

COUNTY COUNCIL OF ANNE ARUNDEL COUNTY, MARYLAND

Legislative Session 2013, Legislative Day No. 39

Bill No. 89-13

Introduced by Mr. Ladd, Mr. Fink, and Mr. Grasso

By the County Council, October 21, 2013

Introduced and first read on October 21, 2013
Public Hearing rescheduled for December 16, 2013
Bill Expires January 25, 2014

By Order: Elizabeth E. Jones, Administrative Officer

A BILL ENTITLED

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

3
4 FOR the purpose of establishing the County Employee and Retiree Health Benefits Program;
5 defining certain terms; establishing criteria governing the eligibility of employees,
6 retirees, and their dependents and survivors for health insurance and related benefits
7 offered by the County; describing the health insurance and related benefits offered by the
8 County; providing for the manner in which the rates charged for the benefits are
9 determined and, if applicable, negotiated; establishing certain transitional and permanent
10 schedules for employer subsidies of benefits for current and future employees; specifying
11 certain provisions applicable to Medicare supplements and for retirees not participating
12 in Medicare; providing for the powers and duties of the Personnel Officer; requiring an
13 appropriation request to the Reserve Fund for Retiree Health Benefits; making the
14 provisions of this Ordinance severable; providing for the application of this Ordinance;
15 and generally relating to the health insurance and related benefits offered by the County.

16
17 BY repealing: § 6-1-308
18 Anne Arundel County Code (2005, as amended)

19
20 BY adding: § 6-1-308
21 Anne Arundel County Code (2005, as amended)

22
23 SECTION 1. *Be it enacted by the County Council of Anne Arundel County, Maryland,*
24 That § 6-1-308 of the Anne Arundel County Code (2005, as amended) be and hereby is
25 repealed.

EXPLANATION: CAPITALS indicate new matter added to existing law.
[Brackets] indicate matter stricken from existing law.

1 SECTION 2. *And be it further enacted,* That Section(s) of the Anne Arundel County
2 Code (2005, as amended) read as follows:

3
4 **ARTICLE 6 PERSONNEL**

5
6 **TITLE 1. CLASSIFIED SERVICE**

7
8 **6-1-308. County Employee and Retiree Health Benefits Program.**

9
10 (A) **Definitions.** IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12
13 (1) "ACTUAL PLAN SERVICE" HAS THE MEANING STATED IN § 5-1-101 OF THIS CODE
14 DEFINING A TYPE OF CREDITED SERVICE RECOGNIZED FOR PURPOSES OF DETERMINING THE
15 ENTITLEMENT TO A PENSION UNDER ARTICLE 5 OF THIS CODE.

16
17 (2) "CHILD" INCLUDES AN ADOPTED CHILD, BIOLOGICAL CHILD, OR STEPCHILD.

18
19 (3) "CREDITED SERVICE" HAS THE MEANING STATED IN § 5-1-101 OF THIS CODE
20 DEFINING THE PERIOD OF SERVICE RECOGNIZED FOR PURPOSES OF DETERMINING THE
21 ENTITLEMENT TO A PENSION UNDER ARTICLE 5 OF THIS CODE.

22
23 (4) "DEPENDENT" MEANS A PERSON ENTITLED TO RECEIVE HEALTH INSURANCE
24 BENEFITS UNDER THE PROGRAM BASED ON A FAMILIAL RELATIONSHIP WITH AN EMPLOYEE
25 OR RETIREE RECEIVING HEALTH INSURANCE BENEFITS UNDER THE PROGRAM.

26
27 (5) "EMPLOYEE" MEANS:

28
29 (I) A PERSON CURRENTLY EMPLOYED BY AN EMPLOYER;

30
31 (II) THE ANNE ARUNDEL COUNTY STATE'S ATTORNEY;

32
33 (III) THE ANNE ARUNDEL COUNTY SHERIFF; AND

34
35 (IV) AN EMPLOYEE OF THE ANNE ARUNDEL COUNTY BOARD OF LICENSE
36 COMMISSIONERS ELIGIBLE TO PARTICIPATE IN THE EMPLOYEES' RETIREMENT PLAN UNDER
37 ARTICLE 5 OF THIS CODE.

38
39 (6) "EMPLOYEE HEALTH INSURANCE PLAN" MEANS A HEALTH INSURANCE PLAN
40 AVAILABLE TO EMPLOYEES AND THEIR DEPENDENTS.

41
42 (7) "EMPLOYER" MEANS:

43
44 (I) ANNE ARUNDEL COUNTY, MARYLAND;

45
46 (II) THE CIRCUIT COURT FOR ANNE ARUNDEL COUNTY;

47
48 (III) THE OFFICE OF THE ANNE ARUNDEL COUNTY STATE'S ATTORNEY;

49
50 (IV) THE OFFICE OF THE ANNE ARUNDEL COUNTY SHERIFF; AND

51
52 (V) THE ANNE ARUNDEL COUNTY SOIL CONSERVATION DISTRICT.

53
54 (8) "EMPLOYER SUBSIDY" MEANS THAT PERCENTAGE OF THE ANNUAL COSTS OF
55 PROVIDING BENEFITS UNDER A PLAN TO BE PAID BY AN EMPLOYER AS DETERMINED IN

1 ACCORDANCE WITH SUBSECTION (I).

2
3 (9) "HEALTH INSURANCE BENEFIT OPTIONS" MEANS THE TYPES AND COMPONENTS OF
4 HEALTH INSURANCE PLANS OFFERED TO EMPLOYEES AND RETIREES, INCLUDING:

5
6 (I) THE STRUCTURES OF HEALTH INSURANCE PLANS, INCLUDING HEALTH
7 MAINTENANCE ORGANIZATIONS, PARTICIPATING PROVIDER ORGANIZATIONS, POINT OF
8 SERVICE PLANS, FEE FOR SERVICE PLANS, AND CONSUMER-DIRECTED HEALTH PLANS;

9
10 (II) COVERED BENEFITS, INCLUDING MEDICAL, DENTAL, PRESCRIPTION DRUG,
11 AND VISION BENEFITS, AND THE MANNER OF PROVIDING THE COVERED BENEFITS,
12 INCLUDING GROUP HEALTH PLAN AND HEALTH INSURANCE EXCHANGES;

13
14 (III) COST-SHARING PLAN FEATURES, INCLUDING DEDUCTIBLES, CO-PAYS,
15 COINSURANCE, AND OUT-OF-POCKET MAXIMUMS; AND

16
17 (IV) COST-CONTROLLING PLAN FEATURES, INCLUDING PRIOR APPROVAL
18 REQUIREMENTS, PRESCRIPTION FORMULARIES, AND EXCLUSIONS OF COVERED TREATMENTS
19 AND SERVICES.

20
21 (10) "HEALTH INSURANCE PLAN" MEANS THE HEALTH INSURANCE BENEFIT OPTIONS
22 AVAILABLE TO A PARTICIPANT UNDER THE PROGRAM.

23
24 (11) "MEDICARE SUPPLEMENT" MEANS A HEALTH INSURANCE PLAN THAT
25 SUPPLEMENTS THE BENEFITS AVAILABLE UNDER MEDICARE WITH THE COUNTY OR OTHER
26 INSURER AS A SECONDARY PAYER INCLUDING A MEDICARE ADVANTAGE PLAN, A
27 PRESCRIPTION DRUG PLAN, AND AN EMPLOYER GROUP WAIVER PLAN.

28
29 (12) "PARTICIPANT" MEANS A PERSON RECEIVING HEALTH INSURANCE BENEFITS
30 UNDER THE PROGRAM.

31
32 (13) "PROGRAM" MEANS THE COUNTY EMPLOYEE AND RETIREE HEALTH BENEFITS
33 PROGRAM.

34
35 (14) "RETIREE" MEANS A FORMER EMPLOYEE OTHER THAN A SCHOOL CROSSING
36 GUARD WHO RECEIVES A PENSION UNDER ARTICLE 5 OF THIS CODE, INCLUDING A PENSION
37 BASED ON A SERVICE-CONNECTED OR NON-SERVICE-CONNECTED DISABILITY. "RETIREE"
38 ALSO INCLUDES A FORMER EMPLOYEE OF THE DOMESTIC RELATIONS DIVISION OF THE ANNE
39 ARUNDEL COUNTY CIRCUIT COURT ELIGIBLE TO PARTICIPATE IN A COUNTY RETIREE
40 HEALTH INSURANCE PLAN UNDER THE COURTS AND JUDICIAL PROCEEDINGS ARTICLE, § 2-
41 501(E), OF THE STATE CODE.

42
43 (15) "RETIREE HEALTH INSURANCE PLAN" MEANS A HEALTH INSURANCE PLAN
44 AVAILABLE TO RETIREES AND THEIR DEPENDENTS AND TO SURVIVORS OF EMPLOYEES AND
45 RETIREES, AND DOES NOT INCLUDE A MEDICARE SUPPLEMENT.

46
47 (16) "SURVIVOR" MEANS A PERSON ENTITLED TO RECEIVE HEALTH INSURANCE
48 BENEFITS UNDER THE PROGRAM BASED ON THE DEATH OF A FAMILY MEMBER WHO WAS AN
49 EMPLOYEE OR RETIREE WHO PARTICIPATED IN THE PROGRAM.

50
51 (17) "TERMINATED VESTED EMPLOYEE" MEANS A FORMER EMPLOYEE WHO, PRIOR
52 TO TERMINATION, VESTED IN THE BENEFITS OF THE EMPLOYEES' RETIREMENT PLAN OR THE
53 DETENTION OFFICERS' AND DEPUTY SHERIFFS' RETIREMENT PLAN AND IS ELIGIBLE TO
54 RECEIVE A PENSION UNDER ARTICLE 5 OF THIS CODE ON THE DATE SPECIFIED IN THE PLAN.

55
56 (18) "TRANSFERRED SERVICE" HAS THE MEANING STATED IN § 5-1-101 OF THIS CODE
57 DEFINING A TYPE OF CREDITED SERVICE RECOGNIZED FOR PURPOSES OF DETERMINING THE
58 ENTITLEMENT TO A PENSION UNDER ARTICLE 5 OF THIS CODE.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56

(B) Establishment and status of Program.

(1) THERE IS A COUNTY EMPLOYEE AND RETIREE HEALTH BENEFITS PROGRAM ADMINISTERED BY THE PERSONNEL OFFICER THAT MAY INCLUDE INSURANCE FOR MEDICAL, DENTAL, AND VISION CARE AND FOR PRESCRIPTION DRUGS.

(2) NEITHER THE ESTABLISHMENT OF THE PROGRAM NOR THE OFFERING OF BENEFITS UNDER THE PROGRAM CREATES A CONTRACTUAL OBLIGATION ON THE PART OF THE COUNTY TO CONTINUE TO OFFER THE BENEFITS OF THE PROGRAM TO EMPLOYEES OR RETIREES IN THE FUTURE, AND THE COUNTY RETAINS THE DISCRETION TO MAKE CHANGES TO THE PROGRAM BY ORDINANCE OF THE COUNTY COUNCIL, INCLUDING THE DISCONTINUATION OF BENEFITS UNDER THE PROGRAM AND CHANGES TO EMPLOYER SUBSIDIES, AND TO APPLY THOSE CHANGES TO ALL PARTICIPANTS INCLUDING CURRENT EMPLOYEES AND RETIREES. THE PAYMENT OF ALL BENEFITS UNDER THE PROGRAM IS SUBJECT TO THE APPROPRIATION OF FUNDS SUFFICIENT TO PAY THOSE BENEFITS.

(3) NEITHER THE PROGRAM NOR THE HEALTH INSURANCE BENEFIT OPTIONS AND HEALTH INSURANCE PLANS OFFERED TO EMPLOYEES OR RETIREES AND THEIR COSTS SHALL BE SUBJECT TO COLLECTIVE BARGAINING OR BINDING ARBITRATION EXCEPT AS PROVIDED IN SUBSECTION (I)(3).

(C) Participation in the Program; limitations on eligibility to participate because of other or duplicate health care insurance.

(1) AN EMPLOYEE ELIGIBLE TO PARTICIPATE WHO IS THE SPOUSE OF ANOTHER EMPLOYEE WHO ALSO IS ELIGIBLE TO PARTICIPATE SHALL BE COVERED UNDER THE EMPLOYEE'S OWN PLAN UNLESS AN ELECTION IS MADE BY THE SPOUSE TO COVER THE EMPLOYEE UNDER THE SPOUSE'S PLAN, IN WHICH CASE THE EMPLOYEE SHALL BE COVERED AS A SPOUSE BUT IS NOT BE ENTITLED TO ANY PAYMENT OR CREDIT FOR DECLINING COVERAGE AS AN EMPLOYEE.

(2) A CHILD OR DEPENDENT GRANDCHILD ELIGIBLE TO PARTICIPATE MAY BE COVERED ONLY UNDER THE PLAN OF ONE PARENT.

(3) A RETIREE ELIGIBLE TO PARTICIPATE SHALL BE COVERED UNDER THE PLAN OF A SPOUSE WHO IS AN EMPLOYEE ELIGIBLE TO PARTICIPATE UNLESS THE RETIREE MAKES AN ELECTION IN THE MANNER REQUIRED BY THE OFFICE OF PERSONNEL TO PARTICIPATE UNDER THE PROVISIONS OF THIS SECTION APPLICABLE TO A RETIREE.

(4) IN NO EVENT SHALL THERE BE A DUPLICATION OF BENEFITS FOR ANY PERSON UNDER MULTIPLE HEALTH INSURANCE PLANS, AND IF A PARTICIPANT OTHER THAN AN EMPLOYEE ALSO IS COVERED BY A PLAN OTHER THAN A COUNTY PLAN THEN THAT OTHER PLAN SHALL BE CONSIDERED TO BE THE PRIMARY PAYER UNLESS PROHIBITED BY LAW.

(5) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (C)(6) AND (C)(7), THE FOLLOWING LIMITATIONS ON PARTICIPATION IN THE PROGRAM SHALL TAKE EFFECT ON JANUARY 1, 2015, AND SHALL APPLY REGARDLESS OF WHETHER A PERSON IS OTHERWISE ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

(I) THE SPOUSE OF A RETIREE WHO RETIRED BEFORE JANUARY 1, 2015 IS NOT ELIGIBLE TO PARTICIPATE IN THE PROGRAM IF THE SPOUSE IS ELIGIBLE FOR EMPLOYER-SPONSORED HEALTH CARE INSURANCE ON THE BASIS OF THE EMPLOYMENT OF THE RETIREE OR THE RETIREE'S SPOUSE BY AN EMPLOYER OTHER THAN AN EMPLOYER DEFINED IN SUBSECTION (A)(7);

1 (II) A RETIREE WHO RETIRED ON OR AFTER JANUARY 1, 2015 AND THE SPOUSE OF
2 THE RETIREE ARE NOT ELIGIBLE TO PARTICIPATE IN THE PROGRAM IF THEY ARE ELIGIBLE
3 FOR EMPLOYER-SPONSORED HEALTH CARE INSURANCE ON THE BASIS OF THE EMPLOYMENT
4 OF THE RETIREE OR THE RETIREE'S SPOUSE BY AN EMPLOYER OTHER THAN AN EMPLOYER
5 DEFINED IN SUBSECTION (A)(7);

6
7 (III) A CHILD OF A RETIREE IS NOT ELIGIBLE TO PARTICIPATE IN THE PROGRAM IF
8 THE CHILD IS ELIGIBLE FOR EMPLOYER-SPONSORED HEALTH CARE INSURANCE ON THE
9 BASIS OF THE EMPLOYMENT OF THE CHILD OR THE RETIREE OR THE RETIREE'S SPOUSE BY
10 AN EMPLOYER OTHER THAN AN EMPLOYER DEFINED IN SUBSECTION (A)(7); AND

11
12 (IV) A SURVIVOR OF A RETIREE IS NOT ELIGIBLE TO PARTICIPATE IN THE
13 PROGRAM IF THE SURVIVOR IS ELIGIBLE TO PARTICIPATE IN EMPLOYER-SPONSORED
14 HEALTH CARE INSURANCE ON THE BASIS OF THE EMPLOYMENT OF THE SURVIVOR, THE
15 SURVIVOR'S PARENT, OR THE SURVIVOR'S SPOUSE BY AN EMPLOYER OTHER THAN AN
16 EMPLOYER DEFINED IN SUBSECTION (A)(7).

17
18 (6) THE EXCLUSION FROM PARTICIPATION BECAUSE OF OTHER EMPLOYER-
19 SPONSORED HEALTH CARE INSURANCE UNDER SUBSECTION (C)(5) SHALL APPLY ONLY IF
20 THE EMPLOYER-SPONSORED HEALTH CARE INSURANCE IS AN ELIGIBLE EMPLOYER-
21 SPONSORED PLAN THAT SATISFIES THE AFFORDABILITY STANDARDS UNDER THE PATIENT
22 PROTECTION AND AFFORDABLE CARE ACT.

23
24 (7) A SPOUSE, CHILD, OR SURVIVOR OF A RETIREE NOT GENERALLY ELIGIBLE TO
25 PARTICIPATE UNDER SUBSECTION (C)(5) MAY PARTICIPATE IN COVERAGES OFFERED
26 SEPARATELY UNDER A HEALTH INSURANCE PLAN AS DETERMINED BY THE PERSONNEL
27 OFFICER, INCLUDING DENTAL AND VISION BENEFITS, IF THOSE COVERAGES ARE NOT
28 INCLUDED IN THE EMPLOYER-SPONSORED HEALTH CARE INSURANCE.

29
30 **(D) Participation; eligibility of employees and certain survivors.**

31
32 (1) A PERSON IS ELIGIBLE TO PARTICIPATE IN AN EMPLOYEE HEALTH INSURANCE
33 PLAN IF THE PERSON IS:

34
35 (I) A FULL-TIME EMPLOYEE OR A PART-TIME EMPLOYEE WHO WORKS 50% OR
36 MORE OF THE WORK WEEK FOR THE EMPLOYEE'S POSITION, PROVIDED THE EMPLOYEE IS:

37
38 A. A CLASSIFIED EMPLOYEE;

39
40 B. AN EXEMPT EMPLOYEE IN A POSITION AUTHORIZED UNDER § 6-2-101, §6-2-
41 103, § 6-2-104, OR § 6-2-105;

42
43 C. AN EMPLOYEE OF THE ANNE ARUNDEL COUNTY BOARD OF LICENSE
44 COMMISSIONERS ELIGIBLE TO PARTICIPATE IN THE EMPLOYEE'S RETIREMENT PLAN UNDER
45 ARTICLE 5 OF THIS CODE;

46
47 D. THE STATE'S ATTORNEY;

48
49 E. A DEPUTY STATE'S ATTORNEY OR ASSISTANT STATE'S ATTORNEY
50 APPOINTED UNDER THE CRIMINAL PROCEDURES ARTICLE, § 15-403(C)(1)(I) OR § 15-403(C)(1)(II)
51 OF THE STATE CODE.

52
53 F. THE SHERIFF;

54
55 G. A CHIEF DEPUTY APPOINTED UNDER COURTS AND JUDICIAL PROCEEDINGS
56 ARTICLE, § 2-309(C)(2)(II) OF STATE CODE; OR

57

H. THE COUNTY EXECUTIVE;

(II) AN EMPLOYEE WHOSE ELIGIBILITY TO PARTICIPATE IS MANDATORY UNDER FEDERAL OR STATE LAW; OR

(III) AN EMPLOYEE PAID UNDER THE MISCELLANEOUS EXEMPT EMPLOYEES PAY AND BENEFIT PLAN WHO IS ELIGIBLE TO PARTICIPATE IN ACCORDANCE WITH THE RULES AND REGULATIONS FOR MISCELLANEOUS EXEMPT EMPLOYEES ADOPTED BY THE PERSONNEL OFFICER UNDER SUBSECTION (N)(9).

(2) A SURVIVING SPOUSE OF AN EMPLOYEE WHO DIED WHILE EMPLOYED BY AN EMPLOYER IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM IN A RETIREE HEALTH INSURANCE PLAN OR A MEDICARE SUPPLEMENT IF THE SPOUSE RECEIVES PERIODIC PAYMENT OF A DEATH BENEFIT AS A SURVIVING SPOUSE UNDER ARTICLE 5 OF THIS CODE, NOT INCLUDING PAYMENT OF A LUMP SUM DEATH BENEFIT, AND WAS ELIGIBLE TO PARTICIPATE IN AN EMPLOYEE HEALTH INSURANCE PLAN AT THE TIME OF THE EMPLOYEE'S DEATH.

(3) A SURVIVING UNMARRIED MINOR CHILD OF AN EMPLOYEE WHO DIED WHILE EMPLOYED BY AN EMPLOYER IS ELIGIBLE TO PARTICIPATE IN A RETIREE HEALTH INSURANCE PLAN IF THE CHILD OR THE SURVIVING SPOUSE OF THE EMPLOYEE RECEIVES PERIODIC PAYMENT OF A DEATH BENEFIT AS A SURVIVING CHILD UNDER ARTICLE 5 OF THIS CODE, NOT INCLUDING PAYMENT OF A LUMP SUM DEATH BENEFIT, AND THE CHILD WAS ELIGIBLE TO PARTICIPATE IN AN EMPLOYEE HEALTH INSURANCE PLAN AT THE TIME OF THE EMPLOYEE'S DEATH.

(E) Participation; eligibility of retirees and certain survivors.

(1) AN EMPLOYEE HIRED BEFORE JANUARY 1, 2014 OTHER THAN A SCHOOL CROSSING GUARD IS ELIGIBLE UPON RETIREMENT TO PARTICIPATE IN A RETIREE HEALTH INSURANCE PLAN OR A MEDICARE SUPPLEMENT IF THE EMPLOYEE IS ENTITLED TO RECEIVE A PENSION UNDER ARTICLE 5 OF THIS CODE, INCLUDING A PENSION BASED ON A SERVICE-CONNECTED OR NON-SERVICE-CONNECTED DISABILITY.

(2) AN EMPLOYEE HIRED ON OR AFTER JANUARY 1, 2014 OTHER THAN A SCHOOL CROSSING GUARD IS ELIGIBLE UPON RETIREMENT TO PARTICIPATE IN A RETIREE HEALTH INSURANCE PLAN OR A MEDICARE SUPPLEMENT IF THE EMPLOYEE IS ENTITLED TO RECEIVE A PENSION UNDER ARTICLE 5 OF THIS CODE AND HAD AT LEAST TEN YEARS OF ACTUAL PLAN SERVICE AS DEFINED IN § 5-1-101 OF THIS CODE OR RETIRED AS A RESULT OF A SERVICE-CONNECTED OR NON-SERVICE-CONNECTED DISABILITY.

(3) A SURVIVING SPOUSE OF A RETIREE WHO WAS ELIGIBLE TO PARTICIPATE IN A RETIREE HEALTH INSURANCE PLAN OR A MEDICARE SUPPLEMENT IS ELIGIBLE TO PARTICIPATE IN A RETIREE HEALTH PLAN OR A MEDICARE SUPPLEMENT IF THE SPOUSE RECEIVES A PENSION AS A SURVIVING SPOUSE UNDER ARTICLE 5 OF THIS CODE AND WAS ELIGIBLE TO PARTICIPATE IN A RETIREE HEALTH INSURANCE PLAN OR A MEDICARE SUPPLEMENT AT THE TIME OF THE RETIREE'S DEATH.

(4) A SURVIVING UNMARRIED MINOR CHILD OF A RETIREE WHO WAS ELIGIBLE TO PARTICIPATE IN A RETIREE HEALTH INSURANCE PLAN OR A MEDICARE SUPPLEMENT IS ELIGIBLE TO PARTICIPATE IN A RETIREE HEALTH INSURANCE PLAN IF THE SURVIVING MINOR CHILD RECEIVES A PENSION AS A SURVIVING CHILD UNDER ARTICLE 5 OF THIS CODE AND WAS ELIGIBLE TO PARTICIPATE IN A RETIREE HEALTH INSURANCE PLAN AT THE TIME OF THE RETIREE'S DEATH.

(F) Participation; eligibility of dependents of employees and retirees.

(1) THE LEGAL SPOUSE OF AN EMPLOYEE OR RETIREE ELIGIBLE TO PARTICIPATE IN

1 THE PROGRAM AS RECOGNIZED IN THE STATE OF MARYLAND, NOT INCLUDING A COMMON
2 LAW SPOUSE, IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

3
4 (2) THE CHILD OF AN EMPLOYEE OR RETIREE ELIGIBLE TO PARTICIPATE IN THE
5 PROGRAM IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM UNTIL THE END OF THE MONTH IN
6 WHICH THE CHILD TURNS AGE 26.

7
8 (3) THE CHILD OF AN EMPLOYEE OR RETIREE ELIGIBLE TO PARTICIPATE IN THE
9 PROGRAM IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM IF, REGARDLESS OF AGE:

10
11 (I) THE CHILD IS PHYSICALLY OR MENTALLY INCAPABLE OF SELF-SUPPORT AND
12 IS DEPENDENT FOR SUPPORT UPON THE EMPLOYEE OR RETIREE UNDER THE REGULATIONS
13 PUBLISHED BY THE INTERNAL REVENUE SERVICE; AND

14
15 (II) THE INCAPACITY OF THE CHILD BEGAN BEFORE THE CHILD TURNED AGE 26
16 AND WHILE THE CHILD WAS ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

17
18 (4) THE GRANDCHILD OF AN EMPLOYEE OR RETIREE ELIGIBLE TO PARTICIPATE IN
19 THE PROGRAM IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM UNTIL THE END OF THE
20 MONTH IN WHICH THE GRANDCHILD TURNS AGE 26 IF:

21
22 (I) THE GRANDCHILD IS THE LEGAL GUARDIAN OF AND RESIDES WITH THE
23 EMPLOYEE OR RETIREE; AND

24
25 (II) THE GRANDCHILD IS DEPENDENT FOR SUPPORT UPON THE EMPLOYEE OR
26 RETIREE UNDER THE REGULATIONS PUBLISHED BY THE INTERNAL REVENUE SERVICE.

27
28 **(G) Participation; participants eligible for Medicare.**

29
30 (1) AN EMPLOYEE WHO OTHERWISE IS ELIGIBLE TO PARTICIPATE IN MEDICARE
31 BECAUSE THE EMPLOYEE HAS REACHED AGE 65 MAY CONTINUE TO PARTICIPATE IN THE
32 PROGRAM UNDER AN EMPLOYEE HEALTH INSURANCE PLAN.

33
34 (2) AN EMPLOYEE'S SPOUSE WHO OTHERWISE IS ELIGIBLE TO PARTICIPATE IN
35 MEDICARE BECAUSE THE SPOUSE HAS REACHED AGE 65 MAY CONTINUE TO PARTICIPATE IN
36 THE PROGRAM UNDER THE EMPLOYEE'S EMPLOYEE HEALTH INSURANCE PLAN.

37
38 (3) A RETIREE OR A RETIREE'S SPOUSE WHO IS ELIGIBLE TO PARTICIPATE IN
39 MEDICARE BECAUSE THE RETIREE OR SPOUSE HAS REACHED AGE 65 IS NOT ELIGIBLE TO
40 PARTICIPATE IN A RETIREE HEALTH INSURANCE PLAN AND MAY ELECT TO BE COVERED
41 UNDER A MEDICARE SUPPLEMENT.

42
43 (4) IF A RETIREE IS ELIGIBLE TO PARTICIPATE IN MEDICARE BUT HAS A DEPENDENT
44 WHO IS NOT, THE RETIREE MAY ELECT TO HAVE THAT DEPENDENT COVERED UNDER A
45 RETIREE HEALTH INSURANCE PLAN.

46
47 (5) ALL PARTICIPANTS ARE REQUIRED TO ENROLL IN MEDICARE PARTS A AND B IN
48 ORDER TO BE ELIGIBLE FOR COVERAGE UNDER A MEDICARE SUPPLEMENT.

49
50 (6) EFFECTIVE JANUARY 1, 2015, A RETIREE WHO WAS HIRED BEFORE APRIL 1, 1986,
51 DID NOT PARTICIPATE IN MEDICARE, AND HAS REACHED AGE 65 WILL NOT BE ELIGIBLE TO
52 PARTICIPATE IN A RETIREE HEALTH INSURANCE PLAN. A RETIREE WITHIN THE SCOPE OF
53 THIS SUBSECTION WHO IS NOT OTHERWISE ELIGIBLE TO PARTICIPATE IN MEDICARE ON THE
54 BASIS OF THE RETIREE'S OTHER EMPLOYMENT OR THE EMPLOYMENT OF THE RETIREE'S
55 SPOUSE MAY ELECT TO BE COVERED UNDER A MEDICARE SUPPLEMENT UPON ENROLLMENT
56 IN MEDICARE PARTS A AND B WITH THE EMPLOYER PAYING 50% OF THE PREMIUM FOR PART
57 A.
58

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56

(H) Determination of annual costs of providing benefits.

(1) THE ESTIMATE OF THE ANNUAL COSTS OF PROVIDING BENEFITS UNDER THE VARIOUS HEALTH INSURANCE PLANS SHALL BE PREPARED BY THE PERSONNEL OFFICER, REVIEWED BY THE BUDGET OFFICER AND APPROVED BY THE CHIEF ADMINISTRATIVE OFFICER.

(2) THE ANNUAL COST OF PROVIDING BENEFITS UNDER A HEALTH INSURANCE PLAN AS CALCULATED UNDER THIS SUBSECTION MAY NOT INCLUDE THE COST OF THE COST-SHARING PLAN FEATURES TO BE PAID BY A PARTICIPANT.

(I) Determination and amount of employer subsidy and rates paid by participants.

(1) THIS SUBSECTION APPLIES TO THE EMPLOYER SUBSIDIES FOR EMPLOYEE AND RETIREE HEALTH INSURANCE PLANS, BUT NOT TO THE MEDICARE SUPPLEMENT.

(2) ALL EMPLOYER SUBSIDIES ESTABLISHED IN ACCORDANCE WITH THIS SUBSECTION SHALL BE APPLIED TO THE ESTIMATED ANNUAL COSTS OF PROVIDING BENEFITS DETERMINED UNDER SUBSECTION (H) IN ORDER TO DETERMINE THE RATES PAID BY PARTICIPANTS FOR PARTICIPATION IN HEALTH INSURANCE PLANS.

(3) IN THE CASE OF OPTIONAL PLANS MADE AVAILABLE TO EMPLOYEES, RETIREES, AND THE SURVIVORS OF EMPLOYEES AND RETIREES FOR THE SAME TYPE OF COVERAGE, ALL EMPLOYER SUBSIDIES ESTABLISHED IN ACCORDANCE WITH THIS SUBSECTION SHALL BE APPLIED TO THE COSTS OF PROVIDING COVERAGE UNDER THE PLAN WITH THE LOWEST ANNUAL COST TO THE COUNTY AS DETERMINED BY THE PERSONNEL OFFICER, AND EMPLOYEES, RETIREES, AND THE SURVIVORS OF EMPLOYEES AND RETIREES SHALL PAY ALL COSTS FOR THE PLANS IN EXCESS OF THE AMOUNT OF THE SUBSIDY AS APPLIED TO THE LOWEST COST PLAN. THIS PROVISION SHALL NOT BE CONSTRUED TO APPLY TO COLLECTIVE BARGAINING AGREEMENTS IN EFFECT ON JANUARY 1, 2014.

(4) THE EMPLOYER SUBSIDY USED TO DETERMINE THE RATES FOR EMPLOYEES REPRESENTED BY AN EXCLUSIVE REPRESENTATIVE SELECTED IN ACCORDANCE WITH TITLE 4 AND ANY MONETARY CREDITS FOR OPTING OUT OF COVERAGES SHALL BE DETERMINED THROUGH COLLECTIVE BARGAINING AND, IF APPLICABLE, BINDING ARBITRATION. IF THE PERSONNEL OFFICER OFFERS MORE THAN ONE PLAN FOR THE SAME TYPE OF COVERAGE, DIFFERENT EMPLOYER SUBSIDIES MAY BE NEGOTIATED FOR THE DIFFERENT PLANS.

(5) THE EMPLOYER SUBSIDY USED TO DETERMINE THE RATES FOR ALL OTHER EMPLOYEES AND FOR THE SURVIVORS OF EMPLOYEES AND RETIREES SHALL BE PROPOSED BY THE PERSONNEL OFFICER AND APPROVED BY RESOLUTION OF THE COUNTY COUNCIL. THE RESOLUTION ALSO SHALL INCLUDE THE RATES FOR PART-TIME EMPLOYEES AND FOR PERSONS COVERED UNDER THE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA) AND ANY MONETARY CREDITS GIVEN TO EMPLOYEES NOT REPRESENTED BY AN EXCLUSIVE REPRESENTATIVE FOR OPTING OUT OF COVERAGES.

(6) THE EMPLOYER SUBSIDY EXCLUSIVE OF DENTAL AND VISION COVERAGE FOR RETIREES WHO RETIRED BEFORE JULY 1, 2014 SHALL BE 80%.

(7) THE EMPLOYER SUBSIDY EXCLUSIVE OF DENTAL AND VISION COVERAGE FOR RETIREES WHO WERE HIRED BEFORE JANUARY 1, 2014 AND RETIRED ON OR AFTER JULY 1, 2014 OTHER THAN RETIREES RETIRED AS THE RESULT OF DISABILITIES SHALL BE BASED ON THEIR YEARS OF CREDITED SERVICE AS OF THEIR DATE OF RETIREMENT AS FOLLOWS:

CREDITED SERVICE ON RETIREMENT

| | | | | | |
|-----|-------|-------|-------|-------|------------|
| 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30 or more |
|-----|-------|-------|-------|-------|------------|

| | | | | | |
|-----|-----|-----|------|------|-----|
| 30% | 40% | 50% | 70%* | 75%* | 80% |
|-----|-----|-----|------|------|-----|

*IF AN EMPLOYEE IS A PARTICIPANT IN THE DEFERRED RETIREMENT OPTION PROGRAM ON JULY 1, 2014, THE EMPLOYER SUBSIDY SHALL BE 80%.

(8) THE EMPLOYER SUBSIDY EXCLUSIVE OF DENTAL AND VISION COVERAGE FOR RETIREES RETIRED AS THE RESULT OF DISABILITIES WHO WERE HIRED BEFORE JANUARY 1, 2014 AND RETIRED ON OR AFTER JULY 1, 2014 SHALL BE:

(I) 50% OR THE PERCENTAGE DETERMINED IN ACCORDANCE WITH SUBSECTION (I)(6), WHICHEVER IS GREATER, FOR RETIREES RETIRED AS A RESULT OF NON-SERVICE CONNECTED DISABILITIES; OR

(II) 80% FOR RETIREES RETIRED AS A RESULT OF SERVICE-CONNECTED DISABILITIES.

(9) THE EMPLOYER SUBSIDY EXCLUSIVE OF DENTAL AND VISION COVERAGE FOR RETIREES WHO WERE HIRED ON OR AFTER JANUARY 1, 2014 OTHER THAN RETIREES RETIRED AS THE RESULT OF DISABILITIES SHALL BE BASED ON THEIR YEARS OF CREDITED SERVICE AS OF THEIR DATE OF RETIREMENT AS FOLLOWS, SUBJECT TO THE PROVISIONS OF SUBSECTION (I)(10):

CREDITED SERVICE ON RETIREMENT

| | | | | | |
|-------|-------|-------|-------|-------|------------|
| 10-14 | 15-19 | 20-24 | 25-29 | 30-39 | 40 OR MORE |
| 30% | 40% | 50% | 70% | 75% | 80% |

(10) THE CREDITED SERVICE USED TO DETERMINE THE EMPLOYER SUBSIDY UNDER SUBSECTION (I)(9) MAY NOT INCLUDE MORE THAN 50 % OR 20 YEARS OF TRANSFERRED SERVICE, WHICHEVER IS LESS.

(11) THE EMPLOYER SUBSIDY EXCLUSIVE OF DENTAL AND VISION COVERAGE FOR RETIREES RETIRED AS THE RESULT OF DISABILITIES WHO WERE HIRED ON OR AFTER JANUARY 1, 2014 SHALL BE 50% OR THE PERCENTAGE DETERMINED IN ACCORDANCE WITH SUBSECTION (I)(9), WHICHEVER IS GREATER.

(12) FOR PURPOSES OF THIS SUBSECTION, THE DATE THAT AN EMPLOYEE RETIRES SHALL BE THE DATE THAT AN EMPLOYEE TERMINATES EMPLOYMENT WITH THE COUNTY THAT IS ON OR AFTER THE EMPLOYEE'S NORMAL OR EARLY RETIREMENT DATE UNDER THE COUNTY RETIREMENT PLAN IN WHICH THE EMPLOYEE IS A PARTICIPANT OR, IN CASE OF A DISABILITY PENSION, ON THE DATE THAT THE EMPLOYEE IS RETIRED ON THE DISABILITY PENSION. A TERMINATED VESTED EMPLOYEE SHALL BE DEEMED TO RETIRE ON THE DATE THAT THE TERMINATED VESTED EMPLOYEE BECOMES ELIGIBLE TO RECEIVE A PENSION UNDER THE EMPLOYEES' RETIREMENT PLAN OR THE DETENTION OFFICERS' AND DEPUTY SHERIFFS' RETIREMENT PLAN.

(J) Employer subsidy; Medicare supplement.

(1) EFFECTIVE JANUARY 1, 2015, THE EMPLOYER SUBSIDY FOR THE MEDICARE SUPPLEMENT FOR RETIREES WHO RETIRED BEFORE JULY 1, 2014 SHALL BE 80%.

(2) EFFECTIVE JANUARY 1, 2015, THE EMPLOYER SUBSIDY FOR THE MEDICARE SUPPLEMENT FOR RETIREES WHO RETIRED ON OR AFTER JULY 1, 2014 SHALL BE THE SAME PERCENTAGE AS THE EMPLOYER SUBSIDY DETERMINED IN ACCORDANCE WITH SUBSECTION (I).

1 **(K) Replacement of Medicare supplement with cash subsidy or allowance.**

2
3 (1) EFFECTIVE JANUARY 1, 2015, THE COUNTY MAY PROVIDE A CASH SUBSIDY OR
4 ALLOWANCE IN LIEU OF A MEDICARE SUPPLEMENT.

5
6 (2) THE AMOUNT OF THE SUBSIDIES OR ALLOWANCES SHALL BE PROPOSED BY THE
7 PERSONNEL OFFICER AND APPROVED BY RESOLUTION OF THE COUNTY COUNCIL. THE
8 PROPOSED SUBSIDIES OR ALLOWANCES SHALL BE CALCULATED BY APPLYING THE
9 GRADUATED SCALE OF PERCENTAGES SET FORTH IN SUBSECTION (I) TO THE COST OF A
10 MEDICARE SUPPLEMENT PLAN F IN ADDITION TO PRESCRIPTION DRUG COVERAGE AS
11 DETERMINED BY THE PERSONNEL OFFICER.

12
13 (3) THE SUBSIDIES OR ALLOWANCES MAY BE ADMINISTERED THROUGH A HEALTH
14 REIMBURSEMENT ACCOUNT, AND THE COUNTY MAY CONTRACT WITH A CONNECTOR
15 ENTITY FOR PURPOSES OF ESTABLISHING A NAVIGATOR PROGRAM FOR PARTICIPANTS.

16
17 (4) THE COUNTY SHALL CONTINUE TO PROVIDE MEDICARE SUPPLEMENTS FOR
18 PARTICIPANTS ELIGIBLE TO PARTICIPATE IN MEDICARE BEFORE AGE 65 BECAUSE OF
19 DISABILITIES WHO ARE NOT ELIGIBLE FOR A NAVIGATOR PROGRAM.

20
21 (5) THE MEDICARE SUPPLEMENT OR THE SUBSIDY OR ALLOWANCE IN LIEU OF A
22 MEDICARE SUPPLEMENT MAY INCLUDE A PROVISION FOR THE REIMBURSEMENT OF OUT-OF-
23 POCKET COSTS TO PARTICIPANTS FOR PRESCRIPTION DRUGS AT THE THRESHOLD AND
24 UNDER THE OTHER CONDITIONS PROPOSED BY THE PERSONNEL OFFICER AND RATIFIED BY
25 RESOLUTION PASSED BY THE COUNTY COUNCIL.

26
27 **(L) Application for and entitlement to benefits.**

28
29 (1) AN EMPLOYEE, RETIREE, OR SURVIVOR SEEKING TO PARTICIPATE IN THE
30 PROGRAM SHALL SUBMIT AN APPLICATION ON THE FORM PROVIDED BY THE OFFICE OF
31 PERSONNEL AND SHALL PROVIDE THE REQUIRED THE INFORMATION, AND MAY NOT BE
32 ENTITLED TO BENEFITS UNDER THE PROGRAM UNTIL THE PARTICIPATION IN THE PROGRAM
33 IS APPROVED BY THE OFFICE OF PERSONNEL.

34
35 (2) AN APPLICATION TO PARTICIPATE IN THE PROGRAM MAY BE FILED ONLY BY THE
36 EMPLOYEE OR RETIREE ENTITLED TO PARTICIPATE IN THE PROGRAM AND SHALL INCLUDE
37 APPLICATION FOR HEALTH INSURANCE BENEFITS FOR THOSE DEPENDENTS FOR WHICH THE
38 EMPLOYEE OR RETIREE SEEKS PARTICIPATION.

39
40 (3) AN EMPLOYEE OR RETIREE WHO ELECTS NOT TO PARTICIPATE IN THE PROGRAM
41 IN A GIVEN PLAN YEAR SHALL NOT BE PROHIBITED FROM ELECTING TO PARTICIPATE IN ANY
42 SUBSEQUENT PLAN YEAR.

43
44 (4) A SURVIVOR MAY FILE AN APPLICATION IN THE SURVIVOR'S OWN NAME, EXCEPT
45 THAT A SURVIVING SPOUSE SHALL FILE AN APPLICATION THAT INCLUDES APPLICATION FOR
46 HEALTH INSURANCE BENEFITS FOR ANY SURVIVING CHILD OF THE SURVIVING SPOUSE ALSO
47 ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

48
49 (5) AFTER SUBMITTING AN APPLICATION AN EMPLOYEE OR RETIREE, OR A SURVIVOR
50 WHO MADE APPLICATION FOR BENEFITS IN THE SURVIVOR'S OWN NAME, SHALL REPORT
51 ANY CHANGE IN FAMILY, EMPLOYMENT, OR OTHER STATUS THAT AFFECTS A PARTICIPANT'S
52 ENTITLEMENT TO BENEFITS UNDER THE PROGRAM TO THE OFFICE OF PERSONNEL.

53
54 (6) AN EMPLOYEE, RETIREE, OR SURVIVOR WHO WILLFULLY MAKES A FALSE
55 STATEMENT OR FALSE REPRESENTATION ON AN APPLICATION FOR BENEFITS UNDER THE
56 PROGRAM OR WHO WILLFULLY FAILS TO DISCLOSE A CHANGE IN FAMILY, EMPLOYMENT, OR
57 OTHER STATUS THAT AFFECTS A PARTICIPANT'S ENTITLEMENT TO BENEFITS UNDER THE

1 PROGRAM IS GUILTY OF A MISDEMEANOR AS PROVIDED IN § 9-1-101 OF THIS CODE.
2

3 (M) **Health Care Flexible Spending Account.** THE PROGRAM SHALL INCLUDE THE
4 OPTION FOR AN EMPLOYEE TO ESTABLISH A HEALTH CARE FLEXIBLE SPENDING ACCOUNT.
5

6 (N) **Duties and powers of the Personnel Officer.** IN ADDITION TO THE SPECIFIC DUTIES
7 SET FORTH IN THIS SECTION, THE PERSONNEL OFFICER HAS THE GENERAL DUTY TO
8 ADMINISTER THE PROGRAM AND HAS THE POWERS NECESSARY TO DO SO, INCLUDING THE
9 POWER TO:

10
11 (1) ESTABLISH THE HEALTH INSURANCE BENEFIT OPTIONS AND DESIGN THE HEALTH
12 INSURANCE PLANS MADE AVAILABLE TO PARTICIPANTS, AND DESIGNATE THE PLAN YEAR;
13

14 (2) PREPARE FORMS AND ESTABLISH PROCEDURES TO BE FOLLOWED IN ORDER TO
15 OBTAIN HEALTH INSURANCE BENEFITS UNDER THE PROGRAM;
16

17 (3) DETERMINE THE ELIGIBILITY OF PERSONS TO PARTICIPATE IN THE PROGRAM AND
18 RECEIVE HEALTH INSURANCE BENEFITS UNDER THE PROGRAM;
19

20 (4) APPROVE OR SUPERVISE THE APPROVAL OF THE PAYMENT OF CLAIMS FOR
21 HEALTH INSURANCE BENEFITS;
22

23 (5) ESTABLISH A PROCESS FOR INTERNAL APPEALS AND EXTERNAL REVIEW OF
24 DECISIONS THAT COMPLIES WITH THE FEDERAL AFFORDABLE CARE ACT;
25

26 (6) REVIEW THE PAYMENT OF CLAIMS FOR HEALTH INSURANCE BENEFITS AND SEEK
27 RECOVERY OF ANY OVERPAYMENT OF BENEFITS;
28

29 (7) ESTABLISH AND ADMINISTER WELLNESS PROGRAMS AS PART OF THE PROGRAM;
30

31 (8) ESTABLISH HEALTH SAVINGS ACCOUNTS AND HIGH-DEDUCTIBLE HEALTH PLANS
32 AS PART OF THE PROGRAM; AND
33

34 (9) ADOPT RULES AND REGULATIONS NECESSARY TO IMPLEMENT THE PROGRAM AS
35 SET FORTH IN THIS SECTION PROVIDED THAT SUCH RULES AND REGULATIONS ARE
36 PUBLISHED ON THE OFFICE OF PERSONNEL WEBSITE AT LEAST 30 DAYS PRIOR TO TAKING
37 EFFECT.
38

39 SECTION 3. *And be it further enacted,* That the current expense budget proposed by the
40 County Executive for fiscal years 2015 and 2016 shall include an appropriation of at least
41 \$15,000,000 to the Reserve Fund for Retiree Health Benefits. This amount shall be in
42 addition to the appropriation requested in the fiscal years 2015 and 2016 current expense
43 budgets for retiree medical benefits funded on a pay-as-you-go basis in the current expense
44 budget.
45

46 SECTION 4. *And be it further enacted,* That the current expense budget proposed by
47 the County Executive for fiscal year 2017 and each fiscal year thereafter shall include an
48 appropriation to the reserve fund for retiree health benefits in an amount equal to the lesser
49 of (1) the actuarial required contribution as determined by the County's actuary under
50 Governmental Accounting Standards Board Statement Number 45 less the appropriation
51 requested for retiree medical benefits funded on a pay-as-you-go basis in the current expense
52 budget, or (2) 10% more than the amount proposed by the County Executive for
53 appropriation to the Reserve Fund for Retiree Health Benefits in the prior fiscal year's
54 current expense budget.

1
2
3
4
5
6
7
8
9
10
11
12
13

SECTION 5. *And be it further enacted*, That if any provision of this Ordinance or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Ordinance which can be given effect without the invalid provision or application, and for this purpose the provisions of this Ordinance are declared severable.

SECTION 6. *And be it further enacted*, That this Ordinance shall be construed to apply retroactively as necessary to implement the effective dates of the various provisions set forth in Section 2 of this Ordinance.

SECTION 7. *And be it further enacted*, That this Ordinance shall take effect 45 days from the date it becomes law.