



Board of County Commissioners Agenda Request

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Agenda Item #

Requested Meeting Date: 12/22/2015

Title of Item: Personnel Policy Updates

<input type="checkbox"/> REGULAR AGENDA <input checked="" type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
Submitted by: Bobbie Danielson		Department: Administration/HR
Presenter (Name and Title): Bobbie Danielson, HR Director		Estimated Time Needed: n/a
Summary of Issue: <p>The policy manual was reviewed for necessary updates related to the new Aitkin County Health Care Plan.</p>		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion: Motion to approve updates to the personnel policy as shown in the attachment.		
Financial Impact: Is there a cost associated with this request? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No What is the total cost, with tax and shipping? \$ Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i>		

Legally binding agreements must have County Attorney approval prior to submission.

Section B. Health Insurance

Subd. (1) Health insurance coverage will be provided in accordance with the County's group health insurance policy, known as the "Aitkin County Health Care Plan". The employee and employer premium contributions and ~~VEBA~~/HSA contributions shall be established by the County Board and calculated in the same manner as defined in the Agreement between Aitkin County and AFSCME Council 65, Local Union #667 (Courthouse Unit). *— (copy attached, just FYI*

Effective January 1, 2016, coverage for all employees covered by the Aitkin County Health Care Plan shall be effective on the 1st of the month following their date of hire, promotion, or transfer to a benefit-eligible position.

Subd. (2) All eligible employees will receive a County ~~VEBA~~/HSA contribution prorated on a quarterly basis for all quarters in which work is performed.

(a) The County's ~~VEBA~~/HSA account contribution shall be made as part of the first warrant cycle of the year. In the event that an employee leaves employment for any reason other than death, the employee shall be required to reimburse the County for the ~~VEBA~~/HSA contribution, prorated on a quarterly basis for any full quarter that remains. The County shall have the right to deduct this amount from the employee's final paycheck.

(b) Employees may elect to receive the county's ~~VEBA~~/HSA contribution on a quarterly basis as a part of the first warrant cycle of the quarter rather than on a yearly basis by submitting a written request to the Auditor's office. Said election must be made prior to the start of the plan year.

(c) If an employee has eligible expenses that exceed the County's year to date deductible contribution, the employee may request advance payment up to the remainder allocation for the plan year provided the employee agrees in writing to reimburse the County for the HSA contribution, prorated on a quarterly basis for any full quarter that remains, in the event the employee leaves employment for any reason other than death, and that the County has the right to deduct this amount from the employee's final paycheck. The "HSA advancement" option as described in this Section B, Subd. (2), paragraph (c) will also be extended to members of the AFSCME Courthouse and AFSCME HHS bargaining units effective January 1, 2016. [contingent upon approval of the labor attorney, phone conference call is scheduled for 12/17].

Subd. (3) Employees who waive health insurance coverage may elect the waiver dollars to be provided in one of these manners: (1) pre-tax deferred compensation contribution, (2) pre-tax HSA contribution if the employee is covered by a high deductible health plan, or (3) taxable cash-in-lieu of health insurance through the cafeteria plan. Employees wishing to waive coverage are encouraged to consult with their spouse's plan to confirm they are eligible to be covered as a dependent on that plan if they elect cash or credit in lieu of coverage here.

Subd. (4) Until they are Medicare-eligible, employees who elect COBRA and Retirees who have met age and service requirements necessary to receive an annuity from PERA or who are receiving a disability benefit from PERA will pay the same total premium as the composite rates for active employees.

The 3 Cobra/Retiree elections made prior to 1/12016, will pay \$645/month on the single \$2000 deductible plan.

Other Cobra/Retiree elections made in 2016 will follow this updated composite rate schedule:

Plan Year: 2016

2000/4000 - 100% Plan

Single \$686.00/month

Single+1 \$1,544.00/month

Family \$1,892.00/month

6550/13100 - 100% Plan

Single \$333.00/month

Single+1 \$812.00/month

Family \$1,065.00/month


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AITKIN COUNTY
 AFSCME COURTHOUSE UNIT #667
 January 1, 2016 – December 31, 2016

ARTICLE 15

INSURANCESection A. Group Health Insurance and HSA

The Employer agrees to offer a Group Health Insurance plan equivalent to existing coverage, subject to the provisions of this Article and limitations, benefit and conditions established by the contract with the insurance carrier. The aggregate value of benefits provided by the group health insurance contract for employees covered by this collective bargaining agreement shall not be reduced, unless the employer and union agree to a reduction in benefits.

In the event the health insurance provisions of this Agreement fail to meet the requirements of the Affordable Care Act and its related regulations or cause the Employer to be subject to a penalty, tax or fine, the Union and the Employer will meet immediately to bargain over alternative provisions so as to comply with the Act and avoid any penalties, taxes or fines for the Employer.

Eligible permanent and probationary employees working thirty (30) or more hours per week shall contribute monthly premiums as follows, and the Employer shall contribute the remaining monthly premiums and make the following annual HSA contributions:

Plan Effective 1/1/2016 – 12/31/2016	Employee Monthly Premium Contribution	Employer HSA Contribution (Annual)
\$2,000 Deductible; Single	\$0	\$1,000
\$6,550 Deductible; Single	\$0	\$2,700
\$4,000 Deductible; Employee +1	\$390.00	\$2,000
\$13,100 Deductible; Employee +1	\$100.00	\$3,000
\$4,000 Deductible; Family	\$590.00	\$3,000
\$13,100 Deductible; Family	\$200.00	\$4,000
Waive Coverage (must provide proof of coverage through another source, which may not be the public health care exchange)		\$3,350 ¹

¹ In addition to waiver funds being placed in an employee's HSA account, other options may also be available, such as, but not limited to, an employer contribution to a deferred compensation plan instead. This MOA is not intended to limit these other options that may be offered by the employer.

The \$2000/\$4000 HSA 100% Plan has a non-embedded deductible. The \$6550/\$13100 HSA 100% Plan has an embedded deductible.

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Effective January 1, 2016, the Employer shall make a contribution to each eligible employee's HSA account in four (4) equal quarterly installments, in order to fund a portion of the deductible as outlined above.

Eligible employees will receive a quarterly HSA contribution for all quarters in which the employee is in a compensated payroll status. For employees who separate from employment, the contribution will be calculated on a prorated basis by calendar day for partial quarters worked. The contributions shall be made quarterly as part of the first warrant cycle of the quarter.

The Employer shall be obligated to make only one (1) HSA account contribution on behalf of an employee. Therefore, if the employee is enrolled as a dependent of another employee for whom the Employer has made a family coverage contribution, the Employer is not obligated to make a separate single coverage contribution on behalf of the employee.

Active Employees who are Medicare-Eligible (No Dependent Coverage):

Effective January 1, 2016, the employer will contribute \$645.00 per month [taxable cash] for employees who have reached the age of 65 and are Medicare eligible to cover their Medicare premium and a supplement.

Active Employees who are Medicare-Eligible and elect Single+1 or Family Coverage for Dependent(s):

Effective January 1, 2016, the employer will contribute the actual amount of the Medicare premium and a supplement, totaling up to \$645.00 per month [taxable cash] for employees who have reached the age of 65 and are Medicare eligible. For Medicare eligible employees who have family they wish to cover, the employer will provide insurance and the employee shall contribute the monthly premiums shown above for either the Employee+1 or Family plan selected.

Bobbie Danielson

Subject: ACA Policy Update

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Copy to Denise Monson, payroll, November 17, 2015.

I will submit a policy change request to the board as highlighted below, to be effective 1/1/2016. If there are any additional changes you want included, just let me know. Thanks for all you do.

Section A. Affordable Care Act (ACA) Policy:

In March 2010, Congress enacted and President Obama signed major reform legislation – the Patient Protection and Affordable Care Act (commonly called PPACA, ACA, or “Obamacare”) (Pub.L. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111-152). This represents the most significant regulatory overhaul of the U.S. healthcare system since the passage of Medicare and Medicaid in 1965. The law includes hundreds of new requirements packed into thousands of pages of rules that affect the delivery and administration of employer-sponsored group health plans. The rules, as applied to employer-sponsored group health plans, generally fall into one of seven general categories, namely: 1) effective dates and grandfathering; 2) qualifying coverage mandates (insurance reforms); 3) employer mandates (play-or-pay provisions); 4) reporting and disclosure requirements; 5) individual mandates; 6) tax issues (revenue generating rules); and 7) the exchange program.

To the extent that federal statute or regulations change, this policy shall be construed as consistent with those changes. Purpose: To comply with requirements of the Affordable Care Act and to offer health care coverage to “substantially all” full-time employees, effective January 1, 2015.

Subd. (1) ACA Policy Definitions

- (a) Employer: Aitkin County
- (a) Full-time Employee: For purposes of this Affordable Care Act (ACA) policy, full-time means an employee working 30 or more hours per week on average or 130 or more hours per month on average.
- (b) Variable Hour Employee: For purposes of the Affordable Care Act (ACA), variable hour employee means an employee working in a position classified as part-time, seasonal, temporary, or intermittent. The employer will use a look back period to determine each variable hour employee’s full-time status by looking back 12 months to analyze whether the employee worked an average of 30 or more hours per week on average or 130 or more hours per month on average.
- (c) Substantially All: Substantially all full-time employees is defined as 95% of employees working 30 or more hours per week on average or 130 or more hours per month on average. The employer is not subject to a penalty if 5% of employees working 30 or more hours per week on average or 130 or more hours per month on average are not offered health care coverage.

Subd. (1) Measurement Periods

- (a) Standard measurement period, 12 months (October 15 – October 14)
- (b) Administrative period not to exceed 90 days (October 15 – December 31)

(c) Stability period, 12 months (January 1 – December 31)

Subd. (2) For Positions Classified as Full-time: Employees who are expected to be full-time, working 30 or more hours per week on average or 130 or more hours per month on average, during the standard measurement period will be offered health coverage under the employer's health insurance plan during new hire orientation.

Subd. (3) For Positions Classified as Variable Hour (aka Part-time, Seasonal, Temporary or Intermittent): The employer will implement a standard measurement period of 12 calendar months to determine whether or not a variable hour employee is eligible for health coverage under the employer's health insurance plan. The standard measurement period will be from October 15th through October 14th of each calendar year.

Subd. (4) If an employee is determined to be full-time during the standard measurement period, they will be treated as full-time during a subsequent stability period, regardless of the number of hours they work during the stability period. The employer will implement a stability period of 12 calendar months during which a variable hour employee, determined to be full-time in the standard measurement period, will be eligible for health coverage under the employer's health insurance plan. The stability period will be from January 1st through December 31st of each calendar year.

Subd. (5) If an employee is determined to be eligible for health insurance coverage through the standard measurement period, the employer has up to 90 days to enroll the employee in the employer's health insurance plan. An administrative period will be used to determine eligibility and to facilitate notification and enrollment of employees. This administrative period will be from October 15th through December 31st of each calendar year. During this period, eligible variable hour employees will be given a two-week open enrollment period to enroll in health coverage under the employer's health insurance plan which will be in effect for the upcoming stability period/plan year. (Note: Variable hour employees are not eligible for other insurance benefits, such as dental, life, long-term or short-term disability, long-term care insurance, or FSA plan enrollment.)

Subd. (6) Unless mandated otherwise by the Local 49 or Teamsters Health Fund agreement, all eligible variable hour employees will be offered coverage on one plan, the ~~BCBS \$5,000/\$10,000 HDHP~~ highest deductible plan, during the stability period. The employee and employer contributions towards this plan shall be established by the County Board and calculated in the same manner as defined in the agreement between Aitkin County and AFSCME Council 65, Local Union #667 (Courthouse Unit). In the event the health insurance provisions or contribution rates fail to meet the requirements of the Affordable Care Act and its related regulations or cause the Employer to be subject to a penalty, tax or fine, the Employer may amend contribution rates or implement alternative provisions so as to comply with the Act and avoid any penalties, taxes or fines for the Employer.

Subd. (7) If funds are not available in a department's budget to cover the cost of health insurance, the Department Head may submit a written request to the County Administrator to reduce the employee's work hours to less than 30 hours per week or less than 130 hours per month to avoid the obligation to offer health care coverage. Said request will generally be approved if it is not prohibited by the terms of a collective bargaining agreement.

Subd. (8) Rehired Seasonal Employees

(a) Seasonal employees work up to 67 days per calendar year. For ease of recordkeeping, seasonal employees will typically be required to be inactive (zero hours of work) for a period of 26 consecutive weeks between work seasons.

(b) An employee who is rehired and had no active service with the employer for a period of 26 consecutive weeks will be treated as a new employee and will be evaluated by the employer during the standard

measurement period to determine if the employee is eligible for health insurance benefits during a subsequent stability period.

- (c) Active service is based on all hours combined with the employer and is not separated or tracked individually by department.

Subd. (9) Opt-out Health Insurance Waivers: Employees who elect to waive coverage will be required to do so in writing. ~~The employer does not provide a cash in lieu of health insurance benefit.~~