

Amendment No. 1
TO THE 2012-2014 MEMORANDUM OF UNDERSTANDING
BETWEEN AND FOR
THE CITY AND COUNTY OF SAN FRANCISCO
AND
THE SAN FRANCISCO INSTITUTIONAL POLICE OFFICERS' ASSOCIATION

Consistent with the Tentative Agreement signed on July 31, 2013, the parties hereby amend the Agreement as follows:

III.M. HEALTH AND WELFARE

1. Employee Health Care

176. The City agrees to continue to contribute the applicable rate per month directly into the City Health Service System for each employee who is a member of the Health Service System. The level of contribution is set pursuant to the Charter.

a. Health Coverage Effective Through December 31, 2013

2-1) Medically Single Employees

177. From July 1, 2012 to December 31, 2013, for "medically single"/Employee-Only employees (i.e., benefited employees not receiving the contribution paid by the City for dependent health care benefits) who enroll in health plans other than City Plan, the City shall contribute all of the premium for the employee's own health care benefit coverage. For all employees enrolled in the City Plan in the medically single/Employee-Only category, the City's contribution will be capped at an amount equivalent to the cost of the second-highest cost plan for medically single/Employee-Only enrollees. Employees who elect to enroll in the City Plan in this category must pay the difference between the capped amount of the City Plan described above and the cost of City Plan coverage in the medically single/Employee-Only category.

2) Dependent Care Health Benefits

177a. *Amount of Employee Contribution to be Paid by the City. **From July 1, 2012 to December 31, 2013, for Dependent Coverage (Employee Plus One; Employee Plus Two More), the** City shall contribute up to \$635.91 per month per employee to provide for dependent coverage for employees with one or more dependents.*

b. Health Coverage Effective January 1, 2014 Through December 31, 2014

italics = moved existing language
struck out, italics = existing language prior section

bold, double underline = new language
~~struck out~~ = removed language

1) Medically Single Employees

178. Effective January 1, 2014 through December 31, 2014, for “medically single employees” (Employee Only) enrolled in any plan other than the highest cost plan, the City shall contribute ninety percent (90%) of the “medically single employee” (Employee Only) premium for the plan in which the employee is enrolled; provided, however, that the City’s premium contribution will not fall below the lesser of: (a) the “average contribution” as determined by the Health Service Board pursuant to Charter Sections A8.423 and A8.428(b)(2); or (b), if the premium is less than the “average contribution”, one hundred percent (100%) of the premium.
179. Effective January 1, 2014 through December 31, 2014, for “medically single employees” (Employee Only) who elect to enroll in the highest cost plan, the City shall contribute ninety percent (90%) of the premium for the second highest cost plan for such employees.

3-2) Dependent Care Health Benefits

180. Amount of Employee Contribution to be Paid by the City. Effective January 1, 2014 through December 31, 2014, for Dependent Coverage (Employee Plus One; Employee Plus Two More), the The City shall contribute up to \$635.91 per month per employee to provide for dependent coverage for employees with one or more dependents.

c. Health Coverage Effective January 1, 2015

- 180a. Effective January 1, 2015, the contribution model for employee health insurance premiums will be based on the City’s contribution of a percentage of those premiums and the employee’s payment of the balance (Percentage-Based Contribution Model), as described below:

1) Employee Only:

- 180b. For medically single employees (Employee Only) who enroll in any health plan offered through the Health Services System, the City shall contribute ninety-three percent (93%) of the total health insurance premium, provided however, that the City’s contribution shall be capped at ninety-three percent (93%) of the Employee Only premium of the second-highest-cost plan.

2) Employee Plus One:

- 180c. For employees with one dependent who elect to enroll in any health plan offered through the Health Services System, the City shall contribute ninety-

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three percent (93%) of the total health insurance premium, provided however, that the City's contribution shall be capped at ninety-three percent (93%) of the Employee Plus One premium of the second-highest-cost plan.

3) Employee Plus Two or More:

180d. For employees with two or more dependents who elect to enroll in any health plan offered through the Health Services System, the City shall contribute eighty-three percent (83%) of the total health insurance premium, provided however, that the City's contribution shall be capped at eighty-three percent (83%) of the Employee Plus Two or More premium of the second-highest-cost plan.

4) Contribution Cap

180e. In the event HSS eliminates access to the current highest cost plan for active employees, the City contribution under this agreement for the remaining two plans shall not be affected.

5) Average Contribution Amount

180f. For purposes of this agreement, and any resulting agreements under paragraph 180g, to ensure that all employees enrolled in health insurance through the City's Health Services System (HSS) are making premium contributions under the Percentage-Based Contribution Model, and therefore have a stake in controlling the long term growth in health insurance costs, it is agreed that, to the extent the City's health insurance premium contribution under the Percentage-Based Contribution Model is less than the "average contribution," as established under Charter section A8.428(b), then, in addition to the City's contribution, payments toward the balance of the health insurance premium under the Percentage-Based Contribution Model shall be deemed to apply to the annual "average contribution." The parties intend that the City's contribution toward employee health insurance premiums will not exceed the amount established under the Percentage-Based Contribution Model.

d. Agreement Not to Renegotiate Contributions in 2014

180g. The terms described in paragraphs 180a through 180f above will be effective in calendar year 2015, and the parties agree not to seek to modify this agreement through the term of any MOU entered into prior to, or in the spring of, 2014.

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e. Other Terms Negotiable

180h. While the parties have agreed in paragraph 180g not to negotiate any changes to the Percentage-Based Contribution Model, the parties are free to make economic proposals to address any alleged impact of the health contribution levels described above or other health related issues not involving the percentage-based contribution model (e.g. wellness and transparency).

f. Other Agreements

180i. Should the City and any recognized bargaining unit reach a voluntarily bargained agreement that results in City contributions to health insurance premiums exceeding those provided by the Percentage-Based Contribution Model, the City agrees to offer the entire alternate model to the Union as a substitute.

FOR THE CITY

FOR THE UNION

Micki Callahan Date
Human Resources Director

12 Gossman *9/4/2013*

Dave Gossman Date
Operating Engineers, Local 3

Martin R. Gran Date
Employee Relations Director

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

Elizabeth Salveson *9/23/13*

Elizabeth Salveson Date
Deputy City Attorney,
Office of the City Attorney

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