# Addendum # 1

# COLLECTIVE BARGAINING AGREEMENT

**between the**

# STATE OF NEW HAMPSHIRE

**and the**

# NEPBA Local 270

**2013 - 2015**

The Parties agree that the following Sections in the CBA are deleted in their entirety and replaced with the following language:

Effective January 1, 2014:

**18.8. Health Insurance:**

18.8.1. The Employer shall make available to employees and their dependents a Network health benefit plan (i.e. HMO) and a Point-of-Service (i.e. POS) health benefit plan both with site-of-service components. An employee's eligibility and opportunity to elect available health care options shall be in accordance with the "Benefits Highlights" set forth in Appendix F and G and the enrollment conditions of the respective plans. Appendices F and G are incorporated by reference into the health provisions of this Agreement. The Employer shall make available a complete listing of site of service providers and shall keep the listing current.

The Association acknowledges that the HMO plan and POS plan provider(s) shall be chosen by the Employer, and that the election by any employee(s) to participate in either plan shall not entitle said employee(s) to any further benefits not expressly provided for by this Agreement.

The level of benefits, cost-sharing, dependent coverage and Employer premium contributions, of the HMO and POS health plans offered under this provision shall be in accordance with the following provisions and with the specifications for a competitive bid. All services and procedures shall be subject to medical necessity.

a. All employees who subscribe in either the HMO or the POS plan shall pay $32.00 per pay period for employee only coverage, $42.00 per pay period for two-person coverage, or $52.00 per pay period for family coverage.

b. The HMO plan design shall be as described in Appendix F. Additional benefits, terms of coverage, exclusions and limitations not described in and not inconsistent with Appendix F shall be comparable to those set out in the Benefits Booklet for active state employees in effect on the day preceding the effective date of this agreement. The office visit co-payments for the HMO Plan shall be $15.00 per visit for Primary Care Physicians and $30.00 per visit for Specialists. A $100.00 per occurrence co-payment shall apply to emergency room services which shall be waived if the person for whom the service is provided is admitted, $50.00 per occurrence co-payment shall apply to urgent care services and $30.00 per occurrence co-payment shall apply to walk in centers.

c. The POS plan design shall be as described in Appendix G. Additional benefits, terms of coverage, exclusions and limitations not described in and not inconsistent with Appendix G shall be comparable to those set out in the Benefits Booklet for active state employees in effect on the day preceding the effective date of this agreement. The office visit co-payments for the POS Plan shall $15.00 per visit for Primary Care Physicians and $30.00 per visit for Specialists. A $100.00 per occurrence co-payment shall apply to emergency room services which shall be waived if the person for whom the service is provided is admitted, $50.00 per occurrence co-payment shall apply to urgent care services and $30.00 per occurrence co-payment shall apply to walk in centers.

d. Subscribers in either the HMO or POS plans shall be eligible to participate annually in a health reimbursement arrangement established by the Employer, upon annual completion and proper submission of the health risk appraisal provided for under the respective plan. The arrangement shall provide funds for the payment of any out-of-pocket costs associated with health care services, to include reimbursement for deductibles incurred and products obtained under the health plan, including vision exams and eyewear, up to the amount of $200.

e. The Employer shall provide coverage under the health plans consistent with Chapter 321 of the Laws of 2006, and known as Michelle's Law and codified in RSA 415.

g. Utilization of Cost-effective Providers. The Employer shall provide a voluntary employee incentive program that offers taxable cash payments to employees who utilize cost-effective health care providers. The Employer shall consult with the Association regarding the design and implementation of the program. This provision shall remain in effect until it can be shown that it is no longer effective as a cost-saving measure or until the plan administrator ceases to administer the program.

h. Health Promotion. Effective January 1, 2014, the Employer shall provide a voluntary employee incentive program that offers taxable cash payments not to exceed $300 per employee per calendar year to employees who participate in health promotion activities and programs offered by the Employer. The Employer shall establish the specifics of the programs through the Health Benefit Committee. This provision shall expire on June 30, 2015 unless mutually agreed otherwise by the parties. All approved vendors contracted with the health plan administrator shall be permitted to provide services on state premises for employees.

i. Prescription Drugs – The prescription drug plan shall include the following:

1. Mandatory Mail Order for Maintenance Drugs after three (3) retail purchases per prescription, with employee opt out.
2. Mandatory Generic Substitution with DAW 2 (i.e., the only exception is physician ordered "Dispense as Written")
3. Co-payments:
    a. Retail Co-payments - $10 for each generic medicine/ $25 for each preferred brand name medicine/$40 for each non-preferred brand name medicine.

b. Mail Order Co Payments - $1 for each generic medicine/ $40 for each preferred brand name medicine/$70 for each non-preferred brand name medicine.

4. Exclusive Specialty Pharmacy
5. Traditional Generic Step Therapy
6. Quantity Limits
7. Pharmacy Advisor
8. Maximum out of pocket expenses shall be $750.00 per individual per calendar year and $1,500.00 per family per calendar year.

j. A Smoking Cessation Program will be maintained.

k. Coverage shall be provided for dependents to age twenty-six (26).

l. Employees shall participate in working rate suspensions carried out by the Department of Administrative Services. Employee "premium" contributions shall be treated the same as other sources of revenue into the employee benefit risk management fund for purposes of the working rate suspension.

m. A bargaining unit employee who is laid off and who elects to continue on the health plan shall not be required to submit a contribution for coverage for the first three months following lay off if the laid off employee is not eligible to retire and receive post-retirement benefits under RSA 21-I:26-36 or RSA 100-A:52-55, and is not eligible to receive medical or healthcare coverage under another employer, as the spouse of a person covered under the plan of another employer, or the state plan as the spouse of a state employee. This provision shall expire on June 30, 2015.

n. No individual may be covered as a dependent of more than one employee and no employee can be covered as both an employee and as a dependent.

o. Site of Service Locations: As Site of Service locations are added they will be added to the list of accessible locations.

    1. Employees or their family members who live or receive services outside the State of New Hampshire are subject to the deductibles if they do not go to a Site of Service location.

    2. This provision shall take effect on January 1, 2014.

p. Additionally, all full-time employees, and part-time employee subscribers in the health plan, will receive two lump sum Health Benefit Savings Incentive payments of $300 each that shall be made in the first paychecks of January 2014 and 2015.

q. The parties agree that the Legislature has approved a certain amount of funds for employee compensation, including health insurance. This provision shall include a "Healthcare Savings Goal." In the event that health insurance costs for active employees (excluding NHTA & retirees) are less than anticipated or are greater than necessary, the remainder shall be redistributed uniformly to all active employee subscribers to the health plan in the form of a Health Benefit Savings Incentive payment. The savings shall be determined in January 2015 by identifying the surplus dollars based on an accrual method of accounting for active employee subscribers that are beyond the required reserves required by law for the calendar year ending December 31, 2014. These surplus dollars will be paid out in quarter 1 of 2015. This clause shall expire June 30, 2015. The distribution to employees excludes the prescription drug savings from the most recent PBM contract negotiation as those dollars were used to help satisfy the $25M reduction.

For the biennium ending June 30, 2015, the Employer shall not carry out working rate suspensions except for the purpose of funding employee Health Benefit Savings Incentive payments referenced in 19.8.1 (p) and (q). If any funds remain in Fund 60, in excess of statutory reserves, after all such Health Benefit Savings Incentive payments are made, the parties agree that, consistent with RSA 21-I:30-e, the funds shall remain in Fund 60 and be used for employee health care costs.

~end~

IN WITNESS WHEREOF, the Parties hereto by their authorized representatives have executed this contract on the 20th day of December, 2013.

Margaret Wood Hassan

Margaret Wood Hassan, Governor
State of New Hampshire

Ronald Scaccia

Ronald Scaccia, Chief Negotiator
New England Police Benevolent Association

Matthew Newland, Chair
State Negotiating Committee

Paul Jacques, President
Probation/Parole Officer's III
(Supervisors or "Chiefs")
NEPBA Local 270

Tom Manning,
Assistant Secretary of State

Sara Willingham
Deputy Director of Personnel
Department of Administrative Services

Kevin O'Brien
Chief of Policy and Planning
Department of Safety

Katja Fox
Health Program Specialist
Department of Health and Human Services

Mike Wilkey
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