

Amendment No. 1
TO THE 2012-2014 MEMORANDUM OF UNDERSTANDING
By and Between
THE CITY AND COUNTY OF SAN FRANCISCO
And
THE INTERNATIONAL UNION OF OPERATING ENGINEERS
STATIONARY ENGINEERS, LOCAL 39

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

III.F. HEALTH BENEFIT CONTRIBUTIONS

EMPLOYEE HEALTH CARE CITY CONTRIBUTION

142. The level of the City's contribution to employee health benefits will be set in accordance with the requirements of Charter Sections A8.423 and A8.428.

DEPENDENT HEALTH CARE

- ~~143. The City shall contribute the greater amount of up to \$225 per month or 75% of the dependent rate charged by the City to employees for Kaiser coverage at the dependent plus two level.~~

a. Health Coverage Effective Through December 31, 2013

1) MEDICALLY SINGLE EMPLOYEES

144. From July 1, 2012 to December 31, 2013, 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 the City Plan coverage in the medically-single/Employee-Only category.

2) DEPENDENT HEALTH CARE

- 144a. From July 1, 2012 through December 31, 2013, for Dependent Coverage (Employee Plus One; Employee Plus Two More), the City shall contribute the**

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

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

greater amount of up to \$225 per month or 75% of the dependent rate charged by the City to employees for Kaiser coverage at the dependent plus two level.

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

1) MEDICALLY SINGLE EMPLOYEES

145. 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.

146. 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.

2) DEPENDENT HEALTH CARE

146a. From January 1, 2014 through December 31, 2014, for Dependent Coverage (Employee Plus One; Employee Plus Two More), the City shall contribute the greater amount of up to \$225 per month or 75% of the dependent rate charged by the City to employees for Kaiser coverage at the dependent plus two level.

c. Health Coverage Effective January 1, 2015

146b. 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:

146c. 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

italics = moved existing language

~~*struck-out, italics*~~ = existing language prior section

bold, double underline = new language

~~struck-out~~ = removed language

contribution shall be capped at ninety-three percent (93%) of the Employee Only premium of the second-highest-cost plan.

2) Employee Plus One:

146d.

For employees with one dependent who elect to 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 Plus One premium of the second-highest-cost plan.

3) Employee Plus Two or More:

146e.

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

146f.

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

146g.

For purposes of this agreement, and any resulting agreements under paragraph 147a, 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

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

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

amount established under the Percentage-Based Contribution Model.

d. Medically Single Employees Outside of Health Coverage Areas

147. If an employee's work location reasonably requires him or her to reside in a county in which there is no City HMO available, then the City shall pay for medically-single/Employee-Only coverage under the City Plan.

e. Agreement Not to Renegotiate Contributions in 2014

- 147a. The terms described in paragraphs 146b through 146g 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.

f. Other Terms Negotiable

- 147b. While the parties have agreed in paragraph 147a 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).

g. Other Agreements

- 147c. 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.

h. Monetary Cash Payment

148. Medically single employees shall continue to receive an in-lieu \$190.00 monetary cash payment. Effective June 30, 2014, the in lieu monetary cash payment in this paragraph shall be deleted.
149. Employees with one or more dependents enrolled in the City's Health Service System are not eligible to receive the monetary cash payment.

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

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

150. Employees who enroll one or more dependents into the Health Service System during the term of this agreement will not be eligible for the monetary cash payment once those dependents are enrolled.
151. Employees who during the term of this MOU no longer have dependents enrolled in the Health Service System will not be eligible for the monetary cash payment.

FOR THE CITY

FOR THE UNION

Micki Callahan Date
Human Resources Director

Gilbert F. Rojo Sr. 9/25/2013

Gilbert F. Rojo, Sr. Date
Stationary Engineers, Local 39

Martin R. Gran Date
Employee Relations Director

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

Vanetta Carroll Robinson 9/23/13

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

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

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