

SRCEA/MANAGEMENT Interest Based Negotiations (IBN) 2005
Session Eight – April 13, 2005

NOTE: THIS IS AN INFORMATION DISSEMINATION TOOL ONLY. THERE IS NO MECHANISM TO RESPOND THROUGH THIS MAILBOX. SRCEA MEMBERS AND AFFECTED MANAGERS ARE ENCOURAGED TO REFER QUESTIONS AND COMMENTS TO THEIR RESPECTIVE IBN REPRESENTATIVES.

ATTENDANCE

Lorrie Abbott, Tony Alvernaz, Shirley Braddy, Pam Edwards, Fran Elm, Bob Harder, Alan Holland, Karen Larsen, Ricia Maxie, Dave Montague, Bette Smith, and John Sorensen.
Absent: Sabrina Temple.

CHECK IN - (an exercise that encourages participation by asking each meeting participant a series of questions)

REPORT BACK ON COLA, CPI, WAGES

Fran reported that there was a closed session with City Council to talk about COLA, CPI, and healthcare. The Council provided feedback in support of a proposal outlined below.

The City's proposal consists of the following components and is offered as a total package:

1. 1.48% COLA which is based on the average of CPI data points from April 2004 to February 2005;
2. 2% additional COLA (to make up for the year SRCEA went without a COLA);
3. SRCEA accept all proposed changes to City Health Plan;
4. SRCEA moves from a 6% to a 12.5% contribution to the healthcare premiums; and
5. The remaining 2.92% that is still owed to pay for 3%@60 would be deducted from the above.

Fran explained that the City felt the proposal met SRCEA's interests of returning to a COLA based on the Consumer Price Index (CPI) and making up for a year of no COLA when SRCEA went without a contract. This offer meets the City's interests of all Miscellaneous units paying 12.5% of health care premium costs and implementing changes to the City Plan to bring its costs more in line with the other plans.

Proposed changes to the City Plan health care system follow the communiqué in a page called Proposed City Plan changes.

The costs of all three health insurance plans will increase next fiscal year. Health Net will increase by 24%; Kaiser by 2.1%. The proposed changes to City Plan, will result in a 25% increase, compared to 38% without the changes.

The following chart compares the cost of moving from 6% to 12.5% of premiums. The first column is 6% of next year's healthcare premium for each plan. The second column is 12.5%

of all plans' premiums with the proposed changes to City Plan; the third column is 12.5% of the City Plan premium without fixing it.

Employee Monthly Contribution for 2005-2006 Health Care Premiums

	Current Contribution			6%			12.5% with changes to City Plan			12.5% of City Plan without changes		
	Single	Double	Family	Single	Double	Family	Single	Double	Family	Single	Double	Family
City Plan	\$21.36	43.44	57.60	26.70	54.30	72.00	55.63	113.13	150.00	61.38	124.88	165.63
Health Net	18.00	38.69	53.09	22.34	48.03	65.90	46.54	100.06	137.29			
Kaiser	18.10	36.93	48.70	18.48	37.70	49.72	38.51	78.55	103.58			

The SRCEA Board will meet and develop a counter proposal that will be presented next week, April 20, 2005.

NEW ISSUE:

MOU language for Workers Compensation

RETIREE HEALTH CARE STIPEND

Tony reported back on the conversation he had with SRCEA's attorney regarding this subject. In the conversation, three issues were identified: the trust agreement, the plan document, and the issue of defined benefit vs. defined contribution. The administration of the trust is yet to be negotiated. The attorney estimated the costs could be \$9,000 – 16,000 annually excluding the actuarial cost of about \$12,000 every two years. The City represented every two years for the actuarial would be the prudent thing to do. The attorney's advice was to look at the issues of plan costs and whether the amount of money we are putting into the plan would actually cover the operating costs. SRCEA asked the City to give approximate operating costs. SRCEA also would like to see the actual language in the plan document and have SRCEA's attorney review it. Because we currently have contract language that indicates if we give up .62% of salary, retirees, meeting certain parameters, get an \$80 health care stipend each month.

The next session will be held at Steele Lane on Wednesday, April 20th from 1- 5 pm.

AGENDA FOR NEXT MEETING

- Check In
- Wages
- COLA
- CPI
- Communiqué

ITEMS YET TO BE DISCUSSED

- Wages
- Market Value/CPI
- COLA formula

Term of Agreement
Retroactivity if no contract by July 1, 2005
Sick leave buy back
Ability to donate sick leave instead of vacation time only in catastrophic leave situations
Perfect attendance reward/day off
Vacation sell back

ITEMS DISCUSSED BUT NOT COMPLETE

Salary Surveys
4/10's schedule and how to record on timecard
Health care
Article 21.1 of MOU – Overtime and hours worked
9/80s
Longevity Pay
Birthday/Anniversary Day Off
Increase comp time bank from 100 hours to 120 hours
Quiet place - for rest or breaks
Retiree Health Stipend and Actuarial
Tuition reimbursement
Flu shots
Flexibility of the Workday

CITY OF SANTA ROSA HEALTH PLAN
POTENTIAL CHANGES

	City of Santa Rosa Plan (PPO)		Potential Changes	
	Participating Provider	Non-Participating Provider	Participating Provider	Non-Participating Provider
Type of Plan/Service Area	PPO (Self-Insured Indemnity) / Any Service Area		PPO (Self-Insured Indemnity) / Any Service Area	
Access to Specialists	can go direct		can go direct	
Network	Interplan	available at higher cost	BlueCross	available at higher cost
Claim Forms	required in and out of network		required in and out of network	
Deductible Per Person	\$150		\$250	
Deductible Per Family	\$450 (3 per family)		\$750 (3 per family)	
Out of Pocket Maximum Per Person	\$1,000		\$1,500	
Out of Pocket Maximum Per Family	\$3,000		3000	
Not included in OOP	deductibles, drug copays, services received by non-participating providers, in or out patient mental/substance treatment or prescriptions and expenses incurred for Chiropractic care		deductibles, drug copays, services received by non-participating providers, in or out patient mental/substance treatment or prescriptions and expenses incurred for Chiropractic care	
Prescription Drug Benefit	Express Scripts		Express Scripts	
30 day supply	\$5 generic/\$10 non-generic		\$5 generic / 15 formulary / 45 non-formulary	
Mail Order 90 days	\$5 generic/\$10 non-generic		\$10/25/75	
Lifetime Maximum	\$2,000,000 per person		\$2,000,000 per person	
NOTE	all percentages are based on allowances under plan benefit - provider has agreed to accept allowable charge	all %'s are of usual and customary charges - any charges above that are the responsibility of the employee	all percentages are based on allowances under plan benefit - provider has agreed to accept allowable charge	all %'s are of usual and customary charges - any charges above that are the responsibility of the employee
Physician Office Visits	80%	60%	\$20 copay	60%

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	City of Santa Rosa Plan (PPO)		Potential Changes	
	Participating Provider	Non-Participating Provider	Participating Provider	Non-Participating Provider
Preventive Care (including routine labwork), annual ob/gyn w/pap, mammograms and physicals per schedule, prostate screenings. Well baby and prenatal visits	100% per schedule	60% per schedule	OV copay/100% other	60% per schedule
Lab & X-Ray (Diagnostic)	100%	60%	80%	60%
Emergency Services	100%	60%	\$75 per visit (waived if admitted)	60%
Ambulance	80%	60%	80%	60%
Blood Plasma	80%	60%	80%	60%
Hospital Services - Room & Board	100% for up to 120 days	60%	80% for up to 120 days	60%
In-Patient - Physician Services	100%	60%	\$20 copay	60%
In/Out Patient Surgery	100%	60%	80%	60%
Radiation Therapy	100% (hospital) 80% (clinic)	60%	80%	60%
Skilled Nursing Facility	100% for up to 60 days per confinement	60% for up to 60 days per confinement	80% for up to 60 days per confinement	60% for up to 60 days per confinement
Home Health Care	100% for up to 60 days per year	60% for up to 60 days per year	80% for up to 60 days per year	60% for up to 60 days per year
Physical, Speech and Occupational Therapy	80% limited to 20 visits each year.	60% limited to 20 visits each year.	80% limited to 20 visits each year.	60% limited to 20 visits each year.
Durable Medical Equipment	80%	60%	80%	60%

CITY OF SANTA ROSA HEALTH PLAN
POTENTIAL CHANGES

	City of Santa Rosa Plan (PPO)		Potential Changes	
	Participating Provider	Non-Participating Provider	Participating Provider	Non-Participating Provider
Maternity Coverage	100%	60%	prenatal - preventive hospitalization - 80%	60%
Family Planning * (birth control pills covered under RX)	Not Covered.	Not Covered.	Not Covered.	Not Covered.
Voluntary Sterilization	100%	60%	80%	60%
Chiropractic	80% - 20 visits per year	60% 20 visits per year	80% - 20 visits per year	60% 20 visits per year
Vision	80% Disease and accident only.	60% Disease and accident only.	80% Disease and accident only.	60% Disease and accident only.
Mental Health - Inpatient	80% - max 10 days each year	60% - max 10 days each year	80% - max 10 days each year	60% - max 10 days each year
Mental Health - Outpatient	80% up to 20 visits per year.	60% - 20 visits per year	80% up to 20 visits per year.	60% - 20 visits per year
All other services	80%	60%	80%	60%
Retiree Conversion	Yes		Yes	