

ARTICLE 24
Compensation

Section 1. General Wages.

A. Fiscal Year 2016-2017.

1. On October 1, 2016 the base hourly rate in effect at 11:59 p.m. on September 30, 2016, for each step in the Bargaining Unit shall be increased by 1% (one percent).

2. At the end of the first full pay period in October, 2016, each full-time employee who is on the payroll as of October 2, 2016, and who has accumulated no less than two thousand eighty (2080) hours of current continuous service since October 1, 2015, shall be paid a one-time cash payment of 1.5% of the annualized base hourly rate of pay in effect as of October 2, 2016, which shall not be rolled into the base wage. For a full-time employee who has accumulated less than two thousand eighty (2080) hours of current continuous service since October 1, 2015, this payment shall be pro-rated based on the ratio between the employee's actual continuous service hours earned after October 1, 2015, and two thousand eighty (2080) hours, times 1.5% of the annualized base hourly rate of pay in effect as of October 2, 2016.

At the end of the first full pay period in October, 2016, or the first subsequent pay period in Fiscal Year 2016-17 for which the employee receives a pay check, each permanent-intermittent employee, part-time employee or seasonal employee, who is on the payroll as of October 2, 2016, and who was either: 1) on the payroll on October 1, 2015, 2) on furlough on October 1, 2015, 3) on seasonal layoff on October 1, 2015, who has accumulated less than two thousand eighty (2080) hours of current continuous service between October 1, 2015, and September 30, 2016, shall be paid a one-time cash payment which shall not be rolled into the base wage. For each such employee, this payment shall be pro-rated based on the ratio between the employee's actual continuous service hours earned

1 between October 1, 2015, and September 30, 2016, and two thousand eighty
2 (2080) hours, times 1.5% of the annualized base hourly rate of pay in effect as of
3 October 2, 2016.

4 B. Fiscal Year 2017-2018.

5 On October 1, 2017, the base hourly rate in effect at 11:59 p.m. on September 30,
6 2017, for all steps in the pay ranges for all bargaining unit classifications shall be
7 increased by three percent (3%).

8 C. Fiscal Year 2018-2019.

9 On October 1, 2018, the base hourly rate in effect at 11:59 p.m. on September 30,
10 2018, for all steps in the pay ranges for all bargaining unit classifications shall be
11 increased by two percent (2%).

12 DB. Rates of Compensation.

13 Effective October 1, 2005, a new base step will be added to each level of each pay
14 range which shall be the current base step minus the difference between the current
15 base step and the first step. In the event that the creation of such a new base step
16 results in an employee employed in this bargaining unit on January 1, 2005 being
17 placed at a lower pay rate upon promotion than they would have received under the
18 pay range structure in place on September 30, 2005, the Employer will utilize
19 provisions of Civil Service Regulation 5.01 Section 3.d.3.a (3) to grant an additional
20 step.

21 Section 2. Shift Differential.

22 Employees shall be paid a shift differential of five percent (5%) per hour above their
23 base rate for all hours worked in a day if fifty percent (50%) or more of their regularly
24 scheduled shift falls between the hours of 4:00 pm and 5:00 am.

25 An employee shall earn no shift differential while on sick, annual, compensatory,
26 holiday, personal or administrative leave. However, it is expressly agreed that if an
27 employee is released from his/her work schedule pursuant to the provisions of this

1 Agreement, and if the employee would be entitled by other provisions of this Agreement
2 to pay for such released time, and if such released time would be paid a shift differential
3 if worked, then such released time shall be paid the shift differential. The activities for
4 which the shift differential will be paid are:

- 5 • Grievance Processing, including witness time;
- 6 • Labor Management Meetings;
- 7 • Health and Safety Committee Meetings;
- 8 • Affirmative Action Committee Meetings.

9

10 **Section 3. Hazard Pay.**

11 A. Criteria: An employee who is required to work under the following conditions shall be
12 entitled to receive the hazard pay premium provided in Subsection B below:

13 (1) Heights: Work on high structures in excess of forty (40) feet, which requires the
14 use of scaffolding or safety harnesses. Work performed from safety buckets
15 (aerial equipment) is not considered high structure work.

16 (2) Tunnels: Work in tunnels (new construction or reconstruction where mining
17 equipment is involved). Work in caissons is not considered tunnel work.

18 B. Rate: An employee who meets the criteria in Subsection A above shall be paid one
19 dollar (\$1.00), for each hour worked on high structures or in tunnels, with a minimum
20 of four (4) hours hazard pay per exposure day. Hazard pay shall be in addition to,
21 and not a part of, the base pay.

22 C. Study Committee:

23 (1) The parties agree to establish a committee within each Department for the
24 purpose of determining means and methods for identifying hazards and
25 hazardous conditions and for effectively dealing with those hazards and
26 hazardous conditions.

27 (2) Each committee shall be composed of two (2) members to be selected by and
28 employed by the Department and two (2) members selected by the Union and

1 employed in the Department. The Union members will be granted Administrative
2 Leave for all approved time related to these committees. Such committees shall
3 meet as often as necessary but for no longer than a sixty (60) day period
4 following the initial session during any contract year.

5 (3) At the conclusion of this period any joint recommendations arrived at by these
6 committees shall be provided to the respective Departmental Employer for its
7 consideration for implementation.

8 (4) An Administrative Leave Bank of 300 hours per contract year shall be
9 established which shall be for the use of the Union for the purpose of
10 researching workplace hazards and related issues. This Administrative Leave
11 Bank shall be administered as provided in Article 7, Section 5 of this Agreement.

12 **Section 4. Prison "P" Rate.**

13 A. Eligibility Criteria: An employee shall be eligible for the "P" rate premium provided in
14 Section B below if the position is assigned responsibility for the custody or
15 supervision of Department of Corrections residents on a regular and recurring basis
16 in addition to the regular job duties, or if it is located at a correctional facility and is
17 responsible to handle personal, financial, or other matters affecting the well-being of
18 Department of Corrections residents on a regular and recurring basis.

19 The following interpretive criteria shall apply in determining employee eligibility for
20 "P" rate pay:

21 (1) Within the Department of Corrections, the position in question must be physically
22 located within an institution under the jurisdiction of the Bureau of Correctional
23 Facilities. Positions in other Departments must supervise residents assigned
24 from the Bureau of Correctional Facilities.

25 (2) A position where the work location is within the security perimeter of a medium,
26 close or maximum custody correctional facility, thereby placing the employee in
27 an environment where physical confrontation will occur, is one in which the
28 employee is eligible.

1 (3) "Regular and recurring" is defined as contact with residents in person, twenty five
2 percent (25%) or more of the work time, in an environment that would permit a
3 physical act to occur.

4 (4) An employee working in a "covered position" within the meaning of P.A. 302 of
5 1977, as amended, is eligible.

6 B. Regular "P Rate": An employee who meets the criteria in Subsection A, paragraphs
7 (1) through (3) above, shall be paid 40 cents per hour for all hours in pay status.
8 Prison "P" rate shall be in addition to, and not a part of, the employee's base pay.
9 Effective upon ratification of this agreement by the Civil Service Commission, an
10 employee who meets the criteria in Subsection A, paragraph (4) above, shall also be
11 entitled to the 40 cents per hour "P" rate as described above.

12 C. High Security Premium Pay: Effective October 1, 1990 the Employer will initiate the
13 High Security Premium Pay program described below. The program is intended to
14 provide financial incentives to Technical Unit Employees to continue working in
15 certain high security correctional assignments, and not to transfer to other, lower
16 security, assignments, work locations, and institutions.

17 (1) Employees with at least two (2) years of continuous service who are eligible for
18 "P" rate premium under Subsection A, above, who are assigned to close,
19 maximum and administrative segregation work units within a Department of
20 Corrections, Bureau of Correctional Facilities Institution which is designated by
21 the Michigan Corrections Commission as having: A close, maximum or
22 administrative segregation overall rating, or a close/medium overall rating with an
23 administrative segregation unit shall be paid 50 cents per hour for all hours in pay
24 status. Such payment shall be in addition to, and not part of, the employees' base
25 pay. In the event that any disputes arise with respect to application of Article 24,
26 Section 4B - High Security "P" rate, these disputes shall be subject to the
27 grievance procedure.

1 **Section 5. On-Call Pay.**

2 A. Definition: On-call is defined as the scheduled state of availability, outside the
3 scheduled hours of work, to return to duty, work ready, within a specified period of
4 time. General availability of an employee as "back-up" to working personnel in the
5 event of extreme emergency is not considered on-call status.

6 B. Criteria: An employee scheduled by the Employer for on-call duty is required to
7 remain available through a pre-arranged means of communication. An employee so
8 scheduled who is not available when contact is attempted, or who is not able or
9 willing to report to duty, work ready, within the prescribed time shall not be eligible
10 for on-call compensation for that date.

11 C. Compensation Rate: An employee scheduled for on-call duty shall be compensated
12 at the rate of one (1) hour of base pay for each five (5) hours in on-call duty status.
13 On-call hours shall not be considered hours worked for any purposes other than the
14 payment provided herein, and no overtime payment shall be made for such on-call
15 hours.

16 D. Recall While in On-Call Status: An employee who, at the Employer's direction,
17 actually returns to duty while in on-call status shall be compensated for those hours
18 actually worked in accordance with Article 17, Hours of Work, Section 7.

19 **Section 6. Longevity.**

20 A. Eligibility:

21 (1) Career employees who separate from state service and return and complete five
22 years (10,400 hours) of full-time continuous service prior to October first of any
23 year shall have placed to their credit all previous state classified service earned.

24 (2) To be eligible for a full annual longevity payment after the initial payment, a
25 career employee must have completed continuous full-time classified service
26 equal to the service required for original eligibility, plus a minimum of one
27 additional year (2080 hours).

1 (3) Career employees rendering seasonal, intermittent or other part-time classified
2 service shall, after establishing original eligibility, be entitled to subsequent
3 annual payments on a pro rata basis for the number of hours in pay status during
4 the longevity year.

5 B. Payments: Payment shall be made in accordance with the table of longevity values
6 based on length of service as of October 1.

7 (1) No active employee shall receive more than the amount scheduled for one
8 annual longevity payment during any twelve month period except in the event of
9 retirement or death, or as provided in paragraph 7 of this sub-section.

10 (2) Initial payments—employees qualify for their initial payment by completing an
11 aggregate of five years (10,400 hours) of continuous service prior to October 1.
12 The initial payment shall always be a full payment (no proration).

13 (3) Annual payments

14 a. Employees qualify for full annual payment by completing 2,080 hours of
15 continuous service during the longevity year.

16 b. Employees who are in pay status less than 2,080 hours shall receive a pro
17 rata annual payment based on the number of hours in pay status during the
18 longevity year.

19 (4) Payments to employees who become eligible on October 1 of any year shall be
20 made on the pay date following the first full pay period in October; except that pro
21 rata payments in case of retirement or death shall be made as soon as
22 practicable thereafter.

23 (5) Lost time considerations

24 a. Lost time is not creditable continuous service nor does it count in qualifying
25 for an initial or an annual payment.

1 b. Employees do not earn state service credit in excess of 80 hours in a bi-
2 weekly pay period. Paid overtime does not offset lost time, except where both
3 occur in the same pay period.

4 (6) Payment to employees on leave of absence without pay and layoff on October 1.

5 a. An employee on other than a waived rights leave of absence, who was in pay
6 status less than 2,080 hours during the longevity year, will receive a pro rata
7 annual payment based on the number of hours in pay status during the
8 longevity year; such payment shall be made on the pay date following the first
9 full pay period in October.

10 b. An employee on a waived rights leave of absence will receive a pro rata
11 longevity payment upon returning from leave.

12 (7) Effective with the pay period beginning August 20, 2000 the anniversary date
13 longevity system will be discontinued. Payments for the conversion period will be
14 as outlined below.

15 a. If the employee has more than 12,480 hours prior to October 1, 2000 and has
16 received a longevity payment since the end of the last fiscal year, the
17 employee shall receive a pro-rated payment in October 2000 based on the
18 number of hours in pay status between the longevity anniversary date and
19 October 1, 2000.

20 b. If the employee has more than 12,480 hours of continuous service prior to
21 October 1, 2000 and has not received a longevity payment since September
22 30, 1999, the employee's longevity payment in October, 2000 will be
23 calculated based on the number of hours in pay status between his/her last
24 longevity anniversary date and October 1, 2000, as a percentage of 2,080
25 hours. If an employee is scheduled to receive an anniversary longevity
26 payment on or after August 20, 2000 but before October 1, 2000, the
27 employee's longevity payment in October, 2000 will include both the
28 anniversary longevity payment amount and an additional amount based on

1 the number of hours the employee has been in pay status between the
2 longevity anniversary date and October 1, 2000.

3 (8) Payment at retirement or death.

4 An employee with 10,400 hours of currently continuous service, who separates
5 by reason of retirement or death, shall qualify and receive both a terminal and a
6 supplemental payment as follows:

7 a. A terminal payment, which shall be either:

8 1. A full initial longevity payment based upon the total years of both current
9 and prior service, if the employee has not yet received an initial longevity
10 payment; or,

11 2. A pro rata payment for time worked from the preceding October 1 to the
12 date of separation, if previously qualified. The pro rata payment is based
13 on hours in pay status since October 1 of the current fiscal year.

14 b. A supplemental payment for all time previously not counted in determining the
15 amount of prior longevity payments, if any.

16 C. Longevity Overtime: Upon conversion, the regular rate add-on for longevity will be
17 calculated and paid retroactively for overtime worked in the previous fiscal year. This
18 amount will be included in the longevity payment. In 2000 only, the regular rate add-
19 on for longevity will be calculated retroactively for overtime worked on and between
20 August 20, 2000 and September 30, 2000, and will be paid with the longevity
21 payment in the first full pay period in October 2000.

22 **Section 7. Working out of Class.**

23 (In accordance with Civil Service Rule 6-3.2, the parties cannot negotiate working out of
24 class as it is a prohibited subject of bargaining.)

1 **Section 8. Compensation Policy under Conditions of General Emergency.**

2 A. General Emergency: Conditions of general emergency include, but are not
3 necessarily limited to, severe or unusual weather, civil disturbances, loss of utilities,
4 physical plant failures, or similar occurrences. Such conditions may be widespread
5 or limited to specific work locations.

6 B. Administrative Determination: When conditions in an affected area or a specific
7 location warrant, State facilities may be ordered closed or, if closure is not possible
8 because of the necessity to continue services, a facility may be declared
9 inaccessible. The decision to close a State facility or to declare it inaccessible will be
10 at the full discretion of the Governor or his/her designated representative.

11 C. Compensation in Situation of Closure: When a state facility is closed by the
12 Governor or his/her designated representative, affected employees will be
13 authorized administrative leave not to exceed a period of seven (7) calendar days to
14 cover their normally scheduled hours of work during the period of closure.

15 Individual employees of facilities ordered closed may be required to work to perform
16 essential services during the period of closure. When such is the case, these
17 employees will be compensated in the manner prescribed for employees who work
18 under conditions of declared inaccessibility. (See D)

19 D. Compensation in Situation of Inaccessibility: If a State facility has not been closed
20 but declared inaccessible in accordance with the Governor's policy, and an
21 employee is unable to report for work due to such conditions, he/she will be granted
22 administrative leave to cover his/her normally scheduled hours of work during the
23 period of declared inaccessibility.

24 An employee who works at a State facility during a declared period of inaccessibility
25 will be paid his/her regular salary and, if overtime work is required, in accordance
26 with the overtime pay provisions of this Agreement. In addition, such employees will
27 be granted compensatory time off (within a reasonable period of time) equal to the
28 number of hours worked during the period of declared inaccessibility.

1 E. Additional Timekeeping Procedures: If a State facility has not been closed or
2 declared inaccessible during severe weather or other emergency conditions, an
3 employee unable to report to work because of these conditions will be allowed to
4 use annual leave or compensatory time credits. If sufficient credits are not available,
5 the employee shall be placed on lost time.

6 When an employee is absent from a scheduled work period, a portion of which is
7 covered by a declaration of closure or inaccessibility, annual leave or compensatory
8 time credits may be used to cover that portion of his/her absence not covered by
9 administrative leave. If sufficient credits are not available, the employee will be
10 placed on lost time.

11 Employees who suffer lost time as the result of the application of this policy will
12 receive credit for a completed biweekly work period for all other purposes.

13 **Section 9. Severance Pay.**

14 In recognition of the fact that the de-institutionalization of the Department of Mental
15 Health resident population has resulted and will continue to result in the layoff of a large
16 number of State employees, and in recognition of the fact that such layoffs are likely to
17 result in the permanent termination of the employment relationship, the parties hereby
18 agree to the establishment of severance pay for certain employees.

19 A. Definitions:

20 (1) Layoff -- For purposes of this Section, layoff is defined as the termination of
21 active State employment solely as a direct result of a reduction in force. Other
22 separations from active State employment such as leaves of absence,
23 resignation, suspension or dismissal shall not be considered a layoff under the
24 terms of this section.

25 (2) Week's Pay -- Week's Pay is defined as an employee's gross pay for forty (40)
26 hours of work at straight time, excluding any differential or premium pay, at the
27 time of layoff.

1 (3) Year of Service -- Year of Service is defined as 2088 hours recorded in the
2 Continuous Service Hours counter (see chart below).

3 B. Eligibility: The provisions of this Section shall apply only to Department of Mental
4 Health agency based employees with more than one year of service who have been
5 laid off because of a reduction in the resident population in State institutions.
6 Further, the following employees shall not be eligible to receive severance pay:

7 (1) Employees who are in less than satisfactory employment status.

8 (2) Employees eligible to receive retirement pay at time of layoff.

9 (3) Employees with a temporary or limited term appointment having a definite
10 termination date.

11 C. Time and Method of Payment: After an employee has been laid off for six (6) months
12 in accordance with the provisions of this Section, he/she shall be notified by the
13 Agency in writing that he/she has the option of remaining on the recall list(s) or of
14 accepting a lump sum severance payment and thereby forfeiting all recall rights. The
15 employee must notify the Agency in writing of his/her decision either to accept the
16 severance payment or to retain recall rights. An employee who does not notify the
17 Agency in writing of his/her decision shall be deemed to have elected to retain recall
18 rights.

19 If the employee chooses to remain on recall and rejects the payment, the employee
20 has the option at any time within the next six (6) months of accepting the lump sum
21 severance payment and thereby forfeiting all recall rights. An employee who reaches
22 such decision during the second six (6) month period shall notify the Agency in
23 writing of his/her decision.

24 An employee who has been laid off for twelve (12) months shall be notified by the
25 Agency in writing that he/she must choose either to accept the lump sum severance
26 payment or to reject such payment. By rejecting such payment, the employee shall
27 retain recall rights in conformance with the provisions of this Agreement and shall
28 have no further opportunity to receive severance payment. The employee must

1 notify the Agency in writing of his/her decision within fourteen (14) calendar days of
2 receipt of the Agency's notification. An employee who does not notify the Agency in
3 writing of his/her decision to accept the severance payment shall be deemed to have
4 permanently rejected such payment and to have retained recall rights in accordance
5 with Article 13. If an employee elects to accept the lump sum payment, the
6 employee's name shall be removed from all recall lists and such payment shall be
7 made by the Agency within sixty (60) calendar days of receipt of the employee's
8 decision.

9 D. Disqualification: An employee laid off as defined in this Section who has not elected
10 in writing to accept severance payment shall be disqualified from receiving such
11 payment under the following conditions:

12 (1) If the employee is deceased.

13 (2) If the employee is hired for any position by an Employer:

14 a. If such employment requires a probationary period, upon successful
15 completion of such period.

16 b. If no probationary period is required, upon date of hire.

17 c. If a probationary period is required and the employee does not successfully
18 complete such required probationary period and is therefore separated, such
19 time of employment shall be bridged for purposes of the time limits in
20 Subsection C above.

21 (3) An employee who refuses recall to or new State employment hiring within a
22 seventy five (75) miles radius of the Agency from which he/she was laid off.

23 (4) An employee permanently recalled to another job in State Government.

24 E. Effect of Recall:

25 (1) An employee temporarily recalled for sixty (60) calendar days or less shall have
26 such time bridged for purposes of counting the time in accordance with
27 Subsection C above.

1 (2) An employee permanently (more than sixty (60) calendar days) recalled to a
2 position in this Bargaining Unit and subsequently laid off shall have the same
3 rights as if he/she were laid off for the first time. The time limits listed in
4 Subsection C above shall be applied from the date of the most recent layoff.

5 F. Effect of Hiring: If an employee has accepted severance payment and is hired in the
6 State Classified Service or into a State funded position caring for residents within
7 two (2) years of the acceptance of severance payment, such employee shall repay
8 to the State the full net (gross less employee's FICA and income taxes) amount of
9 the severance payment received. Such repayment shall not be required until after
10 the employee has successfully completed a required probationary period. Once such
11 employee has successfully completed the required probationary period, that
12 employee shall have a one (1) year period to make the repayment to the Agency
13 from which the severance payment was received. The details of the method and
14 time schedule for such repayment shall be discussed between the employee and the
15 Agency and reduced to writing and signed by the employee and the Appointing
16 Authority or designee of the Agency. In cases of unusual hardship and by mutual
17 consent the one year period may be extended.

18 G. Payment: An employee who elects in writing to receive severance pay shall receive
19 an explanation of the terms of such severance pay. The Office of the State Employer
20 shall develop a form which explains to such employee all the conditions attendant to
21 acceptance of severance pay. The employee and Appointing Authority or designee
22 shall sign this form and the signatures shall be witnessed.

23 No employee is entitled to receive severance payment until and unless he/she has
24 signed the above mentioned form. The employee shall receive a carbon copy of the
25 signed form.

26 The Employer shall deduct from the amount of any severance payment any amount
27 required to be withheld by reason of law or regulation for payment of taxes to any
28 Federal, State, County or Municipal Government. Eligible employees as indicated in

1 Subsections A-F above shall receive severance payment according to the following
2 schedule:

3 (1) Employees who have from one (1) through five (5) years of service: One week's
4 pay for every full completed year of service, years 1-5;

5 (2) Employees who have more than six (6) full years of service: Two week's pay for
6 every full completed year of service, years 6-10;

7 (3) Employees who have more than eleven (11) full years of service: Three week's
8 pay for every full completed year of service from year 11 on. For amounts, see
9 attached schedule.

10 Employees who work less than full time (80 hours per pay period) shall be
11 eligible in accordance with Subsections A-F above, to receive a proportional
12 severance payment in accordance with the following formula:

13 The Agency shall calculate the average number of hours such employee worked
14 for the calendar year preceding such employee's layoff. This number shall then
15 be used to determine the proportion of such employee's time in relation to
16 full-time employment. This proportion shall then be applied to the above payment
17 schedule for purposes of payment. (See attached example).

18 However, no employee shall be entitled to receive more than fifty two (52) weeks
19 of severance pay.

20 H. Effect on Retirement: The acceptance or rejection of severance pay shall have no
21 effect on vested pension rights under the Retirement Act. The parties agree that the
22 severance payment shall not be included in the computation of compensation for the
23 purpose of calculating retirement benefits and will seek and support statutory
24 change if such legislation is necessary to so provide.

25 I. Effective Date: The provisions of this Section shall apply to employees in the
26 Technical Unit in the Department of Mental Health laid off on or after October 1,
27 1983.

1

Severance Pay Schedule

Hours	Years	Week's Pay
2088 - 4176	1	1
4177 - 6264	2	2
8353 - 10440	4	4
10441 - 12528	5	5
12529 - 14616	6	7
14617 - 16704	7	9
16705 - 18792	8	11
18793 - 20880	9	13
20881 - 22968	10	15
22969 - 25056	11	18
25057 - 27144	12	21
27145 - 29232	13	24
29233 - 31320	14	27
31321 - 33408	15	30
33409 - 35496	16	33
35497 - 37584	17	36
37585 - 39672	18	39
39673 - 41760	19	42

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41761 - 43848	20	45
43849 - 45936	21	48
45937 - 48024	22	51
48025 - 50112	23	52
50113 - 52200	24	52
52201 - 54288	25	52
etc.		

1

2 Average number of hours worked in previous calendar year: 1980

3 Full time employee hours: 2088

4 Proportion (or percentage) 1980/2088 = 94.8%

5 $.948 \times \$S.P. = \$\text{Gross Amount to be paid}$

6 S.P. = Severance Payment from schedule

7 **Section 10. Safety Shoes.**

8 In accordance with the provisions of Article 14, Section 10, where safety shoes are
9 required, an employee, at his/her option, may elect to receive shoes provided by the
10 employer or receive an allowance of up to \$125.00 plus any medically required options,
11 once per calendar year or, at the employee's option, receive an allowance of \$250.00
12 every 2 calendar years. An employee who demonstrates to the Employer the need for
13 replacement safety shoes within the year, will, at the employee's option, be provided
14 with replacements by the Employer in accordance with current practices or be
15 reimbursed by the Employer up to \$50 (supported by a receipt) for the purchase of
16 replacement safety shoes. In no event shall such allowance or reimbursement exceed
17 the actual cost of the employee purchased protective item.

1 **Section 11. Compensation Policies During Promotional Interviews.**

2 Employees selected by the Employer to participate in promotional interviews within the
3 employee's own Department shall be released from work with pay for necessary travel
4 time to and from the interview and for the interview itself. Travel expenses are not
5 authorized.

6 **Section 12. Special Pay Application.**

7 Upon appointment to a different classification series where the employee does not meet
8 the experience requirements for the journey (experienced) level, the employee's rate of
9 pay shall be maintained at the previous rate until the employee becomes eligible for the
10 experienced level of the new classification series, provided the previous rate of pay
11 does not exceed the maximum of the new experienced level class. In such case, the
12 employee shall be paid at the maximum of the new experienced level class.

13 **Section 13. Clothing/Cleaning Allowance.**

14 Effective October 1, 2005, Dental Hygienists shall be paid the gross sum of \$125 per
15 year as a clothing/cleaning allowance. Such payment shall be made on the first pay
16 date in December.

17

ARTICLE 26

Group Insurances

Group Insurances.

Section A. Enrollment

New hires will be permitted to enroll in group insurance plans for which they are eligible during their first thirty-one (31) days of employment. Coverage under such plans is effective the first day of the bi-weekly pay period after enrollment.

Insurance elections made during the annual open enrollment process are effective the first day of the first full pay period in October, unless otherwise indicated.

Employee premium share for health, dental and vision insurance shall be as specified in the charts appended to this Agreement. Employees hired on or after January 1, 2000, who are appointed to a position with a regular work schedule consisting of 40 hours or less per bi-weekly pay period shall pay 50% of the premium for health, dental and vision insurance. This shall not apply to an employee appointed to a permanent-intermittent position. Eligibility for enrollment shall be in accordance with current contractual provisions. Employees who have a regular work schedule of 40 hours or less per biweekly pay period who are temporarily placed on a regular work schedule of more than 40 hours per biweekly pay period for a period expected to last six months or more shall be considered as working a regular work schedule of more than 40 hours for the period of the temporary schedule adjustment.

Financial incentives for selection of certain lower cost plans or for opting out of coverage will continue to be offered. The incentive amount and payment schedule will be determined in conjunction with the annual rate setting process administered by the Civil Service Commission and the State Personnel Director.

Group insurance plan provisions shall be effective at the beginning of the first full pay period in October, unless otherwise specified.

1 **Section B. Health Insurance**

2 The State agrees to continue to offer health plans that are compliant with the
3 requirements of the Patient Protection and Affordable Care Act (PPACA) and its
4 implementing regulations. No plan will be offered where the total aggregate cost when
5 calculated in accordance with the Internal Revenue Service (IRS) regulations would
6 exceed PPACA excise tax limits. Coverage details, including premium share,
7 deductibles, co-pays and coinsurance and out-of-pocket maximum (OOPM) amounts
8 and effective dates are described in Appendix G-2. Plans offered will include:

- 9 • The State Health Plan Preferred Provider Organization (SHP PPO)
- 10 • Health Maintenance Organization(s) (HMOs)
- 11 • A Catastrophic Health Plan

12

13 The aggregate cost for the SHP PPO and HMO's extending into 2020 must fall below
14 the federal excise tax thresholds established by the IRS under PPACA. The aggregate
15 cost which must be counted toward the applicable 2020 federal excise tax threshold will
16 be calculated in accordance with IRS guidelines.

17

18 The Employer agrees to provide notice as soon as administratively feasible, but not
19 later than July 15, 2019, of the SHP PPO rates and HMO rates for FY 20. If the
20 aggregate cost for any one of the health insurance plans offered by the State for
21 enrollment (the SHP PPO or any HMO's) extending into 2020 exceeds federal excise
22 tax thresholds established by the IRS, the parties agree that beginning with the Flexible
23 Spending Account (FSA) enrollment for calendar year 2020, the medical spending
24 account option will be reduced or eliminated to maintain aggregate cost below the
25 applicable 2020 federal excise tax thresholds, unless prohibited by law, or if doing so
26 would invalidate the plan in whole or in part resulting in additional costs to the Employer
27 and/or employees.

28

29 The SHP PPO shall include coverage for the following:

1 **(1) Wellness and Preventive Coverage.**

2 In-network Wellness and Preventive Coverage will continue to be provided as
3 required by the PPACA and as outlined in Appendix G-2.

4 The SHP PPO will continue to offer voluntary care management services for
5 high-risk, medically complex cases designed to work with the covered employee
6 or enrolled dependent, provider and caregivers to ensure a clear understanding
7 of the condition, prognosis and treatment options and help coordinate provider
8 services.

9 **(2) Prescription Drugs.**

10 In order to promote the usage of generic prescription drugs to reduce costs while
11 maintaining the quality of care, the Pharmacy Benefit Manager (PBM) will
12 automatically substitute an approved generic drug for prescriptions written for
13 multi-source brand name drugs, except for a list of narrow therapeutic index
14 agents, e.g., Dilantin. In those instances when a physician prescribes a multi-
15 source brand name drug and indicates on the prescription, "Dispense As Written"
16 or DAW, the brand name drug will be dispensed and the enrollee will pay the
17 applicable preferred or non-preferred brand name co-payment plus the difference
18 in cost between the generic drug and the brand name drug. Brand name drugs
19 are deemed to be non-preferred because of the availability of a generic
20 equivalent or a therapeutically or chemically equivalent brand name drug.
21 Maintenance drugs filled at a participating retail pharmacy will only be approved
22 up to a 34-day supply.

23 The Employer shall continue to offer a mail order prescription drug option for
24 maintenance drugs. At the employee's option, an employee may elect to
25 purchase maintenance prescription drugs filled at up to a 90-day supply through
26 the mail order option.

27 The employee co-pays for drugs at retail and through mail order are listed in
28 Appendix G-2.

1 **(3) Second Surgical Opinions.**

2 An individual will be entitled to a second surgical opinion. If that opinion conflicts
3 with the first opinion the individual will be entitled to a voluntary third surgical
4 opinion. Second and third surgical opinions shall also be subject to applicable
5 copays and deductibles as provided in Appendix G-2.

6 **(4) Home Health Care.**

7 A program of home health care and home care services to reduce the length of
8 hospital stay and admissions shall be available at the employee's option. The
9 service must be prescribed by an attending physician who must certify that the
10 home health care services are being used instead of inpatient hospital care, and
11 that the patient is confined to the home due to illness. Services shall be covered
12 to the extent that they would have been covered if the individual had remained or
13 been confined in the hospital.

14 Home infusion therapy shall be covered as part of the home health care benefit
15 or covered by its separate components (e.g. durable medical equipment and
16 prescription drugs), however a patient shall not be required to be homebound.

17 **(5) Hospice Care.**

18 Hospice care shall be available to terminally ill enrollees. Services must be
19 provided by a participating hospice program, and written statements of prognosis
20 may be required. Covered hospice benefits include physical, occupational and
21 speech language therapy, Home Health Aid services, medical supplies and
22 nursing care. See Appendix G-2 for deductible and co-pay amounts.

23 **(6) Birthing Centers.**

24 Birthing center care shall be available to employees at their option in lieu of
25 hospitalization. Birthing center care is covered under the delivery and nursery
26 care benefits set forth in Appendix G-2.

27 **(7) Hearing Care Program.**

1 The hearing care program will include audiometric exams, hearing aid evaluation
2 tests, hearing aids and fitting subject to the applicable office call fee for the
3 examination and shall be available once every thirty-six (36) months unless
4 significant hearing loss occurs earlier and is certified by a physician. When
5 medically appropriate, binaural hearing aids are a covered benefit. See
6 Appendix G-2.

7 **(8) Weight Reduction.**

8 Employees and covered dependents enrolled in the SHP PPO will be eligible for
9 a lifetime maximum reimbursement of \$300 for non-medical, weight reduction if
10 they meet the following conditions:

11 (a) The employee or covered dependent is obese as defined by being more
12 than one hundred (100) pounds overweight or more than fifty percent (50%)
13 over ideal weight and weight loss clinic attendance is prescribed by a
14 licensed physician, or

15 (b) The employee or covered dependent is more than fifty (50) pounds
16 overweight or more than twenty-five percent (25%) over ideal weight, has a
17 diagnosed disease for which excess weight is a complicating factor, and
18 weight loss clinic attendance is prescribed by a licensed physician.

19 The \$300 amount will not apply to the SHP PPO deductibles.
20

21 **(9) Durable Medical Equipment.**

22 Durable medical equipment (DME) and prosthetic and orthotics appliances are
23 covered benefits as outlined in Appendix G-2, Medically necessary orthopedic
24 inserts prescribed by a licensed physician are included as a covered benefit.

25 **(10) Dependent and Long Term Nursing Care.**

1 The parties agree to work cooperatively to provide assistance in identifying and
2 referring employees and dependents to appropriate custodial care facilities and
3 to agencies for custodial care at home.

4 **(11) Smoking Cessation.**

5 The SHP PPO shall include a smoking cessation program which shall include
6 smoking cessation counseling.

7 **(12) In-and-out-of-network Process.**

8 An employee may be eligible to receive a waiver to allow in-network coverage by
9 out-of-network providers if in-network providers are not available within a
10 standard distance below, or based on the type of services required.

11 Waivers will be available if the Third Party Administrator (TPA) determines
12 access to network providers is not within the standard distance. The standards
13 for the waiver are as follows:

- 14 • Where there are not two (2) primary care physicians within fifteen (15)
15 miles;
- 16 • Where there are not two (2) specialists within twenty (20) miles;
- 17 • Where there is not one (1) hospital within twenty-five (25) miles.

18 Failure to seek services from a PPO provider will result in a Plan member being
19 treated as out-of-network unless the covered member was seeking services as
20 the result of an emergency. If there is not adequate access to a PPO provider,
21 exceptions will be handled on a per case basis. A member is considered to have
22 access to the network based on the type of services required, except as provided
23 above.

24 If a member does not have access to the network, the member will be treated as
25 in-network for all benefits. The member will be responsible for the applicable in-
26 network deductibles, co-payments and coinsurance.

1 If a member does not have access to the network but then additional providers
2 join the network so that the member would now be considered in-network, the
3 member will be notified and given a reasonable amount of time in which to seek
4 care from and in-network provider. Care received from a non-network provider
5 after that grace period will be considered out-of-network and the out-of-network
6 deductibles, co-payments, coinsurance and out-of-pocket maximums will apply.
7 If a member is undergoing a course of treatment at the time he or she becomes
8 in-network, the in-network rules will continue for that course of treatment only
9 pursuant to the PPO Standard Transition Policy. Once the course of treatment
10 has been finished, the member must use an in-network provider or be governed
11 by the out-of-network rules.

12 **(13) Subrogation.**

13 In the event that a Plan member receives services that are paid by the SHP
14 PPO, or is eligible to receive future services under the SHP PPO, the SHP PPO
15 shall be subrogated to the participant's rights of recovery against and is entitled
16 to receive all sums recovered from, any third party who is or may be liable to the
17 participant, whether by suit, settlement, or otherwise, to the extent of recovery for
18 health related expenses. A participant shall take such action, furnish such
19 information and assistance, and execute such documents as the SHP may
20 request to facilitate enforcement of the rights of the SHP and shall take no action
21 prejudicing the rights and interests of the SHP.

22 **(14) Telemedicine.**

23 An optional telemedicine program will be available for health and mental health
24 services, subject to applicable office visit copays and deductibles. See Appendix
25 G-2.

26 **Health Maintenance Organization (HMO).**

27 As an alternative to the State Health Plan, enrollment in HMOs may be offered to those
28 employees residing in areas where qualified licensed HMOs are in operation. HMO
29 Coverage information is provided in Appendix G-2.

1 **Section C. Dental Expense Plan**

2 **(a)** The State agrees to continue to offer dental plans. Coverage details, including
3 premium share, co-pays, annual maximum and separate lifetime orthodontic
4 maximum and effective dates are described in Appendix G-3. Plans offered will
5 include:

- 6 • The State Dental Plan Preferred Provider Organization
- 7 • A Dental Maintenance Organization [\(More Dental Maintenance](#)
8 [Organizations shall be explored\)](#)
- 9 • A Preventive Dental Plan

10

11 **(b)** Covered Dental Expenses: The Dental Expense Plan will pay for incurred claims
12 for employee and/or enrolled dependents at the applicable percentage of either
13 the actual fee or the usual, customary and reasonable fee, whichever is lower, for
14 the dental benefits covered under the Dental Expense Plan.

15 Coverage for the following services under each plan is listed in Appendix G-3:

16 **(1)** Diagnostic Services:

17 Oral examinations and consultations twice in a fiscal year.

18 **(2)** Preventive Services:

19 Prophylaxis - teeth cleaning three (3) times in a fiscal year, four (4) times when
20 medically necessary;

21 Topical application of fluoride for children up to age 19, twice in a fiscal year;

22 Space maintainers for children up to age 14.

23

24 Oral exfoliate cytology (brush biopsy) will be covered when warranted from a
25 visual and tactile examination.

26 **(3)** Radiographs:

27 Bite-wing x-rays once in a fiscal year, unless special need is shown;

1 Full mouth x-rays once in a five (5) year period, unless special need is shown.

2 **(4) Minor Restorative Services (fillings):**

3 Amalgam, silicate, acrylic, porcelain, plastic and composite restorations;
4 Gold inlay and outlay restorations.

5
6 **(5) Major Restorative Services:**

7 Onlays and crowns when the teeth cannot be restored with another filling
8 material.

9 **(6) Oral Surgery:**

10 Extractions, including those provided in conjunction with orthodontic services;
11 Cutting procedures; Treatment of fractures and dislocations of the jaw.

12 **(7) Endodontic Services: Root canal therapy;**

13 Pulpotomy and pulpectomy services for partial and complete removal of the
14 pulp of the tooth;
15 Periapical services to treat the root of the tooth.

16 **(8) Periodontic Services:**

17 Periodontal surgery to remove diseased gum tissue surrounding the tooth;
18 Adjunctive periodontal services, including provisional splinting to stabilize
19 teeth, occlusal adjustments to correct the biting surface of a tooth and
20 periodontal scaling to remove tartar from the root of the tooth;
21 Treatment of gingivitis and periodontitis-diseases of the gums and gum tissue.

22 **(9) Bonding:**

23 The dental plan covers cosmetic bonding for the eight (8) front teeth of
24 children between the ages of 8-19 years of age. Cosmetic bonding is a

1 covered benefit when it is required because of severe tetracycline staining,
2 severe fluorosis, hereditary opalescent dentin, or amelogenesis imperfecta.

3 **(10) Prosthodontic Services:**

4 Repair or rebasing of an existing full or partial denture;

5 Initial installation of fixed bridgework;

6 Implants;

7 Initial installation of partial or full removable dentures (including adjustments
8 for six [6] months following installation);

9 Construction and replacement of dentures and bridges (replacement of
10 existing dentures or bridges is payable when five [5] years or more have
11 elapsed since the date of the initial installation).

12 **(11) Sealants:**

13 Coverage for sealants on permanent molars that are free of any restorations or
14 decay. Sealant treatment is payable on a per tooth basis. Dependents up to
15 age 14 are eligible for the sealant application. The benefit is payable for only
16 one application per tooth within a three (3) year period.

17 **(12) Orthodontic Services:**

18 Minor treatment for tooth guidance;

19 Minor treatment to control harmful habits;

20 Interceptive orthodontic treatment;

21 Comprehensive orthodontic treatment;

22 Treatment of an atypical or extended skeletal case;

23 Post-treatment stabilization; Separate lifetime maximum of \$1,500 per each
24 enrollee; Orthodontic services for dependents up to age 19; for enrolled
25 employee and spouse, no maximum age. Orthodontic coverage shall be

1 extended to each dependent up to age 25 if the dependent is a full-time
2 student at an accredited institution.

3 **(c) Dental At-Point-of-Service PPO**

4 Employees and dependents enrolled in the State Dental Plan may access the
5 improved benefit levels specified in Appendix G-3 by utilizing dental care
6 providers that are members of the Point-of-Service PPO.

7 **Section D. Vision Care Insurance.**

8 **a.** The State agrees to continue to offer a vision plan. Coverage details for
9 participating and non-participating providers, are described in Appendix G-4.
10 Except for employees appointed to a position with a regular work schedule
11 consisting of 40 hours or less per bi-weekly pay period as provided above, the
12 Employer shall pay one hundred percent (100%) of the applicable premium for
13 employees covered by this Agreement for the Group Vision Plan.

14 **b.** Benefits payable for participating providers under the Plan will be as follows:

15 **(1) Examination:** Payable once in any twelve (12) month period with an
16 employee copayment identified in Appendix G-4.

17
18 **(2) Suitability Exam:** A contact lens suitability exam determines whether you
19 can wear contact lenses. The fee for this exam is included in the allowance
20 for the contact lenses.

21
22 **(3) Replacement Frequency:** The Plan will cover eyeglass lenses, frames or
23 contact lenses once every twelve (12) months if there is a prescription
24 change.

25
26 **(4) Eyeglass Lenses:** Lenses are payable once every twelve (12) or twenty-
27 four (24) months with an employee co-payment as identified in Appendix G-4
28 for eyeglass lenses and frames. The standard lens size definition is 60
29 millimeters in diameter. If a larger lens is selected, the employee must pay

1 for the additional expense attributable to lens size greater than 60 millimeters
2 in diameter.

3
4 **(5) Special Lenses:** The Plan will cover slab off prism and prism lenses with no
5 additional charge to the employee. Lenticular lenses are payable as defined
6 in item 3 above.

7
8 **(6) Contact Lenses**

9 **Medically Necessary:** The Plan will cover medically necessary contact
10 lenses once every twelve (12) months with an employee co-payment
11 identified in Appendix G-4. Medically necessary means (a) must correct the
12 member's acuity to 20/70 or better in the better eye or (b) the member has
13 one of the following visual conditions: kerataconus, irregular astigmatism, or
14 irregular corneal curvature.

15
16 **Not Medically Necessary:** The Plan will pay a maximum allowance
17 identified in Appendix G-4 and the employee shall pay any additional charge
18 of the provider for such contact lenses. The contact lens evaluation is
19 included in the cost of the contact lens allowance.

20
21 **(7) Frames:** The maximum frame allowance is identified in Appendix G-4 and
22 the employee shall pay any additional charge from the provider for the
23 frames.

24
25 **(8) Lens Options:** The Plan will cover Rose Tint 1 and Rose Tint 2 or
26 Photochromatic tint at no additional charge to the employee

27
28 c. Plan payments for out of network providers are identified in Appendix G-4.

29
30 d. **Computer Glasses:** Employees who are required to use computers and other
31 digital devices or microfiche readers on a full-time basis shall be eligible for

1 reimbursement for an initial Vision Testing Examination at rates provided herein on
2 regardless of when they were last examined, or on an annual basis in conjunction
3 with a routine eye exam.

4
5 Such employees who require prescription corrective lenses which are different than
6 those normally used, are eligible for an additional pair of glasses at the benefit level
7 described in Appendix G-4. These lenses and frames are in addition to those
8 provided under the Vision Care Insurance. An employee obtaining glasses for
9 working who does not otherwise wear glasses would not be covered by this
10 provision.

- 11 **e. Safety Glasses:** Employees who are required to use safety glasses on a full-time
12 basis, as determined by the departmental employer, and who use prescription
13 eyeglasses shall be eligible for a pair of prescription safety glasses at the benefit
14 level described in Appendix G-4. These lenses and frames are in addition to those
15 provided under the Vision Care Insurance.

16
17 **Section E. Long Term Disability Insurance.**

18 The Employer shall maintain the existing long term disability insurance coverage,
19 except that effective October 1, 2005, the eligibility period for Plan II claimants who
20 remain totally disabled shall be reduced from age 70 to age 65, or for a period of 12-
21 months, whichever is greater. Additionally, the benefit period for "mental/nervous"
22 claims shall be limited to 24 months from the beginning of the time a claimant is eligible
23 to receive benefits. This limitation does not apply to mental health claims where the
24 claimant is under in-patient care. These changes shall only apply to new claims made
25 on or after October 1, 2005.

26 The Employer shall continue to provide a rider to the existing LTD insurance program.
27 All employees who are enrolled in the LTD insurance program shall automatically be
28 covered by this rider. The rider shall provide a waiver of 100% of the health insurance
29 (or HMO) premium while the enrolled employee is receiving LTD insurance benefits for
30 a maximum of six (6) months. The Employer shall pay the entire cost of such rider. To

1 thereafter continue health insurance (or HMO) coverage during the LTD-compensable
2 period, the employee shall be responsible for remitting his/her share of the premium (if
3 applicable). If not prohibited by the IRS, an employee whose LTD rider has expired,
4 may transfer immediately to a state-employee spouse's health plan.

5 The LTD benefit shall be payable twice monthly for the first six months of disability; after
6 six months, benefits shall be paid monthly.

7 An employee may "freeze" any sick leave accrued during the period when he/she is
8 using up sick leave because of the disability which leads directly to receiving LTD
9 benefits.

10 The monthly maximum benefit will be \$5000 for disabilities beginning after September
11 30, 2002.

12 **Section F. Life Insurance.**

13 **a. Employee Life:** The Employer shall provide a State-sponsored group life
14 insurance plan which has a death benefit equal to two (2) times annual salary
15 rounded up to the nearest \$1,000, with a minimum \$10,000 benefit. The
16 Employer shall pay one hundred percent (100%) of the premium for this benefit.
17 Less than full-time employees who are working 40% or more of full-time shall
18 have their benefit level determined as if they were working full-time in a full-time
19 position.

20 **b. Dependent Life:** An employee may enroll legal spouse and/or eligible children in
21 a dependent life insurance plan. Dependent children must be unmarried and
22 between the ages of 14 days and 23 years. The age ceiling under the optional
23 life insurance plan shall not apply to dependents who are documented as being
24 incapacitated by a physical or mental impairment, provided coverage does not
25 terminate for any other reason.

26 **(1)** Employee pays one hundred percent (100%) of premium for optional
27 dependent coverage via payroll deduction.

28 **(2)** Employee may choose between seven (7) levels of dependent coverage:

- 1 **(a)** Level one insures spouse for \$1,500 and children from age 15 days to
2 23 years for \$1,000.
- 3 **(b)** Level two insures spouse for \$5,000 and children from age 15 days to
4 23 years for \$2,500.
- 5 **(c)** Level three insures spouse for \$10,000 and children from age 15 days
6 to 23 years for \$5,000.
- 7 **(d)** Level four insures spouse for \$25,000 and children from age 15 days to
8 23 years for \$10,000.
- 9 **(e)** Level five insures children only from age 15 days to 23 years for
10 \$10,000.
- 11 **(f)** Level six insures spouse for \$50,000 and children from age 15 days to
12 23 years for \$15,000.
- 13 **(g)** Level seven insures children from age 15 days to 23 years for \$15,000.

14 **c. Accidental Death Insurance.**

15 The State shall provide a State-sponsored Accidental Death Insurance Plan
16 which has a benefit of \$100,000 in case of an employee's accidental death in line
17 of duty.

18 **Section G. Continuation of Group Insurances.**

19 **a. Upon Layoff.**

- 20 **(1)** Employees who are laid off, at the time of layoff, may elect to continue
21 enrollment in the SHP PPO (or alternative plan) and life insurance plan
22 by paying the full amount (100%) of the premium. Such enrollment may
23 continue until the employee is recalled or for a period of three (3) years,
24 whichever occurs first. Such employees may also elect to continue
25 enrollment in the Group Dental (or alternative plan) and/or Group Vision
26 Plans by paying the full amount (100%) of the premium. Such enrollment

1 may continue until the employee is recalled or for a period of eighteen
2 (18) months, whichever occurs first. In accordance with Paragraph (2) of
3 this Section, the Employer shall pay the Employer's share of such
4 premiums for two (2) pay periods for employees selecting these options.

5 **(2)** Employees laid off as a result of a reduction in force may elect to pre-pay
6 their share of premiums, if any, for the SHP PPO (or alternative plan),
7 Group Dental Plan (or alternative plan), Group Vision Plan, and life
8 insurance for two (2) additional pay periods after layoff by having such
9 premiums deducted from their last pay check. The Employer shall pay the
10 Employer's share of premiums for the SHP PPO (or alternative plan),
11 Group Dental Plan (or alternative plan), Group Vision Plan, and life
12 insurance for two (2) pay periods for employees selecting this option.
13 Coverage for the State Health Plan (or alternative plan), Group Dental
14 Plan (or alternative plan), Group Vision Plan, and life insurance shall
15 thereafter continue for these two (2) pay periods. Election of this option
16 shall not affect the laid off employee's eligibility for continued coverage as
17 outlined in Paragraph (1) of this Section.

18 **b. Upon Leave.**

19 Employees who are granted a leave of absence may elect to continue
20 enrollment in the SHP PPO (or alternative plan) at the time the leave begins.
21 Except as may be otherwise provided in the Federal Family and Medical
22 Leave Act, for continuation of health plan benefits, such employees shall be
23 eligible for continued enrollment during the leave of absence by paying the full
24 amount (100%) of the premium. Such employees may also elect, at the time
25 the leave begins, to continue enrollment in the life insurance plan for up to
26 twelve (12) months by paying the full amount (100%) of the premium. Such
27 employees may likewise elect to continue enrollment in the Group Dental
28 Plan (or alternative plan) and/or Group Vision Plan for up to eighteen (18)
29 months by paying the full amount (100%) of the premium.

1 **c. Continuation of Life Insurance Coverage in the Event of Total Disability.**

2 Upon presentation of satisfactory evidence of total disability to Civil Service,
3 which is defined as receiving benefits from one of the following:

- 4 (1) The State's Long Term Disability Plan,
- 5 (2) Social Security Disability coverage,
- 6 (3) Workers' Compensation Insurance, or
- 7 (4) The State's Duty or Nonduty Disability Retirement Plan.

8 The employee shall receive life insurance coverage fully paid by the Employer
9 for as long as the employee is totally disabled. All premium payments made
10 by the employee prior to establishing Total Disability shall be reimbursed to
11 the employee. The benefit level is the amount in force on the day the
12 employee becomes totally disabled; however, if the employee is totally
13 disabled on his/her 65th birthday, the employee shall be considered retired
14 and the life insurance coverage shall be the same as if the employee had
15 retired.

16 **d. Group Insurance Enrollment Upon Limited Term Recall.**

17 All employees covered by this Agreement who accept limited term recall into
18 positions in these Bargaining Units are eligible for enrollment in all group
19 insurance plans in which they were enrolled at the time of layoff. Coverages
20 in such plans shall be the same as the coverage at the time of layoff. Such
21 employees shall not be considered as temporary (less than 720 hours)
22 employees.

23 **e.** Health Plan coverage for enrolled dependents will cease the 30th day after a
24 Bargaining Unit member's death unless the covered Bargaining Unit member
25 is eligible for an immediate pension benefit from the State Employees'
26 Retirement System, or unless the dependents elect continued plan coverage

1 in accordance with provisions of the Consolidated Omnibus Budget
2 Reconciliation Act of 1985 (COBRA).

3 **Section H. Group Auto and Homeowners Plan.**

4 Employees in these Bargaining Units shall, upon completion of a successful bidding
5 process, be eligible for enrollment in a group auto and homeowners plan with the
6 employee to pay the entire cost of any premiums.

7 **Section I. Voluntary Benefits.**

8 Employees in these Bargaining Units shall be eligible to enroll in a Voluntary Benefits
9 plan established by the Employer. The entire cost of any premiums shall be paid by the
10 employee through payroll deduction or by direct bill as permitted by the specific plan.
11 Benefits offered may include home and auto insurance, voluntary group term life
12 insurance, universal life insurance, and a pre-paid legal plan. Plan offerings will be
13 announced through an annual open enrollment process, and in the event any optional
14 coverage plan is cancelled or withdrawn, employees enrolled in the plan will be sent
15 written notice at least 30 calendar days in advance of the coverage end date.

16 **Section J. Flexible Spending Accounts (FSAs).**

17 The Employer shall maintain a flexible compensation plan for employees in these
18 Bargaining Units, and employees are eligible to participate in Dependent Care and
19 Medical Spending Accounts authorized in accordance with Section 125 of the Internal
20 Revenue Service (IRS) Code except as provided in the 2015 Letter of Understanding
21 titled "Federal Excise Tax Implications".

22 **Section K. Labor Management Healthcare Committee.**

23 The Union shall be entitled to continue to participate in statewide Labor Management
24 Healthcare Committee meetings.

25
26
27

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3

APPENDIX G-2 HEALTH INSURANCE BENEFIT CHART

Preventive Services	State Health Plan PPO “SHP – PPO” Benefits		HMO Plan “HMO” Benefits
	In-network	Out-of-network	
Health maintenance exam	Covered 100% 1 per year	Not Covered	Covered 100%
Annual gynecological exam	Covered 100% 1 per calendar year	Not Covered	Covered 100%
Pap smear screening – laboratory services only ¹	Covered 100% 1 per year	Not Covered	Covered 100%
Well-baby and child care	Covered 100%	Not Covered	Covered 100%
Immunizations, annual flu shot & Hepatitis C screening for those at risk	Covered 100%	Not Covered	Covered 100%
Childhood Immunizations	Covered 100% through age 16	Covered 80%	Covered 100%
Fecal occult blood screening ¹	Covered 100%	Not Covered	Covered 100%
Flexible sigmoidoscopy ¹	Covered 100%	Not Covered	Covered 100%
Prostate specific antigen screening ¹	Covered 100% one per year	Not Covered	Covered 100%
Mammography, annual standard film mammography screening (covers digital mammography up to the standard film rate) ¹	Covered 100%	Covered 80% after deductible	Covered 100%
Colonoscopy ¹	Covered 100%	Covered 80% after deductible	Covered 100%

4 ¹ American Cancer Society guidelines apply

5
6

Physician Office Services

	State Health Plan PPO "SHP – PPO" Benefits		HMO Plan "HMO" Benefits
	In-network	Out-of-network	
Office visits, consultations and urgent care visits and telemedicine ²	Covered, \$20 co-pay	Covered 80% after deductible	Covered, \$20 co-pay
Outpatient and home visits	Covered 90% after deductible	Covered 80% after deductible	Covered, \$20 co-pay

1
2

Emergency Medical Care

	State Health Plan PPO "SHP – PPO" Benefits		HMO Plan "HMO" Benefits
	In-network	Out-of-network	
Hospital emergency room for medical emergency or accidental injury	Covered, \$200 co-pay if not admitted		Covered, \$200 co-pay if not admitted
Ambulance services – medically necessary	Covered, 90% after deductible		Covered, 100% after deductible

3
4

Diagnostic Services

	State Health Plan PPO "SHP – PPO" Benefits		HMO Plan "HMO" Benefits
	In-network	Out-of-network	
Laboratory and pathology tests	Covered 90% after deductible	Covered 80% after deductible	Covered 100%
Diagnostic tests and x-rays	Covered 90% after deductible	Covered 80% after deductible	Covered 100% after deductible
Radiation therapy	Covered 90% after deductible	Covered 80% after deductible	Covered 100% after deductible

5
6

Maternity Services

Includes care by a certified nurse midwife (State Health Plan PPO only)

State Health Plan PPO "SHP – PPO" Benefits	HMO Plan "HMO" Benefits

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 _____ The State of Michigan and SEIU 517M, Technical Unit _____

	In-network	Out-of-network	
Prenatal care	Covered 100%	Covered 80% after deductible	Covered 100%
Postnatal care	Covered 90% after deductible	Covered 80% after deductible	Covered, \$20 co-pay
Delivery and nursery care	Covered 90% after deductible	Covered 80% after deductible	Covered 100% after deductible

1
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Hospital Care	State Health Plan PPO "SHP – PPO" Benefits		HMO Plan "HMO" Benefits
	In-network	Out-of-network	
Semi-private room, inpatient physician care, general nursing care, hospital services and supplies	Covered 90% after deductible, unlimited days	Covered 80% after deductible, unlimited days	Covered 100% after deductible Unlimited days
Inpatient consultations	Covered 90% after deductible	Covered 80% after deductible	Covered 100% after deductible
Self-donated blood storage prior to surgery	Covered 90% after deductible	Covered 80% after deductible	Check with your HMO
Chemotherapy	Covered 90% after deductible	Covered 80% after deductible	Covered 100% after deductible

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Alternatives to Hospital Care	State Health Plan PPO "SHP – PPO" Benefits		HMO Plan "HMO" Benefits
	In-network	Out-of-network	
Skilled nursing care up to 120 days per confinement	Covered 90% after deductible		Covered 100% after deductible
Hospice care	Covered 100% Limited to the lifetime dollar maximum that is adjusted annually by the State		Covered 100% after deductible
Home health care	Covered 90% after deductible, unlimited visits		Check with your HMO

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Surgical Services	State Health Plan PPO “SHP – PPO” Benefits		HMO Plan “HMO” Benefits
	In-network	Out-of-network	
Surgery—includes related surgical services.	Covered 90% after deductible	Covered 80% after deductible	Covered 100% after deductible
Male Voluntary sterilization	Covered 90% after deductible	Covered 80% after deductible	Covered 100% after deductible
Female Voluntary sterilization	Covered 100%	Covered 80% after deductible	Covered 100%

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Human Organ and Tissue Transplants	State Health Plan PPO “SHP – PPO” Benefits		HMO Plan “HMO” Benefits
	In-network	Out-of-network	
Liver, heart, lung, pancreas, and other specified organ transplants	Covered 100% In designated facilities only. Up to \$1 million lifetime maximum for each organ transplant		Covered 100% after deductible in designated facilities
Bone marrow—specific criteria apply	Covered 100% after deductible in designated facilities		Covered 100% after deductible in designated facilities
Kidney, cornea, and skin	Covered 90% after deductible in designated facilities	Covered 80% after deductible	Covered 100% after deductible subject to medical criteria

Other Services	State Health Plan PPO “SHP – PPO” Benefits		HMO Plan “HMO” Benefits
	In-network	Out-of-network	
Allergy testing and therapy (non-injection)	Covered 90% after deductible	Covered 80% after deductible	Covered, 100% after deductible.
Allergy injections	Covered 90% after deductible	Covered 80% after deductible	Covered 100%
Acupuncture	Covered 80% after deductible if performed by or under the supervision of a M.D. or D.O.		Check with your HMO

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Rabies treatment after initial emergency room visit	Covered 90% after deductible	Covered 80% after deductible	Office visits: \$20 co-pay. Injections: Covered 100%
Autism-Spectrum Disorder Applied Behavioral Analysis (ABA) treatment	Covered 90% after deductible	Covered 80% after deductible	Covered, 100% after deductible
Chiropractic/spinal manipulation	Covered, \$20 co-pay Up to 24 visits per calendar year	Covered 80% after deductible Up to 24 visits per calendar year	Check with your HMO
Durable medical equipment	Covered 100%	Covered 80% of approved amount	Covered, check with your HMO
Prosthetic and orthotic appliances	Covered 100%	Covered 80% of approved amount	Covered, check with your HMO
On-line Tobacco Cessation counseling	No charge	Not covered	Covered, check with your HMO
Private duty nursing	Covered 80% after deductible		Check with your HMO
Wig, wig stand, adhesives	Upon meeting medical conditions, eligible for a lifetime maximum reimbursement of \$300. (Additional wigs covered for children due to growth).		Check with your HMO
Hearing Care Exam	Covered, \$20 co-pay	Covered 80% after deductible	Check with your HMO
<u>Hearing aids³</u>	<u>Covered</u>	<u>Not covered</u>	<u>Check with your HMO</u>

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Mental Health/Substance Abuse	State Health Plan PPO "SHP – PPO" Benefits		HMO Plan "HMO" Benefits
	In-network	Out-of-network	
Mental Health Benefits -Inpatient	Covered 100% up to 365 days per year ³⁴	Covered 50% up to 365 days per	Check with your HMO; Inpatient

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		year	services subject to deductible.
Mental Health Benefits – Outpatient, including Telemedicine²	As necessary 90% of network rates 10% co-pay	As necessary 50% of network rates	Check with your HMO
Alcohol & Chemical Dependency Benefits – Inpatient	Covered 100% ⁴⁵ Halfway House 100%	Covered 50% ⁴⁵ Halfway House 50%	Check with your HMO; Inpatient services subject to deductible.
Alcohol & Chemical Dependency Benefits – Outpatient	\$3,500 per calendar year 90% of network rates 10% co-pay ⁵⁶	\$3,500 per calendar year 50% of network rates ⁵⁶	Check with your HMO

² Telemedicine benefit is available effective beginning the first full pay period in October 2016.

³ Deluxe hearing aids are covered at the same rate as basic hearing aids with the member paying the remainder. Discount hearing aids are offered through the SHP PPO.

^{3,4} Inpatient days may be utilized for partial day hospitalization (PHP) at 2:1 ratio. One inpatient day equals two PHP days.

^{4,5} Up to two 28-day admissions per year. There must be at least 60 days between admissions. Inpatient days may be utilized for intensive outpatient treatment (IOP) at 2:1 ratio. One inpatient day equals two IOP days.

^{5,6} \$3,500 per calendar year limitation pertains to services for chemical dependency only.

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Prescription Drugs

Prescription medications for the State Health Plan PPO are carved out and administered by a Pharmacy Benefit Manager (PBM).

Prescriptions filled at a participating pharmacy may only be approved for up to a 34-day supply. Employees can still receive a 90-day supply by mail order.

To check the co-pay for drugs you may be taking, visit the Civil Service Commission Employee Benefits Division website at <http://www.michigan.gov/employeebenefits> and select Benefit Plan Administrators.

The chart below shows the SHP and HMO prescription drug member co-pays:

Generic	Brand Name	Brand Name
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	Preferred	Non-Preferred
Retail	Retail	Retail
\$10	\$30	\$60
Mail Order	Mail Order	Mail Order
\$20	\$60	\$120

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Outpatient Physical, Speech, and Occupational Therapy

Combined maximum of 90 visits per calendar year.

	State Health Plan PPO "SHP – PPO" Benefits		HMO Plan "HMO" Benefits
	In-network	Out-of-network	
Outpatient physical, speech and occupational therapy – facility and clinic services	Covered 90% after deductible	Covered 90% after deductible	Covered, \$20 co-pay
Outpatient physical therapy – physician's office	Covered 90% after deductible	Covered 80% after deductible	Covered, \$20 co-pay

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Deductible, Co-Pays, and Out-of-Pocket Dollar Maximums

	State Health Plan PPO "SHP – PPO" Benefits		HMO Plan "HMO" Benefits
	In-network	Out-of-network	
Deductible ^{6Z}	\$400 per member \$800 per family	\$800 per member \$1,600 per family	\$125 per member \$250 per family
Fixed dollar co-pays	\$20 for office visits, office consultations, urgent care visits, osteopathic manipulations, chiropractic manipulations and medical hearing exams. \$200 for emergency room visits, if not admitted	Not applicable	\$20 for office visits \$200 for emergency room visits, if not admitted
Coinsurance	10% for most services and 20% for private duty nursing and	20% for most services. MHSA	None

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	acupuncture	at 50%	
Annual out-of-pocket dollar maximums ^{7,8}	\$2,000 per member and \$4,000 per family	\$3,000 per member \$6,000 per family	\$2,000 per member and \$4,000 per family

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^{6,7} Deductible amounts for the SHP – PPO are effective January 1, 2015 and renew annually on a calendar year basis. Deductible amounts for the HMOs are effective October 12, 2014 and renew annually each October with the start of the new plan year.

^{7,8} Beginning October 12, 2014, in-network deductibles, in-network fixed dollar co-payments and in-network co-insurance all apply toward the out-of-pocket annual limit. In addition, in HMOs, prescription drug co-payments also apply toward the annual out-of-pocket limit. Beginning with the October 2015 plan year, prescription drug co-payments in the SHP PPO also apply to the annual out-of-pocket limit.

Premium Sharing	State Health Plan PPO “SHP – PPO” Benefits		HMO Plan “HMO” Benefits	
	Employee	State	Employee	State
Premium	20%	80%	15%	85% ^{8,9}

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^{8,9} The State will pay up to 85% of the applicable HMO total premium, capped at the dollar amount which the State pays for the same coverage code under the SHP-PPO.

LETTER OF UNDERSTANDING

SEIU 517M Technical Unit

Recruitment and Retention

Within 60 days of the effective date of the Agreement, the parties agree to establish a committee comprised of three representatives from the SEIU 517M Technical Unit, as designated by the Union, and three Employer representatives, as designated by the Office of the State Employer.

The committee will review issues identified by the Union related to recruitment and retention, which may include compensation schedules, for classification(s) as mutually agreed to by the parties. Independent Subject Matter Experts may be called upon to assist the committee in reviewing the identified recruitment and retention issues.

The first meeting of the committee will be held no later than 90 days following the effective date of the Agreement. Thereafter, the committee will schedule meetings every other month or more frequently as determined by the parties.

Findings that involve mandatory subjects of bargaining will be referred to the Director of the Office of the State Employer and the SEIU 517M Technical Unit leadership for possible action during the 2018 negotiations.