

PROPOSED

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2019, Legislative Day No. 7

Bill No. 24-19

Introduced by Mr. Pruski, Chairman
(by request of the County Executive)

By the County Council, April 1, 2019

Introduced and first read on April 1, 2019
Public Hearing set for May 6, 2019
Bill Expires July 5, 2019

By Order: JoAnne Gray, Administrative Officer

A BILL ENTITLED

1 AN ORDINANCE concerning: Personnel and Purchasing – Employee and Retiree Health
2 Benefits Program

3
4 FOR the purpose of amending the County Employee and Retiree Health Benefits Program
5 to include provisions related to collective bargaining; amending certain definitions;
6 requiring the solicitation or invitation of competitive bids for group health plan
7 contracts related to the County Employee and Retiree Health Benefits Program; making
8 certain technical changes; and generally relating to personnel and purchasing.

9
10 BY repealing and reenacting, with amendments: § 6-1-308(a)(11) and (12)(i), (b),
11 (d)(1)(iii), (h)(1), and (n)(1), (7), (8), and (9)
12 Anne Arundel County Code (2005, as amended)

13
14 BY repealing and reenacting, with amendments, and renumbering: § 6-1-308(i)(4) through
15 (19) to be § 6-1-308(i)(4) through (18)
16 Anne Arundel County Code (2005, as amended)

17
18 BY adding: §§ 6-1-308(o), (p), and (q); and 8-2-110(f)
19 Anne Arundel County Code (2005, as amended)

20
21 SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,*
22 That Section(s) of the Anne Arundel County Code (2005, as amended) read as follows:

ARTICLE 6. PERSONNEL

EXPLANATION: CAPITALS indicate new matter added to existing law.
[Brackets] indicate matter stricken from existing law.
Captions and taglines in **bold** in this bill are catchwords and are not law.

TITLE 1. CLASSIFIED SERVICE

6-1-308. County Employee and Retiree Health Benefits Program.

(a) **Definitions.** In this section, the following words have the meanings indicated.

(11) “Employer subsidy” means that [percentage] PORTION of the annual costs of providing benefits under a plan to be paid by an employer as determined in accordance with subsection (i).

(12) “Health insurance benefit options” means the types and components of health insurance plans offered to employees and retirees, including:

(i) the structures of health insurance plans, [including] WHICH MAY INCLUDE health maintenance organizations, participating provider organizations, point of service plans, fee for service plans, and consumer-directed health plans;

(b) **Establishment and status of Program.**

(1) There is a County Employee and Retiree Health Benefits Program administered by the Personnel Officer that shall include insurance for medical care and prescription drugs and may include insurance for dental and vision care as provided in this section.

[(2) The health insurance plan with the lowest estimated annual cost referred to in subsection (i)(4) shall have an actuarial value of no less than 85%, except that for health insurance plans offered for tax years beginning after December 31, 2017, the health insurance plan with the lowest estimated annual cost determined under subsection (h) shall be the plan that offers the highest coverage amounts possible without being subject to an excise tax imposed by the Patient Protection and Affordable Care Act.

(3) The health insurance benefit options, health insurance plans, and employer subsidies for retirees and survivors are not subject to collective bargaining. Employer subsidies for employees are subject to collective bargaining in accordance with subsection (i)(5). The health insurance benefit options and health insurance plans offered to employees are not subject to collective bargaining. However, before beginning collective bargaining over employer subsidies in accordance with subsection (i)(5) the Personnel Officer shall consult with and consider the comments by exclusive representatives on the health insurance benefit options and health insurance plan or plans that the Personnel Officer proposes to offer to employees.

(4) The County retains the discretion to make changes to the Program by ordinance of the County Council, including changes to employer subsidies, and to apply those changes to all participants, provided that no changes may be made to an employer subsidy:

(i) negotiated in accordance with subsection (i)(5); or

(ii) applicable to a retiree after the retiree retires, although changes may be made to the employer subsidy applicable to the dependents of a retiree after the retiree retires.]

1 (2) (I) EMPLOYER SUBSIDIES FOR AND COMPONENTS OF THE HEALTH INSURANCE
2 PLAN AVAILABLE TO EMPLOYEES WHO ARE REPRESENTED BY AN EXCLUSIVE EMPLOYEE
3 REPRESENTATIVE UNDER TITLE 4 AND THEIR ELIGIBLE DEPENDENTS ARE SUBJECTS OF
4 COLLECTIVE BARGAINING TO THE EXTENT PROVIDED BY, AND SUBJECT TO, APPLICABLE
5 FEDERAL, STATE, AND COUNTY LAWS, INCLUDING §§ 811 AND 812 OF THE CHARTER.
6

7 (II) COLLECTIVE BARGAINING REGARDING COMPONENTS OF THE HEALTH
8 INSURANCE PLAN AVAILABLE TO EMPLOYEES WHO ARE REPRESENTED BY AN EXCLUSIVE
9 EMPLOYEE REPRESENTATIVE UNDER TITLE 4 SHALL BE CONDUCTED BY THE COUNTY,
10 JOINTLY WITH ALL EXCLUSIVE EMPLOYEE REPRESENTATIVES RECOGNIZED BY THE
11 COUNTY, DURING A PERIOD OF TIME COMMENCING 18 MONTHS PRIOR TO THE EXPIRATION
12 OF A HEALTH INSURANCE PLAN OR A PRESCRIPTION DRUG PLAN. COLLECTIVE
13 BARGAINING REGARDING EMPLOYEE SUBSIDIES FOR THE HEALTH INSURANCE PLAN
14 AVAILABLE TO EMPLOYEES WHO ARE REPRESENTED BY AN EXCLUSIVE EMPLOYEE
15 REPRESENTATIVE UNDER TITLE 4 SHALL BE CONDUCTED BY THE COUNTY WITH ALL
16 EXCLUSIVE EMPLOYEE REPRESENTATIVES RECOGNIZED BY THE COUNTY DURING EACH
17 COLLECTIVE BARGAINING CYCLE.
18

19 (III) EMPLOYER SUBSIDIES AND COMPONENTS OF THE PROGRAM FOR RETIREES,
20 SURVIVORS, AND EMPLOYEES NOT REPRESENTED BY AN EXCLUSIVE REPRESENTATIVE
21 SELECTED IN ACCORDANCE WITH TITLE 4 MAY NOT BE SUBJECT TO COLLECTIVE
22 BARGAINING.
23

24 (IV) BEFORE COLLECTIVE BARGAINING OVER ANY COMPONENT OF THE
25 HEALTH INSURANCE PLAN OR A PRESCRIPTION DRUG PLAN, THE PERSONNEL OFFICER
26 SHALL CONSIDER AND ANSWER REQUESTS FOR COUNTY DATA AND INFORMATION BY OR
27 ON BEHALF OF EXCLUSIVE REPRESENTATIVES ON HEALTH INSURANCE BENEFIT OPTIONS
28 AND THE HEALTH INSURANCE PLAN THAT, ON BEHALF OF THE COUNTY, THE PERSONNEL
29 OFFICER PROPOSES TO OFFER TO EMPLOYEES FOR THE NEXT PLAN YEAR. THE PERSONNEL
30 OFFICER MAY NOT UNREASONABLY WITHHOLD OR DENY ANY REQUEST FOR COUNTY
31 DATA AND INFORMATION THAT IS AVAILABLE TO AND USED BY THE COUNTY WITH
32 RESPECT TO DESIGN, MANAGEMENT, OR ADMINISTRATION OF THE COUNTY HEALTH
33 BENEFITS PROGRAM.
34

35 (V) COMPONENTS OF THE HEALTH INSURANCE PLAN SUBJECT TO COLLECTIVE
36 BARGAINING UNDER § 6-1-308(B)(3) SHALL BE MADE AVAILABLE TO ALL EMPLOYEES OF
37 THE COUNTY, WHETHER OR NOT THEY ARE REPRESENTED UNDER TITLE 4.
38

39 (3) THE COUNTY RETAINS THE DISCRETION PRIOR TO THE START OF EACH PLAN
40 YEAR TO MAKE CHANGES TO THE PROGRAM BY ORDINANCE, SUBJECT TO THE DUTY TO
41 COLLECTIVELY BARGAIN SET FORTH IN § 6-1-308(B)(2)(I), IF THE CHANGES ARE ENACTED
42 BY THE COUNTY COUNCIL AT LEAST 60 DAYS BEFORE THE START OF THE PLAN YEAR, AND
43 ARE CONSISTENT WITH THE CHARTER.
44

45 (4) NOTHING IN § 6-1-308 SHALL CONVEY TO AN EXCLUSIVE EMPLOYEE
46 REPRESENTATIVE ANY RIGHT TO DEMAND OR PARTICIPATE IN BINDING ARBITRATION
47 OVER EMPLOYER SUBSIDIES FOR OR COMPONENTS OF HEALTH INSURANCE PLANS EXCEPT
48 AS AUTHORIZED UNDER § 812 OF THE CHARTER. ANY ARBITRATION DECISION INVOLVING
49 A COMPONENT OF A HEALTH INSURANCE PLAN ISSUED PURSUANT TO § 812 OF THE
50 CHARTER SHALL BE APPLIED EQUALLY TO ALL EMPLOYEE GROUPS.
51

52 **(d) Participation; eligibility of employees and certain survivors.**
53

54 (1) A person is eligible to participate in an employee health insurance plan if the
55 person is:

1 (iii) an employee paid under the Miscellaneous Exempt Employees Pay and
2 Benefit Plan who is eligible to participate in accordance with the rules and regulations for
3 miscellaneous exempt employees adopted by the Personnel Officer under subsection
4 [(n)(9)] (N)(8).

5
6 **(h) Determination of annual costs of providing benefits.**

7
8 (1) The estimate of the annual costs of providing benefits under the various health
9 insurance plans shall be:

10
11 (I) prepared by the Personnel Officer;

12
13 (II) PRESENTED TO AND DISCUSSED JOINTLY WITH THE EXCLUSIVE
14 REPRESENTATIVES OF COUNTY EMPLOYEES, AND THEIR CONSULTANTS, AS LEAST TEN
15 CALENDAR DAYS PRIOR TO PRESENTATION TO THE COUNTY COUNCIL; and

16
17 (III) approved by resolution of the County Council.

18
19 **(i) Determination and amount of employer subsidy.**

20
21 (4) [Effective January 1, 2016, employer subsidies for optional plans available to
22 participants for the same type of coverages established in accordance with this subsection
23 shall be applied to the estimated annual costs for the plan with the lowest estimated annual
24 costs approved by resolution of the County Council under subsection (h) in order to
25 determine the rates paid by participants in health insurance plans. Participants who select
26 plans other than the plan with the lowest estimated annual costs shall pay all costs for the
27 plans in excess of the amount of the employer subsidy as applied to the plan with the lowest
28 estimated annual cost.

29
30 (5) The employer subsidy [used to determine the rates] for employees represented
31 by an exclusive representative selected in accordance with Title 4 and any monetary credits
32 for opting out of coverages shall be determined through collective bargaining and, if
33 applicable, binding arbitration.

34
35 [(6)] (5) The employer subsidy [used to determine the rates] for [all other]
36 employees NOT REPRESENTED BY AN EXCLUSIVE EMPLOYEE REPRESENTATIVE UNDER
37 TITLE 4, RETIREES, [and for the] survivors of employees, and SURVIVORS OF retirees shall
38 be proposed by the Personnel Officer and approved by resolution of the County Council.
39 The resolution shall also include the rates for part-time employees WHO ARE NOT
40 REPRESENTED BY AN EXCLUSIVE EMPLOYEE REPRESENTATIVE UNDER TITLE 4 and any
41 monetary credits given to employees not represented by an exclusive representative UNDER
42 TITLE 4 for opting out of coverages.

43
44 [(7)] (6) Effective January 1, 2016, if the survivor of a retiree is eligible to
45 participate in employer-sponsored health care insurance on the basis of the employment of
46 the survivor, the survivor's parent, or the survivor's subsequent spouse by an employer
47 other than an employer defined in subsection (a)(10), and the survivor chooses to enroll in
48 a health insurance plan, the employer subsidy shall be reduced by an amount equal to 50%
49 of the employer's subsidy for individual coverage [under the plan with the lowest estimated
50 annual costs] AS approved by resolution of the County Council under subsection (h).

1 [(8)] (7) Effective January 1, 2016, if the survivor of an employee receives periodic
2 payment of a death benefit as a survivor under Article 5 of this Code, not including payment
3 of a lump sum death benefit, and the survivor is eligible to participate in employer-
4 sponsored health care insurance on the basis of the employment of the survivor, the
5 survivor's parent, or the survivor's subsequent spouse by an employer other than an
6 employer defined in subsection (a)(10), and the survivor chooses to enroll in a health
7 insurance plan, the employer subsidy shall be reduced by an amount equal to 50% of the
8 employer's subsidy for individual coverage [under the plan with the lowest estimated
9 annual costs] AS approved by resolution of the County Council under subsection (h).

10
11 [(9)] (8) The provisions of subsections [(7) and (8)] (6) AND (7) shall apply only if
12 the employer-sponsored health care insurance in which the spouse or survivor may enroll
13 is an eligible employer sponsored plan that satisfies the affordability standards under the
14 Patient Protection and Affordable Care Act.

15
16 [(15)] (14) The employer subsidy, exclusive of dental and vision coverage, for
17 retirees hired before January 1, 2015 who retire after January 1, 2017 and who receive non-
18 service-connected disability retirement pensions under § 5-3-307(b) of this Code or annual
19 disability retirement pensions determined in accordance with the provisions of § 5-4-206
20 (d)(3), § 5-5-205 (d)(3), or § 5-6-207(d)(3) of this Code shall be the greater of 50% or the
21 percentage determined in accordance with subsection [(i)(14)] (I)(13), provided the retiree
22 was not rehired by an employer defined in subsection (a)(10) on or after January 1, 2015.

23
24 [(17)] (16) The employer subsidy, exclusive of dental and vision coverage, for
25 retirees hired after January 1, 2015 who retire on or after January 1, 2017 and who receive
26 non-service-connected disability retirement pensions under § 5-3-307(b) of this Code or
27 annual disability retirement pensions determined in accordance with the provisions of § 5-
28 4-206 (d)(3), § 5-5-205 (d)(3), or § 5-6-207(d)(3) of this Code shall be the greater of 50%
29 or the percentage determined in accordance with subsection [(i)(17)] (I)(15).

30
31 [(18)] (17) The employer subsidy, exclusive of dental and vision coverage, for a
32 County Executive shall be the greater of 50% or the percentage determined in accordance
33 with subsection [(i)(14) or (i)(16)] (I)(13) OR (I)(15).

34
35 **(n) Duties and powers of the Personnel Officer.** In addition to the specific duties set
36 forth in this section, the Personnel Officer has the general duty to administer the Program
37 and has the powers necessary to do so, including the power to:

38
39 (1) establish, SUBJECT TO § 6-1-308(B)(2), the health insurance benefit options and
40 design the health insurance plans, WHICH MAY INCLUDE A WELLNESS PLAN, made
41 available to participants, and designate the plan year;

42
43 (7) [establish and administer Wellness Programs as part of the Program;

44
45 (8)] establish Health Care Flexible Spending Accounts and High-Deductible Health
46 Plans as part of the Program; and

1 [(9)] (8) adopt rules and regulations necessary to implement the Program as set forth
2 in this section provided that such rules and regulations are published on the Office of
3 Personnel website at least 30 days prior to taking effect.

4
5 (O) THE PERSONNEL OFFICER SHALL MEET, JOINTLY, WITH THE EXCLUSIVE
6 REPRESENTATIVES AND THEIR CONSULTANTS UP TO TWO TIMES PER CALENDAR YEAR TO
7 REVIEW AND DISCUSS THE ANNUALLY ACCOUNTED RECEIPTS AND DISBURSEMENTS
8 INCLUDING INSURED BUT NOT REPORTED CLAIMS, FOR EACH COUNTY-SPONSORED PLAN,
9 COST CONTAINMENT, EFFICIENCIES, AND DATA FOR EACH HEALTH INSURANCE PLAN FOR
10 ACTIVE COUNTY EMPLOYEES AS SUCH PLANS ARE DEFINED IN § 6-1-308(A)(13).

11
12 (P) NO LATER THAN JUNE 30 OF EACH YEAR, WITH RESPECT TO THE IMMEDIATELY
13 PRECEDING PLAN YEAR, EACH HEALTH INSURANCE PLAN PROVIDER ENGAGED BY THE
14 COUNTY TO OFFER A HEALTH INSURANCE PLAN SHALL PROVIDE THE COUNTY DATA
15 RELATING TO ENROLLMENT, CLAIMS, ADMINISTRATIVE COSTS, USAGE TRENDS, AND ANY
16 OTHER DATA NECESSARY TO CALCULATE ANY SURPLUS OR DEFICIT EXPERIENCED BY
17 THE PLAN. THE DATA PROVIDED BY EACH PLAN PROVIDER SHALL BE PROVIDED TO EACH
18 EXCLUSIVE REPRESENTATIVE THAT MAKES A REQUEST.

19
20 (Q) IF SUBMITTED UPON THE JOINT DEMAND OF EITHER THE EXCLUSIVE EMPLOYEE
21 REPRESENTATIVES FOR A MAJORITY OF COUNTY EMPLOYEES COVERED UNDER TITLE 4
22 OR A MAJORITY OF EXCLUSIVE EMPLOYEE REPRESENTATIVES UNDER TITLE 4, ANY
23 DISPUTE ABOUT THE MEANING OR APPLICATION OF ANY PART OR PROVISION OF
24 SUBSECTIONS (B)(2)(IV), (H)(1)(II), (O), OR (P) SHALL BE SUBJECT TO GRIEVANCE AND
25 GRIEVANCE ARBITRATION UNDER § 6-4-113 PROVIDED THAT A FINAL WRITTEN
26 GRIEVANCE ARBITRATION AWARD SHALL BE SUBJECT TO REVIEW UPON PETITION TO
27 MODIFY OR VACATE FILED IN THE CIRCUIT COURT FOR ANNE ARUNDEL COUNTY, AND
28 SUBJECT TO FURTHER REVIEW ON APPEAL UNDER THE MARYLAND UNIFORM
29 ARBITRATION ACT. THIS REMEDY SHALL BE EXCLUSIVE WITH RESPECT TO THE
30 ENUMERATED SUBSECTIONS. IT MAY NOT BAR THE EXERCISE OF ANY REMEDIES THAT
31 MAY BE AVAILABLE WITH RESPECT TO A DISPUTE ABOUT ANY OTHER PART OR PROVISION
32 OF THIS SECTION.

33
34 **ARTICLE 8. PURCHASING**

35
36 **TITLE 2. PROCUREMENT**

37
38 **8-2-110. Professional services procurements.**

39
40 (F) **Group Health Plan Contracts.** THE PERSONNEL OFFICER SHALL SOLICIT
41 COMPETITIVE SEALED PROPOSALS OR INVITE COMPETITIVE SEALED BIDS FOR HEALTH
42 INSURANCE PLANS FOR THE PROVISION OF BENEFITS AS DETERMINED PURSUANT TO § 6-
43 1-308 AT LEAST EVERY SIX YEARS, AND EACH PROPOSAL OR BID SHALL INCLUDE AT A
44 MINIMUM AN ESSENTIAL HEALTH BENEFITS PACKAGE AS REQUIRED BY THE PATIENT
45 PROTECTION AND AFFORDABLE CARE ACT.

46
47 SECTION 2. *And be it further enacted,* That this Ordinance shall take effect 45 days
48 from the date it becomes law.