

PROPOSAL #14

CONSTITUTION – ARTICLE XIII- CONTRACT RATIFICATION		
Current Wording	Proposed Amendments	If Adopted, Will Read
	<p><u>Section 4. Memorandums of Agreement for Health Insurance Benefits and Eligibility for Health Insurance at Retirement and Separation from Employment</u></p> <p><u>All proposed Memorandums of Agreement pertaining to health insurance benefit and eligibility for health insurance at retirement and separation from employment, in their entirety, shall be presented to the Board of Directors at a regular or special Board of Directors meeting before presentation to the membership for ratification. The purpose of said presentation to the Board of Directors shall be for their review and for the opportunity to ask questions and/or seek clarification of said document. The Board of Directors shall not, however, vote on said document or present any formal recommendation on behalf of the Board of Directors. The proposed Memorandum of Agreement shall then be promptly forwarded to the membership for ratification. All Memorandums of Agreement must be ratified by the affected members before they can be executed by the President of the Association.</u></p>	<p>Section 4. Memorandums of Agreement for Health Insurance Benefits and Eligibility for Health Insurance at Retirement and Separation from Employment</p> <p>All proposed Memorandums of Agreement pertaining to health insurance benefit and eligibility for health insurance at retirement and separation from employment, in their entirety, shall be presented to the Board of Directors at a regular or special Board of Directors meeting before presentation to the membership for ratification. The purpose of said presentation to the Board of Directors shall be for their review and for the opportunity to ask questions and/or seek clarification of said document. The Board of Directors shall not, however, vote on said document or present any formal recommendation on behalf of the Board of Directors. The proposed Memorandum of Agreement shall then be promptly forwarded to the membership for ratification. All Memorandums of Agreement must be ratified by the affected members before they can be executed by the President of the Association.</p>

Proposed By: Linda McGregor, Patient Care

Rationale: Please see attached.

New language and justification = 2 pages attached

Memorandum of Agreement dated 4/23/09 = 18 pages attached

Total pages attached = 20

Constitution and Bylaws Committee Comments:

DISPOSITION:

Adopted: ☐

Rejected: ☐

Amended: _____

Referred: _____

Other: _____

Proposed Key:

Underlined=insertions

Strike Through=strike out



PROPOSAL FOR AMENDMENT TO CONSTITUTION AND BY-LAWS:

To: The Constitution and By-Laws Committee:

Date: 9/15/15

The undersigned member submits for your consideration, the following proposal to amend the AME Constitution and By-Laws:

Proposer: LINDA MCGREGOR Please Check One:

☒ Constitution ☐ By-Law

Unit of Proposer (if applicable): Patient Care

TITLE OF ARTICLE AND/OR SECTION TO BE AMENDED: Article XIII, Contract Ratification.

State the exact **present** language which you are seeking to change: (Attach additional sheets if necessary).

(No Section To add Section 4 - no Section 4 currently).

State the exact **new** language you wish to substitute for the present language: (Attach additional sheets if necessary).

See Attached

Justification for Proposed Amendment. See Attached.

New Language and Justification = 2 pages Attached
Memorandum of Agreement Dated 4-23-09 = 18 pages Attached
Total Pages Attached = 20

Signature of Member Linda McGregor RN

2015-09-15 14:48:00

State the exact **new** language you wish to substitute for the present language:

Section 4. Memorandums of Agreement for Health Insurance Benefits and Eligibility for Health Insurance at Retirement and Separation from Employment.

All proposed Memorandums of Agreement pertaining to health insurance benefits and eligibility for health insurance at retirement and separation from employment, in their entirety, shall be presented to the Board of Directors at a regular or Special Board of Directors meeting before presentation to the membership for ratification. The purpose of said presentation to the Board of Directors shall be for their review and for the opportunity to ask questions and/or seek clarification of said document. The Board of Directors shall not, however, vote on said document or present any formal recommendation on behalf of the Board of Directors. The proposed Memorandums of Agreement shall then be promptly forwarded to the membership for ratification. All Memorandums of Agreement must be ratified by the affected members before they can be executed by the President of the Association.

Justification for Proposed Amendment:

1) To improve the democratic process and give members a vote on their benefits, like they do on the Collective Bargaining Agreement.

2) To prevent deals made in secret changing members benefits without notification to the BOD and members, as has been done in the past. Currently the President of the Association has sole signatory power on all Memorandums of Agreement pertaining to health insurance:

- Bylaws: Article I – Duties of Executive Officers. Section 1. President. E):"....The President shall provide all members of the Executive Board with copies of all proposed Memorandums of Agreement (sign-offs) for discussions and their input before said copies of Agreement are executed (signed by the President.)"

Three days after the 4/20/2009 SCAME General Election, re-elected President Cheryl Felice signed a Memorandum of Agreement (MOA) with Labor Relations (attached), changing Eligibility for Health Insurance Benefits at Retirement and Separation from Employment, pertaining only to SCAME members and not including the other county public employee unions in SCOPE. These changes went into effect 4/1/09, and apply to all employees hired prior to, and on or after 1/1/09. This MOA was kept secret from the Board of Directors and Membership. In April 2010 at the regularly scheduled BOD meeting, a Unit President stated she heard rumors about the changes and Ms. Felice denied the rumors. That denial is on record in the published minutes of the April 2010 BOD meeting, in the AME newsletter. The SCAME members were not notified of these

changes until an All Employees Memorandum was released in October 2010 from the county detailing the changes, a year-and-a-half later.

The MOA included the following changes, but not limited to:

- 1) It eliminated credit for service time with another New York State public employer counting towards the service requirement for health benefits.
- 2) It eliminated eligibility for employees who separate from employment who have ten years or more of service credit under the age 55, unless they're within 5 years of retirement, and met other new conditions as stated in the MOA.
- 3) It ends benefits for vested members who separate from employment and who miss making a payment on the premiums. Coverage ends and will not be reinstated if the vested participant misses one payment.
- 4) It eliminated the option for vested participants to reinstate family coverage if they changed to individual coverage prior.



OFFICE OF THE COUNTY EXECUTIVE

Steve Levy
COUNTY EXECUTIVE

LABOR RELATIONS

Jeffrey L. Tempera
Director

MEMORANDUM OF AGREEMENT

When signed below, this shall constitute an agreement between the County of Suffolk and the Suffolk County Association of Municipal Employees (AME) with regard to implementing a minimum service time working for Suffolk County in order for eligible employees to receive health insurance upon retirement. The parties herein agree as follows:

1. The October 15, 2007 Memorandum of Agreement (attached) between the County and all of the County Unions will remain unchanged. The County Unions' election of additional annual recurring cost savings as specified in the October 31, 2008 letter (attached) shall remain unchanged by this Agreement.
2. AME's agreement to the language for minimum service time working for Suffolk County in order for eligible employees to receive health insurance upon retirement (attached) shall satisfy AME's portion of the annual recurring savings for mandatory mail, as set forth in the October 31, 2008 letter. The minimum service time shall also apply to employees who have opted for HMO coverage in lieu of EMHP.
3. When the EMHP health benefits consultant performs the reconciliation in accordance with paragraph 2 (g) of the October 15, 2007 Memorandum of Agreement, AME will be deemed to have satisfied its share of the mandatory mail-related savings as if it had participated in the mandatory mail program. AME may, though, still have further financial obligations unrelated to the mandatory mail program pursuant to the October 15, 2007 Memorandum of Agreement as a result of the reconciliation.
4. Nothing contained within this Memorandum of Agreement will be deemed as precedent setting with regard to any other matter and is entered into solely due to the unique circumstances of the instant situation.

DATED: 4/23/09

FOR THE ASSOCIATION:

Cheryl A. Felice

Cheryl A. Felice, President
SC Assoc. of Municipal Employees

DATED: 5-4-09

FOR THE COUNTY:

Jeffrey L. Tempera

Jeffrey L. Tempera, Director
Suffolk County Executive:
Office of Labor Relations

COUNTY OF SUFFOLK



OFFICE OF THE COUNTY EXECUTIVE

Steve Levy
COUNTY EXECUTIVE

LABOR RELATIONS

Jeffrey L. Tampara
Director

March 31, 2009

Ms. Cheryl A. Felice, President
Association of Municipal Employees
30 Orville Drive - Suite A
Bohemia, New York 11716

Re: Memorandum of Agreement -- Health Insurance Minimum County Service

Dear Ms. Felice:

Enclosed is a Memorandum of Agreement regarding Minimum County Service time for an eligible employee to receive health insurance on retirement. If it meets with your approval, please sign and return it to my office. I will return a fully executed copy of the agreement to you for your records.

If you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,

Jeffrey L. Tampara, Director
Office of Labor Relations

JLT:lah
Encl.

15 SEP-17 4:44

F. Continuing Coverage For Retirees

Eligibility for Retiree Coverage. When you retire, you must meet the following eligibility requirements in order for your coverage to continue:

- Be at least age fifty-five (55); and
- Have ten (10) years of credited service* in the appropriate NYS public employees retirement system**; and
 - a. Be eligible to retire under the Tier in which you are registered;
 - or
 - b. Be covered under one of the special plans whereby you are eligible for retirement benefits regardless of age after completion of a specified number of years (i.e. twenty (20) or twenty-five (25) years); and
- A minimum of 10 cumulative years of service as a full time Suffolk County employee, of which no fewer than 5 years of continuous service time must be contiguous to retirement into the applicable retirement system, is required. If the service was in a less than full time position, the employee's service time will be prorated based on the number of hours worked per week to a comparable full time equivalent position. These service requirements will be waived in the event of a disability retirement as defined below.
 - a. If an employee has fewer than 10 cumulative years of service with Suffolk County or fewer than 5 years of continuous service time contiguous to retirement, as defined in above, but is otherwise eligible for retirement into the applicable retirement system, he/she may appeal to a joint committee consisting of 2 members appointed by the unions collectively, one of whom must be a representative of the public safety unions and the other a representative of the civilian unions, and 2 members appointed by the County Executive. This committee may grant a waiver of the rule by a majority vote. The decision of the committee will be non-reviewable and final and binding unless the vote of the committee does not result in a majority decision. In the event of a tie vote, the matter will be referred to the County Executive or designee for decision. This decision will be final and binding and not subject to appeal or any other administrative or judicial review for any reason.

Service time with another New York State public employer will count toward meeting your service requirement for health benefits. If service with Suffolk County is less than ten (10) years, the retiree will be asked to provide the EBU with proof of credited service. That proof may be a copy of the annual statement or a letter or document from the retirement system** which lists the amount of credited service.

*If age 70 at age of retirement, service requirement is reduced to 5 years, however service time with Suffolk County remains as defined above unchanged.

*** For purposes of these provisions only, employees enrolled in TIAA-CREF shall be considered the same as enrollees in the New York State Teacher's Retirement System.*

Disability Retirement.

If the employee has been approved by the retirement system* for a disability retirement, the employee and eligible dependents are eligible for continued health coverage regardless of age or service time.

** For purposes of these provisions only, employees enrolled in TIAA-CREF shall be considered the same as enrollees in the New York State Teacher's Retirement System.*

In as much as they are eligible to retire and have the required service time, health insurance will continue for them as a retiree.

Considerations Before You Retire. Check the requirements for continuing your coverage into retirement. If you have questions about your coverage continuing after retirement, check with the EBU.

If you are eligible to continue your coverage, make sure your enrollment record is up to date for you and your enrolled dependents. If there is an address change, notify the EBU so that you will continue to receive any new information relating to your coverage.

Contact your Social Security Administration office two (2) to three (3) months before you or an enrolled dependent turns sixty-five (65) to find out about enrolling in Medicare.

G. Continuing Coverage For Vested Participants

Eligibility For Coverage as a Vested Participant Upon Separation From Employment.

Employees who meet all of the eligibility criteria set forth above for the continuation for health insurance into retirement, other than age, but who are within 5 years of retirement age (55). Employees under age fifty-five (55) and who leave County service with ten (10) years or more of service credit will be notified that they may continue their health benefits coverage as a vested participant by continuously paying premiums. If the vested participant continuously pays premiums until age fifty-five (55), the County would then cover him/her as a retiree; if premiums are not paid at any time during this interim period, coverage cannot be reinstated. A vested participant who has family coverage may change to individual coverage during this period, but may not reinstate family coverage at any time thereafter, and then reinstate family coverage upon reaching retirement age.

In order to continue coverage as a vested participant you must contact the EBU before your last day of work to arrange for continuation of coverage.

Cost. If you choose to continue your coverage while in vested status, you are responsible for paying the full cost of the coverage.

Permanent Termination of Coverage. If you are eligible to continue coverage during vested status, but you do not do so, or if you fail to make the required premium payments as a vested participant, coverage for you and your dependents will be terminated permanently. You may not re-enroll as a vested participant at a later date and you lose eligibility for coverage as a retiree.

H. IMPLEMENTATION

The above eligibility requirements for health insurance coverage on retirement apply to all employees hired prior to January 1, 2009, effective April 1, 2009. They also apply to all employees hired on or after January 1, 2009 as of their date of hire.

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 of 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.

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(*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

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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 EMHP.
 - l. 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 deacease 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 15, 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

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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

Cheryl A. Felice, President
Association of Municipal Employees

William Mulligan

William Mulligan, President
Superior Officers Association

Jeff Frayler

Jeff Frayler, President
Police Benevolent Association

Raymond Griffin

Raymond Griffin, President
Detective Association

Vito Dagnello

Vito Dagnello, President
Correction Officers Association

Ellen Schuler Mauk

Ellen Schuler Mauk, President
Faculty Association

Matthew J. Mullins

Matthew J. Mullins, President
Deputy Sheriffs Police Benevolent Assoc.

Thomas Breeden

Thomas Breeden, President
Guild of Admin. Officers

Jack Weishahn

Jack Weishahn, President
Detective Investigators P.B.A.

Donald Grauer

Donald Grauer, President
Probation Officers Association

Matthew J. Mullins

Matthew J. Mullins, President
DSPBA, Park Police Unit

FOR THE COUNTY:

Jeffrey L. Tempera

Jeffrey L. Tempera, Director
Office of Labor Relations

SUFFOLK
COUNTY



**ASSOCIATION OF
MUNICIPAL
EMPLOYEES, INC.**

Suffolk County's Largest Independent Union

30 Orville Drive Suite A, Bohemia, New York 11716 Tel: (631) 589-8400 Fax: (631) 589-3860

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October 31, 2008

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Mr. Jeffrey Tempera, Director
Office of Labor Relations
H. Lee Dennison Bldg. 10th Floor
Veteran's Memorial Highway
P.O. Box 6100
Hauppauge, NY 11788

Re: EMHP Cost-Savings Options

Dear Mr. Tempera:

Your October 23, 2008 e-mail wherein you threaten that the County will adopt the "appropriate level of savings-reductions," should "all the Unions" not choose their own cost-saving measures by October 31st is disingenuous and not in the spirit of labor/management cooperation.

Just to point out, you allude to my October 9th letter to support your notion of an October 31st deadline. My letter was conditioned, without equivocation or reservation, upon "... Lockton Companies [providing] us with all cost items for us to consider...." Obviously, since Lockton's Memorandum of October 22nd still leaves outstanding some of the cost-saving projections needed to make an intelligent choice, there is no deadline, October 31st or otherwise.

As you know, the notion of a deadline is predicated upon paragraph 1(c)(i) of the October 15, 2007 Extension and Modification of the Memorandum of Agreement, that must be read in conjunction with paragraph 2(g). The later paragraph mandates "\$15,000,000 in additional annual recurring cost-savings commencing in 2009." The protocol to achieve this savings is codified in 1(c)(i), wherein the SCEMHP Benefit Consultant is required to "... provide a menu of various cost-savings measures with a savings value for each item that could be used to achieve the required savings." The Unions then have 120 days after the Consultant "data is provided" to adopt the cost-savings measures. Failure to do so allows the County to choose. Axiomatic to this protocol, i.e., the act that starts the clock, is receipt of the required "data," defined as a "menu" of items, with a "savings value for each item," so that a choice between alternatives, each with a dollar value, can be made. To summarize: The condition precedent for the Unions having to choose is receipt of a fully costed menu of items from which to choose. Until receipt, the clock remains

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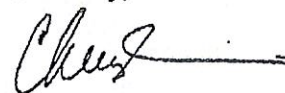
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dormant. To date, Lockton has not provided the requisite list. Hence, the time-clock has not started. I specifically refer to Lockton's communiqués of July 1, 2008 and August 6, 2008, culminating in its October 22nd Memorandum, all of which have several items listed without the required cost-savings projections. Accordingly, the Unions reject the notion of an October 31st deadline.

Notwithstanding the above, and without waving our position, in the interest of attempting to resolve this matter with the data available, the Unions have agreed to provide you with two lists that achieve the required savings. List "A" contains a portion of the savings being achieved by changing the PBM provider whereas List "B" does not. It is our position that changing the PBM provider, an item contained in Lockton's menu, is eventually an item from which we can choose since it is on the list and will be given a dollar savings value. Noting that you have initially taken the position that a change in PBM provider is not a legitimate item for the Unions to consider, this issue should be resolved in an expedited arbitration procedure so as to give the parties the opportunity to conclude the hearing(s) in sufficient time to effectuate the savings. Should the County prevail, assuming the October 31st deadline is in effect, providing you with List "B" fulfills our October 31st deadline obligation. Having met our obligation by providing you with either List "A" or List "B" the County is thereby precluded from making a choice. Should the Unions prevail, List "A" will be modified plus or minus to reflect the savings projected by Lockton and in consideration of a value being placed upon the "vesting issue." This may mean elimination of certain items now contained in List "A."

At your earliest convenience please advise me as to your thoughts on the most practical and expeditious manner in which we may proceed to arbitration should your position on the PBM remain the same.

Sincerely,



Cheryl A. Felice
President, SC AME
On behalf of SCOPE

Attachments
CAF/elf
Cc: SCOPE

SCOPE COST SAVINGS LIST "A"

Change to POS	6,482,036
Mandatory Mail Order	1,000,000
1% off AWP X 2	1,279,860
Canadian RX	0
DQM	462,169
Increase PCP - \$20	479,599
Increase Specialty - \$25	1,179,840
Increase Chiropractor - \$25	305,527
Increase PT Hospital co-pay - \$25	360,312
Increase PT Freestanding - \$20	233,809
Increase Mental Health - \$20	99,306
Eliminate County on County	630,032
County on County Administration	131,220
Medicare eligible co-pay	2,527,892
Changing PBM (as per 10/31/08 ltr Felice to Tempera)	pending
Total as modified by final PBM savings value	15,000,000

October 31, 2008

SCOPE COST SAVINGS LIST "B"

Change to POS	6,482,036
Mandatory Mail Order	1,000,000
1% off AWP X 2	1,279,860
Canadian RX	0
DQM	462,169
Increase PCP - \$20	479,599
Increase Specialty - \$25	1,179,840
Increase Chiropractor - \$25	305,527
Increase PT Hospital co-pay - \$25	360,312
Increase PT Freestanding - \$20	233,809
Increase Mental Health - \$20	99,306
Eliminate County on County	630,032
County on County Administration	131,220
Medicare eligible co-pay	2,527,892
Total	15,171,602

October 31, 2008

15 SEP-17 4:45PM '08