

ARTICLE 18

INSURANCE BENEFITS

A. Life Insurance:

1. Active Employees (DROP Participants):

- a. The life insurance death benefit provided by the Employer shall be equal to the employee's annual salary rounded to the nearest thousand dollars and \$4,500 additional accidental death and/or dismemberment (AD&D) benefit. The amount of life insurance shall be computed by using the employees' annual base salary as of January 1st of each year of this Agreement.

The Employer will provide a payroll deduction option for employees wishing to purchase additional death benefit life insurance. The amount of coverage shall be equal to 1, 2, 3, 4 or 5 times the employee's annual salary (rounded to the nearest thousand dollars) and based on the Employer's and individual's combined level of coverage. The amount of life insurance shall be computed by using the employee's annual base salary as of January 1st of each year of this Agreement. Rates and conditions shall be subject to those established by the insurance carrier.

- b. Waiting Period: Employees who are eligible for life insurance benefits will be covered on the first day of the month following sixty (60) days of continuous employment.

2. Retirees: The Employer will provide fully paid Life Insurance coverage, in the amount of two thousand dollars (\$2,000), to employees covered by this Agreement who retire on or after January 1, 1981, and are eligible for and receive benefits under the Macomb County Employees' Retirement Ordinance.

B. Hospital-Medical Insurance:

1. Active Employees (DROP Participants): The Employer shall provide fully-paid Blue Cross/Blue Shield Hospital-Medical coverage, or its substantial equivalence, to all regular employees and their eligible families on the following basis and coverage:

- a. Blue Cross/Blue Shield MVF1, and Master Medical coverage, ML Rider and OB Rider.

Effective January 1, 2006, employees currently enrolled in the Blue Cross/Blue Shield Traditional health care program shall be permitted to maintain this coverage, however, the employee will be required to contribute the difference in cost between the Blue Cross/Blue Shield Traditional program and the Blue Cross/Blue Shield Community Blue PPO program on a monthly basis, through payroll deduction. No employees not currently enrolled in the Blue Cross/Blue Shield Traditional insurance program shall be permitted to enroll in that program.

- b. Waiting Period: Employees who are eligible for hospital-medical insurance benefits will be covered on the first day of the month following sixty (60) days of continuous employment.

- c. Eligible employees covered by the traditional Blue Cross/Blue Shield indemnity health care plan will be enrolled in the Preferred Rx Managed Prescription Drug program and subject to the following terms and conditions:

(1) Co-Pays For Preferred Rx Plan:

- (a) Co-pays for prescriptions received from a Preferred Rx network pharmacy will be \$5.00.

(b) Co-pays for prescriptions received by mail-order will be \$2.00.

(2) The Employer will pay the monthly premium for such coverage for all eligible employees.

Effective January 1, 2006, eligible employees covered by a Blue Cross/Blue Shield health care plan will be enrolled in the Preferred Rx Managed Prescription Drug program and subject to the following terms and conditions:

(1) Co-Pays for Preferred Rx Plan:

(a) Co-pays for prescriptions received from a Preferred Rx network pharmacy will be as follows:

- \$10.00 Co-pay for generic drugs
- \$20.00 Co-pay for non-generic drugs

(b) Co-pays for prescriptions received by mail-order will be \$5.00.

(2) Mandatory Mail-Order for Maintenance Drugs.

(3) The Employer will pay the monthly premium for such coverage for all eligible employees.

- d. Active employees, who are covered by Blue Cross/Blue Shield Hospital-Medical coverage, shall be required to participate in Health Care savings known as "Predetermination of Elective Admissions".
- e. The Employer shall offer Active employees the option of selecting the "Preferred Provider Organization" program.

Effective January 1, 2006, the Preferred Provider Organization program shall require a \$100 deductible per individual or a \$200 deductible per family annually.

- f. The Employer shall begin a program to coordinate and to eliminate overlapping health care coverage. Each employee who chooses to join no County-sponsored health care plans (Blue Cross/Blue Shield, Health Maintenance Organization or Preferred Provider Organization), and whose spouse or parent has coverage provided by another employer, shall be paid \$1,500 each year for every year that the spouse or parent has coverage. Payments of \$750 will be made semi-annually to each employee who has not been on any County-sponsored health care program for six (6) months.

Employees shall be required to show proof annually that a spouse or parent has health care coverage that includes the employee before said employee will be declared eligible to receive the \$1,500 annual payment.

Employees, whose spouse's or parents' health care plans cease to cover the employee, shall be allowed to enroll in a County-sponsored health care plan by showing proof that the spouse's or the parents' coverage has ceased. In such cases, the employee shall be allowed to enroll in a County-sponsored plan at the next billing period.

- g. Effective January 1, 2006, the co-payment for non-emergent use of an emergency room shall increase from \$50.00 to \$100.00 for employees covered by all Blue Cross/Blue Shield insurance products.

2. Retirees: The Employer will provide fully paid Blue Cross/Blue Shield Hospital-Medical coverage to the employee and the employee's spouse, after eight (8) years of actual service with the Employer, for the employee who leaves employment because of retirement and is eligible for and receives benefits under the Macomb County Employees' Retirement Ordinance, based upon the following conditions and provisions:

Effective January 1, 2006, for all employees hired on or after January 1, 2006, the Employer will provide fully paid hospital-medical coverage to the employee and the employee's spouse, after fifteen (15) years of actual service with the Employer, for the employee who leaves employment because of retirement and is eligible for and receives benefits under the Macomb County Employees' Retirement Ordinance, based upon the following conditions and provisions:

- a. Coverage shall be limited to the current spouse of the retiree, at the time of retirement, provided such employee shall retire on or after January 1, 1974. Coverage for the eligible spouse will terminate upon the death of the retiree unless the retiree elects to exercise a retirement option whereby the eligible current spouse receives applicable retirement benefits following the death of the retiree.
- b. Coverage shall be limited to Blue Cross/Blue Shield MVF1 Master Medical with ML Rider, or its substantial equivalence.
- c. Preferred Rx Managed Prescription Drug Program: An eligible retiree, and the person who is said retiree's spouse at the time of retirement, covered by the traditional Blue Cross/Blue Shield indemnity health care plan will be enrolled in the Preferred Rx Managed Prescription Drug Program. Coverage is as follows:
  - (1) The employee leaves employment because of retirement and is eligible for and receives benefits under the Macomb County Employees' Retirement Ordinance.
  - (2) Co-pays for prescriptions received from an approved Blue Cross/Blue Shield Preferred Rx network pharmacy will be \$5.00.
  - (3) Co-pays for maintenance prescriptions, received from an approved Blue Cross/Blue Shield Preferred Rx provider by mail-order, will be \$2.00.

Effective January 1, 2006, an eligible retiree, and the person who is said retiree's spouse at the time of retirement, covered by a Blue Cross/Blue Shield health care plan will be enrolled in the Preferred Rx Managed Prescription Drug program. Coverage is as follows:

- (1) The employee leaves employment because of retirement and is eligible for and receives benefits under the Macomb County Employees' Retirement Ordinance.
  - (2) Co-pays for prescriptions received from an approved Blue Cross/Blue Shield Preferred Rx network pharmacy will be \$5.00.
  - (3) Co-pays for maintenance prescriptions, received from an approved Blue Cross/Blue Shield Preferred Rx provider by mail-order, will be \$5.00.
  - (4) **Mandatory Mail-Order for Maintenance Drugs.**
- d. Retired employees and/or their current spouse, upon reaching age 65, shall apply if eligible, and participate in the Medicare Program at their expense as required by the Federal Insurance Contribution Act, a part of the Social Security Program, at which time the Employer's obligation shall be only to provide "over 65 supplemental" hospital-medical benefit coverage. Failure to

participate in the aforementioned Medicare Program, shall be cause for termination of Employer paid coverage of applicable hospital-medical benefits, as outlined herein for employees who retire and/or their current spouse.

- e. Employees who retire under the provisions of the Macomb County Employees' Retirement Ordinance, and/or their current spouse, who subsequently are gainfully employed, shall not be eligible for hospital-medical benefits, during such period of gainful employment, as hereinafter defined:

Gainful employment is defined as applying to retiree and/or spouse of retiree who are employed subsequent to the employee retirement. If such employment provides hospital-medical coverage for both retiree and spouse, the County is not obligated to provide said coverage unless and until the coverage of either person is terminated. If the coverage is not provided to retiree and spouse, the County will provide hospital-medical coverage for the person not covered.

- f. Employees who retire under the provisions of the Macomb County Employees' Retirement Ordinance and current spouse, shall, if eligible apply for and participate in ANY National Health Insurance program offered by the U.S. Government. Failure to participate, if eligible, shall be cause for termination of Employer paid hospital-medical benefits as outlined.
- g. Retirees who are covered by Blue Cross/Blue Shield Hospital-Medical coverage, shall be required to participate in Health Care savings known as "Predetermination of Elective Admissions".
- h. The Employer shall offer retirees the option of selecting the "Preferred Provider Organization" program.
- i. The Employer shall begin a program to coordinate and to eliminate overlapping health coverage. Each retiree who chooses to join no County-sponsored health care plans (Blue Cross/Blue Shield, Health Maintenance Organization or Preferred Provider Organization), and whose spouse has coverage provided by another employer, shall be paid \$1,500 each year for every year that the spouse has coverage. Payments of \$750 will be made semi-annually to each retiree who has not been on any County-sponsored health care plan for six (6) months.

Retirees shall be required to show proof annually that a spouse has health care coverage that includes the retiree before said retiree will be declared eligible to receive the \$1,500 annual payment.

Retirees whose spouse's health care plans cease to cover the retiree, shall be allowed to enroll in a County sponsored health care plan by showing proof that the spouse's coverage has ceased. In such cases, the retiree shall be allowed to enroll in a County-sponsored plan at the next billing period.

C. Health Maintenance Organization:

1. Active Employees (DROP Participants): The Employer will provide a Health Maintenance Organization option for regular employees covered by the present hospital-medical surgical program under this Insurance Section of this Agreement, provided the premium does not exceed the cost of the present insurance.
2. Waiting Period: Employees who are eligible for hospital-medical insurance benefits will be covered on the first day of the month following sixty (60) days of continuous employment.
3. Retirees: The Employer will provide a Health Maintenance Organization option for current and future retirees of the bargaining unit, provided the premium does not exceed the cost of the present insurance.

A retiree will have the option of retaining his/her HMO coverage at time of retirement or converting from Blue Cross/Blue Shield to HMO coverage during the County's annual open enrollment period.

D. Dental Insurance: A Dental Insurance Program will provide the following:

1. Employees (DROP Participants) covered by this Agreement and their dependents will be covered by a 75/25 Class I, 50/50 Class II, maximum \$1,000.00 per year, per person, Delta Dental Plan, or its substantial equivalence with the Employer paying the premium for said coverage.
2. Waiting Period: Employees hired on or after January 1, 1981, who are eligible for dental benefits will be covered on the first day of the month following six (6) months of continuous employment.

E. Optical Program: An Optical Insurance Program will provide the following:

1. Employees (DROP Participants) covered by this Agreement and their dependents will be covered by a Blue Cross/Blue Shield Vision Care Program known as Series A80, or its substantial equivalence.
2. Waiting Period: Employees who are eligible for optical benefits will be covered on the first day of the month following sixty (60) days of continuous employment.

F. Liability Insurance: The County shall provide for each regular employee (DROP Participant) Bodily Injury and Property Damage Liability Insurance while acting within the scope of his/her duties and Personal Injury Insurance including "false arrest" when also arising out of and in the line of duty and in the conduct of duly constituted Employer business. The cost of this insurance will be borne by the Employer.

G. Long Term Disability: Employees (DROP Participants) covered by this Agreement will be provided a Long Term Disability program with benefits as currently provided by the present provider, or its substantial equivalence.

H. Determination of substantial equivalency, as expressed herein, will be subject to review and agreement by the Parties to this Agreement, prior to implementation of same.

I. Short Term Disability: The Employer will provide a payroll deduction option for employees (DROP Participants) wishing to purchase Short Term Disability Insurance that may be provided by the Union.

The Union agrees that it will protect, indemnify and save harmless the Employer from any and all claims, demands, suits and other forms of liability, in any manner or fashion related to said short term disability insurance, including but not limited to, the existence of coverage, the extent of coverage, the qualification for benefits and any other issue with the exception of proper Employer compliance with the written payroll deduction authorization of the employee.

J. Part-Time Employees Insurance Benefits: Effective as soon as practicable after ratification of this Agreement, part-time employees, except as provided in Appendix C, Paragraph D.1., will be eligible to purchase Group Hospital, Medical, Optical, Dental and/or Group Life Insurance coverage through the County at 100% employee expense.