

**MEMORANDUM OF AGREEMENT  
BY AND BETWEEN  
AMALGAMATED TRANSIT UNION, LOCAL 587 (Union)  
AND  
KING COUNTY (King County)**

**Re: Benefit plan changes effective January 1, 2016**

**Background:**

1. King County and ATU Local 587 are parties to a Memorandum of Agreement regarding Insured Benefits for the term January 1, 2014 through December 31, 2016 (the "MOA"). This MOA is coded by the King County Office of Labor Relations as document 410U0515. This agreement was executed on March 4, 2015, following an interest arbitration case.
2. The MOA established a protected fund reserve for the bargaining unit of \$10,200,000. The MOA states that if the protected fund reserve is projected to fall below \$4,000,000, the parties must consider plan changes and may consider other funding options to be implemented the following January 1.
3. In the spring of 2015 at the annual reconciliation meeting, King County established that the protected fund reserve was projected to be approximately \$1,800,000 by the end of 2016.
4. The parties have entered into negotiations to make plan design changes to address the protected fund reserve per the MOA.
5. This agreement memorializes the benefit plan changes to which the parties have agreed.

**Agreement:**

1. The following plan design elements shall be adopted for the KingCare plan for ATU's members, effective January 1, 2016:
  - a. The annual deductible shall be \$350 individual/\$1050 family for Gold, \$650 individual/\$1950 family for Silver, and \$850 individual/\$2550 family for Bronze.

- b. The annual out-of-pocket maximum in-network shall be \$1000 individual/\$2000 family for Gold, \$1200 individual/\$2400 family for Silver, and \$1500 individual/\$3000 family for Bronze. The annual out-of-pocket maximum out-of-network shall be \$2000 individual/\$4000 family for Gold, \$2200 individual/\$4400 family for Silver, and \$2500 individual/\$5000 family for Bronze. The out-of-pocket maximums stated above do not include deductibles.
  - c. The parties will make the changes required to the plans due to the loss of grandfathering status as required by the Affordable Care Act.
  - d. The spousal benefit access fee shall be \$100/month for KingCare (Regence). The spousal benefit access fee shall be \$50/month SmartCare (Group Health).
  - e. ESI's National Formulary standard shall be adopted for prescription medications.
  - f. ESI's Advanced Utilization Management (step therapy and prior authorization), with grandfathering, shall be adopted for prescription medications.
  - g. Pharmacy co-pay changes shall be Retail: \$10 (Generic), \$40 (Formulary Brand), \$80 (Non-Formulary Brand); Mail Order:\$25 (Generic), \$100 (Formulary Brand), \$200 (Non-Formulary Brand).
  - h. The parties have explored the possibility of purchasing stop loss insurance, which could protect the benefits reserve from unanticipated high cost claims. Working on a timeline that would allow King County to acquire stop loss insurance for 2016, King County will request information from a minimum of three vendors about stop loss insurance and will share that information with the Union to determine if it is in the parties' mutual interest to pursue bids and purchase stop loss insurance.
2. The criteria for Healthy Incentives shall remain unchanged in 2015 (qualifying for benefits levels in 2016).

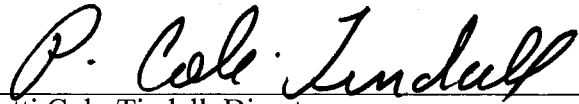
3. The parties have discharged the bargaining obligation that was triggered by the MOA.

For Amalgamated Transit Union, Local 587:

  
\_\_\_\_\_  
Paul J. Bachtel  
President/Business Agent

6-5-2015  
Date

For King County:

  
\_\_\_\_\_  
Patti Cole-Tindall, Director  
Office of Labor Relations  
King County Executive Office

6-5-15  
Date