

COUNTY OF SUFFOLK



OFFICE OF THE COUNTY EXECUTIVE

**Steve Levy**  
COUNTY EXECUTIVE

LABOR RELATIONS

Jeffrey L. Tempera  
Director

**10/10/07**

**EXTENSION AND MODIFICATION OF  
MEMORANDUM OF AGREEMENT**

**HEALTH INSURANCE BENEFITS**

The County of Suffolk and the undersigned labor organizations entered into a Memorandum of Agreement dated October 8, 1992, which was subsequently extended by Memoranda of Agreement dated September 22, 1994, October 31, 1997, May 30, 2001 and October 30, 2002. The parties hereby further extend and modify these Memoranda of Agreement for an additional nine years, through December 31, 2011, with the following understandings and modifications:

1. For the duration of this Agreement, the parties agree to make every effort to provide quality health insurance for eligible County Employees and Retirees while containing the escalating costs. To that end, the parties agree that the average cost of benefits under the SCEMHP shall remain equal to the Kaiser Family Foundation and Health Research and Educational Trust, Employer Health Benefits Survey of premium increases in the Northeast Region, hereinafter referred to as Kaiser Northeast. The County shall be due cost-saving measures for the amount in which the EMHP cost increases exceed the increases in the Kaiser Northeast as set forth below:

a. For the years 2007 through 2011, the actual cost of benefits shall be calculated by comparing the SCEMHP composite costs per member per year versus the Kaiser Northeast rate increase per year. Composite costs are defined as follows:

(i) Monthly Composite Cost. The Monthly Composite Cost is the cost that results from multiplying the number of members enrolled each month in each category of coverage (e.g., individual, family, Medicare primary, etc.) times the rate (as defined below) for that category of coverage and then adding all such products and dividing the total by the total number of members.

(ii) Annual Composite Cost. The Annual Composite Cost shall incorporate the provisions of Article 2(g), and is the sum of all of the Monthly Composite Costs divided by the number of months being summed.

(iii) Kaiser Northeast Rate. The Rate for the Kaiser Northeast rate is the rate as published in the annual Kaiser Family Foundation and Health Research and Educational Trust, Employer Health Benefit Survey for the Northeast Region.

(iv) Rate for the SCEMHP. The Rate for the SCEMHP is the actual claims cost as determined by the County's consulting actuary plus the actual charge for claims administration charged by all vendors providing service to the SCEMHP plus professional fees charged for legal, actuarial and other professional services but not including the cost of County personnel and other resources charged to the 39 Fund or its successor.

b. The following procedure will be used to determine whether or not the County is due any cost-saving measures applicable to the year 2008. The Parties will calculate the average actual composite costs per member per year under the SCEMHP for the calendar years 2002, 2003, 2004, 2005 and 2006 with the average annual Kaiser Northeast rates for the same years. If the average annual costs under the SCEMHP maintains a level of increases equal to or less than the average annual increase of the Kaiser Northeast rates, the County is not entitled to adjust benefits for the year 2008. If the average rate increases under the SCEMHP exceeds the average annual increases of the Kaiser Northeast rates, then the County is entitled to cost-saving measures to the extent the SCEMHP average costs exceed the Kaiser Northeast rates. Subsequent years up through and including 2011 shall be calculated in the same manner by utilizing a five-year rolling average; e.g., the calculation of the cost for the year 2009 would be done by computing the average cost for both plans for the years 2003, 2004, 2005, 2006 and 2007.

c. The procedure for adopting cost-saving measures is as follows:

- (i) The parties shall request that the SCEMHP Labor/Management Committee's Benefit Consultant provide a menu of various cost-saving measures with a savings value for each item that could be used to achieve the required savings. The menu may not include an option for an employee co-payment of premiums unless the Unions specifically make such a request. The Unions shall have 120 days after the Consultant data is provided to adopt the appropriate level of cost-saving measures. If the Unions fail

to timely adopt said cost-saving measures, the County is authorized to adopt the appropriate level of cost-saving measures from the menu of cost-saving measures provided by the Consultant.

(ii) The level of benefits provided to bargaining unit members during the years 2001 through 2007 shall continue through 2011 except as modified herein.

d. All benefit changes generally affecting the health care industry, including benefit changes to the New York State Empire Plan, shall be reviewed by the parties. These changes may be adopted as changes to current benefits by unanimous written agreement of the parties.

e. Subrogated and/or recovered funds from claims, lawsuits, etc., shall be credited and/or debited to the SCEMHP account.

2. The parties also agree to the following health benefit modifications:

a. Provider visit co-pays shall increase by \$1 on each January 1 for each of six years beginning with \$11 in 2001, except that the 2001 increase shall become effective on the 1st day of the second month following the complete ratification of this Agreement, to \$16 in 2006, to the exclusion of any Empire Plan co-pay changes.

b. Deductibles for out-of-network services shall increase by \$50 per year for each six years for both individuals and families beginning in 2001 at \$300 per individual and a maximum of \$800 per family effective January 1, 2001 to \$550 per individual to a maximum of \$1,100 per family in 2006. The corresponding out-of-pocket co-insurance shall also increase by \$50 per year starting at \$1,300 effective January 1, 2001 and ending at \$1,550 in 2006. Employees who do not have a network available to them have the option of requesting their physician to accept in-network rates as payment in full for services rendered. If the physician does not agree, then out of network rates shall apply.

c. Effective September 1, 2001, the following modifications in the prescription drug benefit shall be implemented:

- (i) SCEMHP co-payments for prescription drugs obtained through participating retail or mail order pharmacies shall be:
  - (a) \$10/generic drug obtained\*;
  - (b) \$10/preferred brand name drug obtained;
  - (c) \$25/non-preferred brand name drug obtained.

(\*Co-pays for approved generic waivers shall be \$10 for prescription drug obtained.)

(ii) A maximum of a 21-day supply of acute medications may be obtained from any participating retail pharmacy for the appropriate co-pay.

(iii) The maintenance drug program will require prescriptions for up to a 90-day supply of maintenance medications either to be filled through a participating Maintenance Drug Center or the SCEMHP-approved mail order pharmacy at the appropriate co-pay. Prescriptions filled for maintenance medications through any other participating retail pharmacy will only be honored for a 21-day supply.

d. On or about October 15, 2007, the existing co-payments for in-network prescription drugs shall be revised as follows for all current and future participants:

(i) Retail, 21 day supply or less:

\$5 for Generic  
\$15 for Preferred Brand  
\$30 for Non-Preferred Brand

(iii) Mail Order, 1 day to 90 day supply:

\$5 for Generic  
\$20 for Preferred Brand  
\$55 for Non-Preferred Brand

(iii) Maintenance Drugs, greater than a 21 day supply filled at a maintenance pharmacy:

\$10 for Generic  
\$30 for Preferred Brand  
\$60 for Non-Preferred Brand

e. Effective on or about November 15, 2007, the EMHP shall participate in Express Scripts' Step Therapy Program.

f. Effective on or about November 15, 2007, the EMHP shall participate in the Zero Copay Program.

g. There shall be \$15,000,000 in additional annual recurring cost-savings commencing in 2009. By not later than March 1, 2008, the parties shall request that the SCEMHP Labor-Management Committee's Benefit

Consultant provide a menu of various cost-saving measures with a savings value for each item that could be used to achieve the required savings. The menu may not include an option for an employee co-payment of premiums unless the Unions specifically make that request. The Unions shall have 120 days after the Benefit Consultant data is provided to adopt the appropriate level of cost-saving measures. If the Unions fail to timely adopt the cost-saving measures, the County is authorized to adopt the appropriate level of cost-saving measures from the menu of cost-saving measures provided by the Benefit Consultant.

By not later than September 1, 2010, the Benefit Consultant shall provide the parties with a reconciliation analyzing whether there were in fact \$15,000,000 in cost-savings achieved during calendar year 2009 pursuant to the 1st paragraph of paragraph (g). In the event that those savings were in fact achieved, then no further reconciliations shall be required with regard to the remaining years of this Agreement.

In the event that those savings were not in fact achieved, then the Benefit Consultant shall implement the procedure set forth in the 1st paragraph of paragraph (g) for the purpose of preparing a menu of various cost-saving measures with a savings value for each item that could be used to achieve the required savings. The menu may not include an option for an employee co-payment of premiums unless the Unions specifically make that request. The Unions shall have 120 days after the Consultant data is provided to adopt the appropriate level of cost-saving measures. If the Unions fail to timely adopt the cost-saving measures, the County is authorized to adopt the appropriate level of cost-saving measures from the menu of cost-saving measures provided by the Consultant.

In the event that those savings exceeded \$15,000,000, then the Benefit Consultant shall implement the procedure set forth in the 1st paragraph of paragraph (g) for the purpose of preparing a menu of various measures with a cost value for each item that could be used to achieve the required reduction in savings to reach \$15,000,000. The Unions shall have 120 days after the Consultant data is provided to adopt the appropriate level of savings-reduction measures. If the Unions fail to timely adopt the savings-reduction measures, the County is authorized to adopt the appropriate level of savings-reduction measures from the menu of savings-reduction measures provided by the Consultant.

- h. The parties agree to meet and discuss the feasibility of additional capitated medical service programs.
- i. The County will conduct a complete re-enrollment of EMHP members during calendar year 2008, and every three years thereafter or sooner if generally accepted Industry standards otherwise dictate, or unless the EMHP Labor-Management Committee otherwise determines.

- j. The EMHP will continue to utilize Disease Management & Wellness Programs to aid in cost containment.
  - k. The Legislature's Budget Review Office, on behalf of the Presiding Officer of the Suffolk County Legislature, and the Suffolk County Comptroller will continue to receive all financial data relevant to EMI-IP.
    - 1. The County shall establish and maintain an annual fund of at least \$20,000 to pay for training and monthly meeting expenses, including meals if necessary, to be administered by the EMHP Committee. If the Committee approves of training for any Committee Members, such approval will be provided to the County Executive and the Presiding Officer for their information. The Committee is restricted to sending no more than two management and two union representatives per year.
3. In consideration of the Unions' agreeing to these health benefit plan cost-saving measures and modifications, the County further agrees to the following:
- a. The County will not propose that there be a co-pay of premium or a payroll deduction for health benefits during the period January 1, 2003 through and including December 31, 2011.
  - b. The County shall further guarantee to eligible retirees pursuant to individual collective bargaining units that the costs and levels of their individual or family health benefits, as applicable, shall continue to be paid by the County for the lifetime of the retiree and his/her eligible dependents, where applicable, at the same level and to the same extent of that coverage for active employees.
  - c. The County shall also guarantee that, if an active full-time employee with at least one continuous year of service deceases, his/her eligible dependents at the time of his/her demise shall continue to be eligible to receive health benefits to be paid by the County at the same level and to the extent of that coverage for active employees. This coverage shall continue until the spouse remarries and/or the individual child reaches the age of 19, if not going to college, or 25 if going to college, unless this child is mentally or physically handicapped, in which case there shall be no maximum age limit. The death does not have to be in the line of duty.
  - d. All health benefits shall continue for the spouse and dependents of retired employees who decease subsequent to their separation from service. This coverage shall continue until the spouse remarries and/or the individual child reaches the age of 19, if not going to college, or 25 if going to college, unless this child is mentally or

physically handicapped, in which case there shall be no maximum age limit. The death does not have to be in the line of duty.

4. The parties shall meet at least 12 months prior to December 31, 2011 to negotiate over the continuance and/or modification of this Agreement. If no agreement is reached by June 30, 2011, the dispute shall be promptly submitted to a dispute resolution panel as set forth below in paragraph 5(c). Should the dispute not be resolved by December 31, 2011, then health insurance benefits shall continue to be provided pursuant to the terms of the SCEMHP existing on December 31, 2011 subject to the terms of this Agreement.

5. The parties hereby establish a dispute resolution panel consisting of two neutral referees as set forth below:

Robert Light, 3830 Park Avenue, Edison, NJ 08820  
David Stein, 1 Spring Lane, Towaco, NJ 07082

a. The sole method of resolving disputes concerning the interpretation of a specific provision of this Agreement shall be by selecting a referee by alternating use of referees set forth above. The referee shall issue a written report setting forth the issue submitted to him/her, a statement of the referee's findings of fact, reasoning, conclusions and binding award on the issues submitted. The referee shall have no authority to modify, alter, add to or subtract from any of the terms of this Agreement and shall be bound by its express terms. The referee shall send a copy of his/her written report to the Unions, the County and their representative(s). The costs of the services of the referee shall be paid one half by the County and one half by the undersigned Unions.

b. The following paragraph shall be incorporated into each of the party's individual collective bargaining agreements in place of all other references to health insurance benefits: "Health insurance benefits shall be governed by the SCEMHP Agreement dated October , 2007. The sole method of resolving disputes concerning the interpretation of a specific provision of the SCEMHP Agreement shall be resolved pursuant to the terms of that Agreement."

c. Disputes arising out of the continuance or modification of this Agreement as set forth in paragraph 4 above shall be submitted to a three member dispute resolution panel consisting of one referee selected by the County and one selected by the signatory Unions. These two referees shall select one neutral referee within two weeks of the decision to implement this paragraph. In the event that the two referees are unable to agree upon a third referee, then the neutral shall be immediately selected by use of the list and strike process set forth in Civil Service Law § 209.4(c)(ii) and selections by each party

shall be made notwithstanding any County local law, rule, resolution, procedure or practice to the contrary.

The three panel members shall decide by majority vote the following issue regarding the continuance or modification of this Agreement: "Shall the SCEMHP be continued as it exist(ed) on December 31, 2011? If not, how shall it be modified?" The Panel's jurisdiction shall not exceed one year unless otherwise agreed to by the parties. The authority of the Panel shall survive the December 31, 2011 expiration date for the purpose of determining the terms of the continuance and/or modification of this Agreement.

d. The referee(s) shall decide all procedural issues pertaining to the disputes submitted to them including, but not limited to: hearing dates, adjournments, hearing locations, evidentiary issues; etc.

e. All expenses and fees of referee(s) shall be paid out of funds of the SCEMHP.

f. Decisions of referee(s) shall be final and binding on all parties.

6. If the parties are unable to agree upon a successor agreement to a negotiated extension to this Agreement and/or an extension to this Agreement awarded pursuant to Article 5(c), then the resolution of this issue shall be made consistent with each Union signatory's and the County's respective rights pursuant to Civil Service Law Section 209. During the period following the expiration of the term of the extension agreement and/or award made pursuant to Article 5(c), changes to the terms and conditions of the then existing health insurance plan shall be made consistent with the parties' negotiation rights and obligations pursuant to Civil Service Law Sections 204(3) and 209.

7. Pursuant to Civil Service Law § 204-a.1, IT IS AGREED BY AND BETWEEN THE PARTIES THAT ANY PROVISION OF THIS AGREEMENT REQUIRING LEGISLATIVE ACTION TO PERMIT ITS IMPLEMENTATION BY AMENDMENT OF LAW OR BY PROVIDING THE ADDITIONAL FUNDS THEREFOR, SHALL NOT BECOME EFFECTIVE UNTIL THE APPROPRIATE LEGISLATIVE BODY HAS GIVEN APPROVAL. This shall occur by no later than November 20, 2007. If the Agreement is not approved by the Legislature by that date, then the County shall revert to the contractual provisions of the respective Union signatory collective bargaining agreements with regard to health insurance. This includes the County's obligation to rejoin the New York State Health Insurance Plan, at the Core Plus Enhancements benefits level, as soon as practical following that date. In addition, if the Agreement is not approved by the Legislature by that date, then copays shall revert to those in effect on July 1, 2007.

8. This Agreement shall be incorporated into the SCEMHP Agreement so as to establish one master document encompassing all health insurance benefits. Upon execution of the agreements set forth herein, all references to health insurance benefits, except



10/10/07

language that incorporates the master health insurance agreement by reference, shall be deleted from the parties' individual collective bargaining agreements. Failure to agree upon and execute a master health insurance document within 90 days of execution of this Agreement shall result in the following issue being submitted through dispute resolution as set forth in Article 5(a): "What specific language best codifies the Parties' intent regarding the 2001-2011 SCEMHP Agreement?"

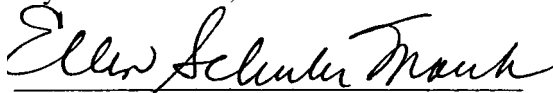
Dated: October 15, 2007

Agreed to on behalf of the following:

Cheryl A. Felice,  
President Association of Municipal Employees  
Vito Dagnello  
President Correction Officers Association  
Superior Officers Association



Raymond Griffin, President Detective Association



Ellen Schuler Mauk, President Faculty Association



Jeff Frayler, President  
Police Benevolent Association



Jeff Frayler, President Police Benevolent Association



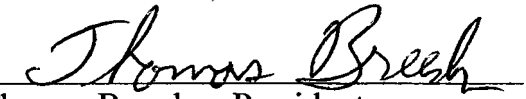
William Mulligan, President

William Mulligan, President

ent



Matthew J. Mulligan, President

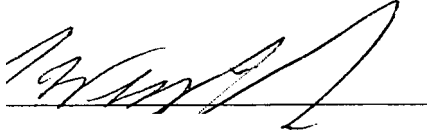


Thomas Breeden, President

Thomas Breeden, President

Deputy Sheriffs Police Benevolent Assoc. Guild of Admin. Officers  
ack Weishahn, President Detective Investigators P.B.A.





Donald Grauer, President Probation Officers Association

	.c.E4 41,		FOR THE COUNTY:
---	-----------	---	-----------------

A. /4 Treys' ice of Labor Relations

  
mpera, Director

Matthew J. Mu s, President DSPBA, Park Police Unit

H. LEE DENNISON BUILDING • 100 VETERANS MEMORIAL HIGHWAY ♦ P.O.  
BOX 6100 ♦ HAUPPAUGE, N. Y. 11788-0099 ♦ (631) 8534900 FAX; (631)853-4981

COUNTY OF SUFFOLK



OFFICE OF THE COUNTY EXECUTIVE

Steve Levy  
COUNTY EXECUTIVE

LABOR RELATIONS

Jeffrey L. Tempera  
Director

10/10/07

**SIDE LETTER REGARDING  
EXTENSION AND MODIFICATION OF  
MEMORANDUM OF AGREEMENT ABOUT  
HEALTH INSURANCE BENEFITS**

The County of Suffolk and the undersigned labor organizations enter into this Memorandum of Agreement dated October 15., 2007, with regard to the Memorandum of Agreement ("EMHP MOA") among the parties dated October 15, 2007.

The Union signatories agree that the County may implement the provisions of paragraphs 2(d) and 2(e) of the EMHP MOA as of the effective dates set forth in those paragraphs, subject to the provisions of the EMHP MOA with regard to approval by the County Legislature.

Dated: October 15, 2007

Agreed to on behalf of the following:

(!/ .6tcyfo

Cheryl A. Felice, President Association of Municipal Employees

Vito Dagnello, President Correction Officers Association

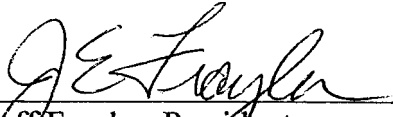
William Mulligan, President Superior Officers Association





Raymond Griffin, President Detective Association

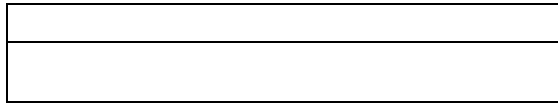



Ellen Schuler Mauk, President Faculty Association

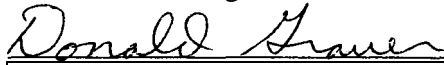

  
Jeff Frayler, President  
Police Benevolent Association

  
Mulli, Pre ice Benevole  
ent Association



  
H. LEE DENNISON BUILDING ♦ 100 VETERANS MEMORIAL HIGHWAY • P.O.  
BOX 6100 ♦ HAUPPAUGE, N. Y. 11788-0099 ♦ (631) 853-4900 FAX; (631)853-4981  
10/10/07

	
Matthew J. Mulli President	Thomas Breeden, President

Deputy Sheriffs Police Benevolent Assoc. Guild of Admin. Officers  
ack Weishahn, esidentDonald Grauer, President  
Detective Investigators P.B.A. Probation Officers Association

  
 FOR THE COUNTY:

Matthew J. ins, President DSPBA, Park Police Unit  
ey . Tempera, lire fice of Labor Relations

  
Jeff  
Of  
  
ctor

H. LEE DENNISON BUILDING ♦ 100 VETERANS MEMORIAL HIGHWAY ♦ P.O.  
BOX 6100 ♦ HAUPPAUGE, N. Y. 11788-0099 ♦ (631) 853-4900 FAX; (631)853-4981