid pro quo must be established. I find Director Christie's comment to be particularly significant as one analyzes the instant negotiations. The City's revenue stream has been impacted to an extent that it cannot offer the same straightforward four (4%) increases as it did with AFSCME and CMAGE. Yet, it is seeking immediate changes in health care coverage that mirror the AFSCME and CMAGE changes. The difference is that for the FOP units this is a much greater change than it was for AFSCME or CMAGE. The City is proposing that the Lodge units absorb a large amount of cost shifting all at once, but is unable to provide a salary increase all at once to soften the blow. I find that there is justification to move a considerable distance toward the City's proposal, but it should be accomplished in a graduated sense, given the recommendation contained herein regarding a graduated approach to wage increases.

### **Recommendation**

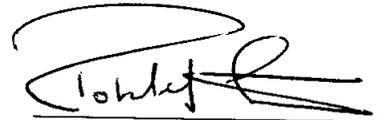
Changes in the current health care coverage are recommended.

**See Appendix 1**

## TENTATIVE AGREEMENTS

During negotiations, mediation and fact-finding the parties reached tentative agreement on several issues. These tentative agreements are part of the recommendations contained in this report.

The Fact-finder respectfully submits the above recommendations to the parties this 23<sup>rd</sup> day of July 2003 in Portage County, Ohio.

A handwritten signature in black ink, appearing to read "Robert G. Stein", written over a horizontal line.

Robert G. Stein, Fact-finder

## APPENDIX 1

### ARTICLE 35-INSURANCE

The current language regarding healthcare shall remain in place until July 31, 2004, with one exception. Effective August 3, 2003, Article 35.1 (2) HIPPA (listed below) shall go into effect. Effective August 2, 2004, the remaining provisions listed below shall replace the current language of Article 35.

#### **35.1. Hospitalization, Surgical, Major Medical, and Prescription Drug**

The City shall provide hospitalization, surgical, major medical, physician's services coverage and prescription drug coverage for eligible members. The City shall continue to pay all premiums for single and family coverage, except as provided in Section 35.11. All current benefit levels shall be maintained with any modifications listed herein:

- (1) SB 199 Newborns and Mothers' Health Protection Act of 1996 (NMI-IPA) provides the following minimum coverage for maternity benefits: At least forty-eight (48) hours inpatient hospital care following a normal vaginal delivery; at least ninety-six (96) hours inpatient hospital care following a cesarean section; and physician directed follow-up care. Effective November 8, 1998, language amended the original bill so that the minimum stay requirements are not applicable if the mother and attending provider mutually consent that the mother and child can be discharged early.
- (2) In compliance with HR 3103 (HIPAA), for new hires and eligible dependents, a pre-existing condition clause will apply. In the event medical care or consultation is sought or received within six months prior to the employee's date of hire, the medical condition will not be payable for twelve (12) months from the date of hire with the City. The employee can reduce their twelve (12) months of pre-existing condition requirement by submitting a Certificate of Creditable Coverage from a prior health insurer.
- (3) Effective with prescriptions dispensed on or after 30 days of the effective date of this language (August 2, 2004) prescription drug deductible/co-payment charges are not payable under this medical contract

**(B) Prescription Drug.**

- (1) Effective with prescriptions dispensed or after 30 days of the **effective date of this language (August 2, 2004)**, under the prescription drug ID card program and direct reimbursement program, the employee shall be responsible for a five-dollar (\$5.00) co-pay for a generic drug. If there is no generic drug equivalent for the prescribed drug, the co-pay is ten dollars (\$10.00). If the prescription is for a brand-name drug, or the prescription is written "dispense as written" and a generic equivalent exists, the co-pay is twenty-five dollars (\$25.00). The five dollar (\$5.00) co-pay applies to all allergy prescriptions under the direct reimbursement program.
- (2) Effective with prescriptions dispensed on or after 30 days of the effective date of this Agreement, mail order prescription drugs will be limited to a thirty (30) day minimum and a ninety (90) day maximum supply. Under the mail order program, the employee shall be responsible for a ten dollar (\$10.00) co-pay for a generic drug. If there is no generic drug equivalent for the prescribed drug, the co-pay is twenty dollars (\$20.00). If the prescription is for a brand-name drug, and the prescription is written "dispense as written" and a generic equivalent exists, the co-pay is fifty dollars (\$50.00).
- Maintenance drugs must be obtained through the mail order program. The original prescription with no refills may be purchased locally but subsequent refills must use the mail order program.
- (3) Effective with prescriptions dispensed on or after 32 days of the **effective date of this language (August 2, 2004)** the prescription Drug Preferred Provider Organization (PPO) arrangement, the employee shall be responsible for a five dollar (\$5.00) co-pay for a generic drug. If there is no generic drug equivalent for the prescribed drug, the co-pay is ten dollars (\$10.00). If the prescription is for a brand-name drug, or the prescription is written "dispense as written" and a generic equivalent exists, the co-pay is twenty-five dollars (\$25.00) for participating pharmacies. If participating pharmacies are not used, an additional ten dollar (\$10.00) co-pay shall be imposed.

**FOR RETAIL PRESCRIPTIONS**

	Current	Revised 8/2/2004
Generic drugs	\$4 each	<b>\$5 each</b>
Brand name drugs where generic are not available	\$4 each	<b>\$10 each</b>
Patient choice of brand name drug	\$8 each	<b>\$25 each</b>

## FOR MAIL ORDER PRESCRIPTIONS - UP TO 90 DAY SUPPLY

	Current	Revised 8/2/2004
Generic drugs	\$1 each	<b>\$10</b> each
Brand name drugs where generic are not Available	\$1 each	<b>\$20</b> each
Patient choice of brand name drug	\$5 each	<b>\$50</b> each

### (4) Additional Services Not Covered.

Drugs deemed not medically necessary:  
prenatal or any prescription vitamins;  
nicorette gum; cosmetic drugs; antiobesity drugs; fertility drugs.

### (5) Misuse of Prescription Drug Program.

Misuse or abuse of the prescription drug program may result in the suspension of the member's prescription drug card privileges for the abusing member or dependent for a period of twelve (12) months.

As used herein, misuse or abuse of the prescription drug program occurs when the member or dependent pleads guilty or is found guilty in a court of competent jurisdiction of a criminal charge relating to the misuse or abuse of prescription drugs or that the member or dependents are referred to or diverted to a drug treatment rehabilitation program in lieu of a criminal conviction.

It shall be mutually understood that when a member's or dependent's privileges are suspended for the misuse or abuse of the prescription card drug program the benefits of the program shall continue for any other family members determined not to be involved in the misuse or the abuse of the program, through the direct reimbursement program.

## 35.2 Cost Containment

### (A) Medical Utilization Review.

#### (1) Pre-admission Certification.

If a member or a dependent is informed that a non-emergency inpatient

admission is necessary, the admission must be pre-certified by the City's medical Utilization Review Administrator. If no pre-certification was made or the hospitalization was determined not to be medically necessary, a ten percent (10%) coinsurance will be applied, in addition to the deductible and coinsurance provisions. This ten percent (10%) coinsurance does not apply to the out-of-pocket maximum. In the event the care is determined to be medically unnecessary, the member will be responsible for all charges of medically unnecessary care.

(2) Assigned Length of Stay.

Once an elective admission has been pre-certified, a length of stay is assigned. If the hospital stay extends beyond the assigned length of stay, all charges for the additional days of stay will be subject to a ten percent (10%) coinsurance, in addition to the deductible and coinsurance provisions. This ten percent (10%) coinsurance does not apply to the out-of-pocket maximum. Medically necessary care will constitute justification for certification of a length of stay extension by the Utilization Review Administrator.

(3) Continued Treatment and Technological Review.

Certain outpatient non-emergency therapy, outpatient continued treatment, and advanced technological treatments recommended by a members attending physician will require the City's medical Utilization Review Administrator's approval. These treatments will include:

(a) Therapy

- (1) Physical Therapy
- (2) Occupational Therapy

(b) Advanced Technological Procedures

- (1) Magnetic Resonance imaging (MRI)
- (2) Lithotripsy
- (3) Ultrasound Imaging during pregnancy
- (4) Angioplasty

(c) Treatment

- (1) Chiropractic
- (2) Podiatric

Once a member's physician informs the member that it is medically necessary for the patient to receive physical therapy, occupational therapy, chiropractic treatment or podiatric treatment on an ongoing basis, the member must contact the City's medical Utilization Review Administrator to obtain continued treatment authorization. Also, if the member's physician instructs the patient to receive any of the listed advanced technological procedures, it is necessary for the member to contact the City's Utilization Review Administrator to obtain pre-treatment authorization.

In the event the member does not obtain authorization for continued therapy, treatment, or technological review, the member will be responsible for 10 percent (10%) of the total charges in addition to the member's deductible, co-payment and out-of-pocket maximum provisions. In the event the care the patient receives is determined to be medically unnecessary, the member will be responsible for all medically unnecessary care.

(4) Planned Discharge Program

In the event a member or dependent is hospitalized and it is determined that hospitalization is no longer needed, this program allows the patient to receive care in the most medically appropriate setting.

(5) Mandatory Second Surgical Opinion.

For all inpatient and outpatient non-emergency surgeries, a second surgical opinion may be required as directed by the Utilization Review Administrator. The second opinion shall be covered at one hundred percent (100%) of the reasonable charges. If the first two opinions conflict, a third opinion shall also be covered at one hundred percent (100%) of reasonable charges. If a second opinion is not obtained for the surgeries, a ten percent (10%) coinsurance shall be applied, in addition to the deductible and coinsurance provisions. This ten percent (10%) coinsurance does not apply to the out-of-pocket maximum.

Based on medical information obtained prior to the surgery, the City's medical Utilization Review Administrator may waive the mandatory second surgical opinion requirement in specific cases.

(6) Medical Case Management.

This program allows a consultant to review a patient's medical treatment plan to determine whether the covered person qualifies for alternate medical care. The determination of eligibility for patient's medical case

management will be primarily based upon medical necessity and appropriate medical care. Recommendations will be made to the family and health care providers. The Utilization Review Administrator will recommend alternate medical treatment on a case-by-case basis. Alternate medical treatment benefits refer to expenses that are payable as covered expenses under the medical plan.

**35.3 Vision Care Plan.** The City shall maintain the current no-deductible vision care plan for all eligible members

**(A) Non-Panel Reimbursement Schedule.**

Professional Fees	
Examination up to	\$35.00
Materials	
Single Vision Lenses, up to	\$ 35.00
Bifocal Lenses, up to	\$ 50.00
Trifocal Lenses, up to	\$60.00
Lenticular Lenses, up to	\$ 90.00
Frames, up to	\$ 35.00
Contact Lenses	
Necessary	\$170.00
cosmetic (for spouse and dependents only)	\$ 90.00
cosmetic (for members only)	\$150.00

**(B) Panel Retail Frame Allowance.** The panel retail frame allowance is \$ 130.00.

**35.4 Dental Care Plan** current dental coverage for all eligible members, including maximum dental care of one thousand five hundred dollars (\$1 500.00) per person, per year, and orthodontics of one thousand eight hundred fifty dollars (\$1,850.00) coverage. In addition a voluntary dental PPO shall ~ to members that allows voluntary selection of a participating provider that will result in no balance billing over reasonable charges. All existing coinsurance levels and exclusions continue to apply.

**35.5 Life Insurance.** The City shall provide one-hundred thousand (\$100,000) term life insurance benefit for all members who die while employed by the City.

**35.6 Prepaid Legal Insurance.** The City shall make available a payroll deduction for members to voluntarily continue a group Prepaid Legal Services Plan designated by the Lodge.

**35.7 Personal Liability Insurance.** The City agrees to furnish, at no cost to members, liability insurance for the purpose of insuring members from liability for errors or omissions committed in the performance of theft duties as City employees. In the alternative, the City halt self-insure this benefit.

**35.8 New Member Eligibility.** Members hired after December 13, 1987, shall be eligible for hospitalization, surgical, major medical and physician's services benefits, prescription drugs, and life insurance on the first of the month following their date of hire. Such members shall be eligible for vision care, dental care, and physical examination benefits on the first of the month following completion of one (1) year of continuous City service

**35.9 Physical Examination.** The City shall maintain the current physical examination coverage except that a stress test will not be payable under the physical examination benefit unless deemed medically necessary. The sole exception to this limitation on the stress test will be the first clearing examination for authorization to participate in the physical fitness program as outlined in Article 18, where the member's physician determines a stress test is necessary to provide medical authorization to participate. If a stress test is deemed medically necessary or provided pursuant to a physician's initial authorization to participate in the physical fitness program, the City will pay 80 percent (80%) of the stress test and stress test interpretation up to a maximum of \$250.00 in charges.

If a mammogram and pap smear are done independent of the annual physical, they will not be counted against the annual physical benefit

**35.10 Communicable Disease Testing.** At no charge to the member, the Division shall contract with a twenty-four (24) hour medical facility to test officers who may have been exposed to communicable diseases, chemicals, noxious fumes, and/or smoke while in the performance of their duties.

**35.11 Premium Contribution.** Members will be charged a monthly premium for participating in the City's insurance program that shall be paid through an automatic payroll deduction. **The monthly insurance premium shall be; an amount equal to \$15.00 for single contribution and \$25.00 for family contribution beginning with the pay period that includes August 2, 2004; amount equal to ten percent (10%) of the negotiated insurance capped at \$25.00 for single contribution and \$35.00 for family contribution beginning with the pay period that includes August 1, 2005. The negotiated insurance base shall be the total**

**actual cost to the City of the claims and administrative fees for medical, dental, vision and prescription drugs for employees in this bargaining unit for the preceding benefit year of February 1 through January 31. The premium will be established as single and family rates.**

	Current Monthly Premium	8/2/2004	8/1/2005
Single	\$10	\$15.00	\$25.00
Family	\$10	\$25.00	\$35.00

**35.12 Pre-Tax Benefits.** A voluntary pre-tax dependent care and pre-tax insurance premium program offered by the City of Columbus or its appointed administrator will continue to be offered. Subsequent enrollments will be offered to new members at the time of hire; existing members may enroll during open enrollment month each year.

Insurance premiums: Each participant who elects to pre-tax the monthly insurance premium must complete the necessary election form that authorizes the City payroll to pre-tax that premium.

Dependent care program: Each participating member who elects to enroll in the dependent care program will determine an amount to be pre-taxed biweekly through payroll deduction. The annual pre-tax limit, determined by each participant, shall not conflict with IRS limits identified in Internal Revenue Code.

Amendments to the annual pre-tax maximum can only occur during open enrollment month! on the annual plan renewal date, or when a change in status occurs.

Participants will submit allowable claims to the City's plan administrator. Remittance from the participant's dependent care account will be sent directly to each plan participant. Amounts for which a participant does not have an eligible claim, will be forfeited. These pre-tax plans will remain in effect so long as they continue to be authorized by the Internal Revenue Code.

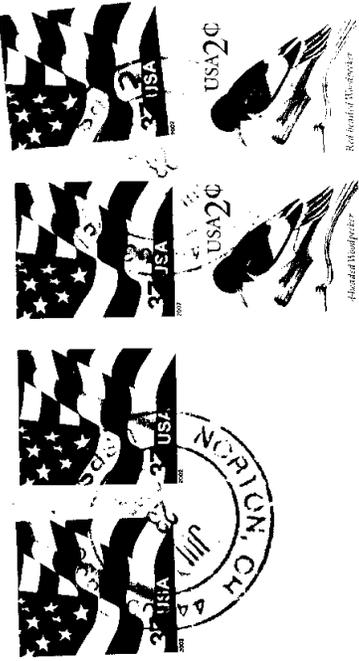
**35.13 Administrator Selection.** The City will provide the Lodge with the opportunity to offer input on the bidding for and selection of a third-party insurance administrator, PPO plans or insurance company for plans referred to in this Article. The Lodge will designate one (1) representative with whom Risk Management will deal in connection with the bidding and selection process. The City shall, as a part of this process, provide the

Lodge with the City's projections as to the aggregate discounted savings for each of the bidders, if applicable. The City shall not be required to provide copies of or access to any agreements that are between the bidders and the providers or other proprietary information, for which the City has pledged, in writing, confidentiality to the bidders. The City reserves the right to make the final selection of third-party insurance administrators or insurance companies.

#### **35.14 Insurance Committee.**

During the term of this Contract, the City may establish a joint labor-management insurance committee to discuss concerns regarding insurance and invite members of other bargaining units to participate. If other bargaining unit representatives agree to participate, then the union membership shall be in proportion to the size of the bargaining units participating/ the number of City representatives on the committee shall not exceed the total number of union representatives.

Ste. 202  
6554

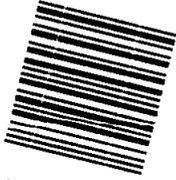


U.S. POSTAGE  
PAID  
NORTON, OH  
JUL 23 2003  
AMOUNT

**\$0.46**  
00018700-05



0000



43215



Dale Zimmer, Administrator  
Bureau of Mediation  
SERB

65 East State Street, 14<sup>th</sup> Floor  
Columbus OH 43215-8573