



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

January 30, 2018

Ordinance 18646

Proposed No. 2017-0475.1

Sponsors Balducci

1 AN ORDINANCE approving and adopting two
2 memoranda of agreement regarding Accountable Health
3 Networks and Healthy Incentives and 2019 Benefits Plan
4 Designs negotiated by and between King County and the
5 Joint Labor Management Insurance Committee
6 representing benefits-eligible employees represented by
7 labor organizations that have agreed to adopt
8 recommendations negotiated and established by the Joint
9 Labor Management Insurance Committee; and establishing
10 the effective date of said agreements.

11 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

12 SECTION 1. The memorandum of agreement regarding Accountable Health
13 Networks negotiated by and between King County and the Joint Labor Management
14 Insurance Committee representing benefits-eligible employees represented by labor
15 organizations that have agreed to adopt recommendations negotiated and established by
16 the Joint Labor Management Insurance Committee, which is Attachment A to this
17 ordinance, is hereby approved and adopted by this reference made a part hereof.

18 The memorandum of agreement regarding Healthy Incentives and 2019 Benefits
19 Plan Designs negotiated by and between King County and the Joint Labor Management

20 Insurance Committee representing benefits-eligible employees represented by labor
21 organizations that have agreed to adopt recommendations negotiated and established by
22 the Joint Labor Management Insurance Committee, which is Attachment B to this
23 ordinance, is hereby approved and adopted by this reference made a part hereof.

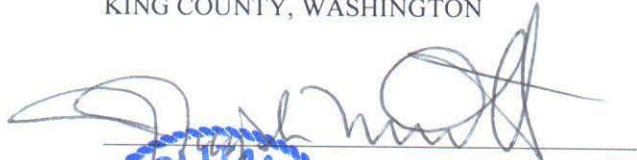
24 SECTION 2. Terms and conditions of Attachment A (Accountable Health
25 Networks agreement) shall be effective from January 1, 2018, through and including

26 December 31, 2019. Terms and conditions of Attachment B (Healthy Incentives and
27 2019 Benefits Plan Designs agreement) shall be effective January 1, 2018.
28

Ordinance 18646 was introduced on 11/20/2017 and passed by the Metropolitan King
County Council on 1/29/2018, by the following vote:

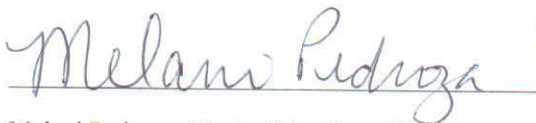
Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

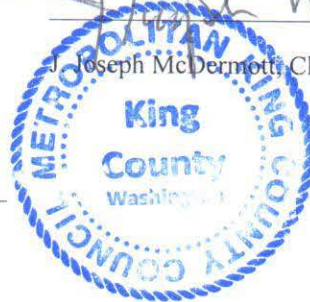


J. Joseph McDermott, Chair

ATTEST:



Melani Pedroza, Clerk of the Council



RECEIVED
2018 FEB -9 PM 2:38
CLERK
KING COUNTY COUNCIL

APPROVED this 5 day of FEBRUARY, 2018.



Dow Constantine, County Executive

Attachments: A. MOA AHN, B. MOA Healthy Incentives

MEMORANDUM OF AGREEMENT**Regarding Insured Benefits****By and Between****The Joint Labor Management Insurance Committee (JLMIC)****Subject: Accountable Health Networks**

WHEREAS, certain designated representatives of King County (the County) and the Unions who are party to the JLMIC and are signatory to this Memorandum of Agreement (the Agreement) are empowered to negotiate and implement modifications to insured benefits for JLMIC-Eligible Employees, pursuant to Section 7 of the JLMIC Memorandum of Agreement Regarding Insured Benefits January 1, 2017 through December 31, 2018 (Benefits Agreement); and

WHEREAS, Section 8 of the Benefits Agreement provides that during the term of the Benefits Agreement, the JLMIC will add a supplemental plan option for JLMIC-Eligible Employees, in addition to the current PPO and HMO plans to be effective January 1, 2018; and

WHEREAS, the JLMIC has negotiated adding an Accountable Health Network (AHN) plan option for JLMIC-Eligible Employees since 2015; and

WHEREAS, the JLMIC has negotiated the plan design for an AHN pursuant to Section 7 of the Benefits Agreement.

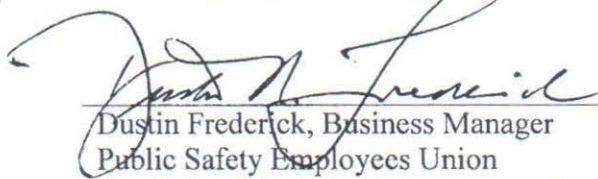
NOW THEREFORE, on April 11, 2017, the JLMIC agreed to add the AHN plan option and plan design under the terms and conditions provided below:

1. The JLMIC hereby agrees to add an AHN plan option for JLMIC-Eligible Employees beginning 2018 as described in Attachment A.

2. The JLMIC hereby agrees that as an incentive to select the AHN plan option, the annual deductible for 2018 and 2019 will be \$0 per single only with a maximum of \$400 per family. Beginning in 2020, the annual deductible rates will be \$200 per single only with a maximum of \$600 per family.

3. In the event that at least 15% of the JLMIC-Eligible Employees elect the AHN plan option during the fall 2018 open enrollment, the JLMIC shall negotiate additional short-term and/or long-term disability plan options to be implemented no earlier than 2020 should the JLMIC reach agreement on one and/or both disability plan options.

For the Joint Labor Management Insurance Committee:



Dustin Frederick, Business Manager
Public Safety Employees Union
Co-Chair, Joint Labor Management Insurance Committee

8/8/17
Date

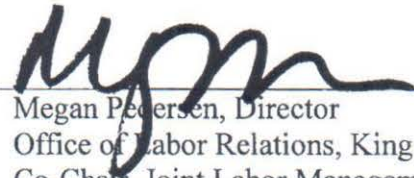
For the Joint Labor Management Insurance Committee:



Denise Cobden, Union Representative
Professional and Technical Employees, Local 17
Co-Chair, Joint Labor Management Insurance Committee

8/8/17
Date

For King County:



Megan Pedersen, Director
Office of Labor Relations, King County Executive Office
Co-Chair, Joint Labor Management Insurance Committee

8.11.17
Date

For King County:



Robert Railton, Labor Relations Manager
Office of Labor Relations, King County Executive Office
Co-Chair, Joint Labor Management Insurance Committee

8/8/17
Date

Attachment A
**Accountable Health Network (AHN)
 Plan Design for 2018 -2019***

| KingCareSM AHN | | |
|---|---|-----------------|
| | In-Network | Out-of-network |
| Deductible Single/family | \$0/\$400** | \$500/\$1,500 |
| Out-of-pocket (Deductible + copay) Single/family | \$1,100/\$2,400 | \$2,500/\$5,500 |
| Office Visit Copay/Coinsurance | \$20 (no deductible) | 40% |
| Inpatient Hospital Copay/Coinsurance | 10% | 40% |
| Emergency Room | \$200 copay, 10% coinsurance | |
| Retail Prescription Drug (Mail 2x Copay) | Out-of-pocket limit on Rx drugs: \$1,500/\$3,000 | |
| Generic | \$5 copay | |
| Brand Formulary | \$25 copay | |
| Non-Formulary | \$75 copay | |
| Benefit Access Fee | \$0 | |
| Actuarial Value*** | 93% | |

* AHN will only have the single plan design for 2018-2019.

** As an incentive to select the AHN plan option, the annual deductible for 2018 and 2019 will be \$0 per single only with a maximum of \$400 per family. Beginning in 2020, the annual deductible rates will be \$200 per single only with a maximum of \$600 per family.

*** Actuarial value: The percentage of the total average costs for covered benefits that the plan will cover. For example, the person would be responsible for 7% of the costs of the covered benefits if the plan selected has an actuarial value of 93%, on average.

MEMORANDUM OF AGREEMENT**Regarding Insured Benefits****By and Between****The Joint Labor Management Insurance Committee (JLMIC)****Subject: Healthy Incentives and 2019 Benefits Plan Designs**

WHEREAS, certain designated representatives of King County (the County) and the Unions who are party to the JLMIC and are signatory to this Memorandum of Agreement (the Agreement) are empowered to negotiate and implement modifications to insured benefits for JLMIC-Eligible Employees, pursuant to Section 7 of the JLMIC Memorandum of Agreement Regarding Insured Benefits January 1, 2017 through December 31, 2018 (Benefits Agreement); and

WHEREAS, Section 8 of the Benefits Agreement provides that during the term of the Benefits Agreement, the JLMIC will replace the Healthy Incentives Program.

WHEREAS, on April 11, 2017, the JLMIC agreed to replace the Healthy Incentives Program with a Health and Well-Being Program to be effective January 1, 2018; and,

WHEREAS, on July 11, 2017, the JLMIC agreed that with the replacement of Healthy Incentives in 2018, the process steps for earning Gold level benefits in 2019 would also end.

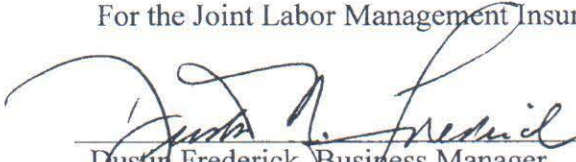
NOW THEREFORE, the JLMIC agrees to the following terms and conditions to be effective January 1, 2018.

1. The JLMIC hereby agrees to replace the Healthy Incentives Program with the Well-Being Program.

2. The JLMIC hereby agrees that JLMIC-Eligible Employees will no longer be offered the opportunity to do a Wellness Assessment and an Individual Action Plan in 2018 to determine the benefits plan level for 2019.

3. The JLMIC hereby agrees that there will be only one plan design in 2019 for the HMO and PPO benefits plans, which will be consistent with the 2018 plan design levels. The HMO and PPO plan designs are outline in Attachment A.


For the Joint Labor Management Insurance Committee:



Dustin Frederick, Business Manager
Public Safety Employees Union
Co-Chair, Joint Labor Management Insurance Committee

8/8/17
Date

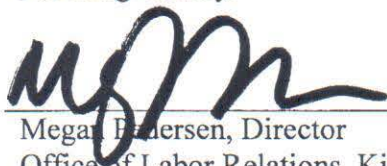
For the Joint Labor Management Insurance Committee:



Denise Cobden, Union Representative
Professional and Technical Employees, Local 17
Co-Chair, Joint Labor Management Insurance Committee

8/8/17
Date

For King County:



Megan Petersen, Director
Office of Labor Relations, King County Executive Office
Co-Chair, Joint Labor Management Insurance Committee

8.11.17
Date

For King County:



Robert Railton, Labor Relations Manager
Office of Labor Relations, King County Executive Office
Co-Chair, Joint Labor Management Insurance Committee

8/8/17
Date

**Attachment A
JLMIC HMO and PPO Plan Designs for 2019***

| | Kaiser Permanente HMO | | KingCareSM PPO | |
|---|--|------------------------------|--|----------------|
| | In-Network | In-Network | In-Network | Out-of-network |
| Deductible Single/family | \$0 | | \$300/\$900 | |
| Out-of-pocket (Deductible + copay) Single/family | \$1,000/\$2,000 | \$1,100/\$2,500 | \$1,900/\$4,100 | |
| Office Visit Copay/Coinsurance | \$20 Copay | 15% | 35% | |
| Inpatient Hospital Copay/Coinsurance | \$200 copay | 15% | 35% | |
| Emergency Room | \$100 copay (\$150 for out-of-network) | \$200 copay, 15% coinsurance | | |
| Retail Prescription Drug (Mail 2x Copay) | Copays apply to out-of-pocket maximum | | Out-of-pocket limit on Rx drugs: \$1,500/\$3,000 | |
| Generic | \$10 copay | | \$7 copay | |
| Brand Formulary | \$20 copay | | \$30 copay | |
| Non-Formulary | \$30 copay | | \$60 copay | |
| Benefit Access Fee | \$0 | | \$100 | |
| Actuarial Value** | 96% | | 91% | |

*The HMO and PPO plans designs in 2019 are the same as the Gold plan designs in 2018. There are no Silver or Bronze plan designs in 2019.

** Actuarial Value: The percentage of total average costs for covered benefits that a plan will cover. For example, the person would be responsible for 4% of the costs of all covered benefits if the plan selected has an actuarial value of 96%, on average; and, the person would be responsible for 9% of the costs of all covered benefits if the plan selected has an actuarial value of 91%.