

October 16, 2017

Amend RPPA CBA 2017 CBA Article 22 - (h)(i)(j)(k)(l) as follows:

(r) Effective January 1, 2018, for retired members under this Agreement, the following group health insurance program will apply. For the retired members hired prior to January 1, 2015, and retired after July 1, 1999, and mentioned in the Memorandum of Understanding dated **November 8, 2017**, the following provisions apply, with the understanding that for these members, Medicare may not become effective until July 1, 2018. For those members retiring prior to July 1, 1999, no changes in their retiree insurance shall be made. For those members hired on or after January 1, 2015 the provisions as described in Section (m) of this Article shall apply.

Eligibility for the Program - For the purposes of this Article, an eligible retired member is one who is retired under PERS, pursuant to Article 22, Sections (j), (k), and (l). For the purposes of the below listed Medicare-coordinated group health insurance plan, those members who have retired on or after July 1, 1999, and who were hired before January 1, 2015, are eligible to participate in the Program per the provisions outlined below. Based on negotiations with the City, retired members at Medicare eligible age and older are required to enroll in Medicare Part A and Part B to participate in the City of Reno's group health insurance plans. For those eligible members who are not listed in the MOU 30, attached to this article, and who choose not to enroll in Medicare Part A or Part B when they become eligible to do so the City shall not be required to pay any penalty incurred by the member for their failure to enroll in Part A or Part B coverage except as follows:

- a. If a retiree, through no fault of their own fails to enroll in Part A or Part B when eligible, the City shall pay any penalty incurred by the member. "No fault of their own" is defined as: Member incapacitation through sickness or injury which prevents the retiree from enrolling in Part A or Part B Medicare.

Ineligibility for the Program – For the purposes of this Article, an ineligible member is one who is not retired under PERS, pursuant to Article 22, Sections (j), (k), and (l). While surviving spouses are eligible to remain covered under the City's group health insurance plans, retired members do not have the ability to assign retirement health insurance subsidy benefits to surviving spouses.

- 1) Retired members who are not Medicare eligible due to age, meaning they are younger than the eligible Medicare age at the time of the signing of this Agreement, which is currently 65 years old, shall have the option to be covered under the City of Reno's group health insurance coverage, pursuant to Sections (j) through (l) of this Article.

- 2) The Association and the City of Reno agree that if eligibility for Medicare changes due to amendments made by the Federal government, they shall comply with all new eligibility laws, presidential executive orders, or regulations.
- 3) The Association and the City of Reno agree that in the event the Federal government significantly reduces Medicare benefits, or eliminates Medicare benefits, all retired members shall revert to group health insurance coverage pursuant to Section (j) through (l) of this Article.
- 4) All retired members must enroll in Medicare Part A and Part B when they are eligible to do so, regardless of whether they contributed to Medicare as employees of the City of Reno. Retired members will be eligible for Medicare coverage when they reach the eligible Medicare age, currently 65 years.
- 5) All retired members, at eligible Medicare age and older, must provide proof of Medicare Part A and Part B coverage to the City of Reno.
- 6) All retired members, at eligible Medicare age and older, must pay the premiums associated with enrollment in Medicare Part A and Part B and Part D directly to Medicare.
 - i) All retired members, at eligible Medicare age and older, must provide proof of Medicare Part A and Part B premium payment or their Medicare Determination Letter to the City of Reno each benefit year. After proof of Medicare Part A and Part B and Part D are provided to the City by the retiree or the retiree's designee, the City shall, within ninety (90) days, fund the RHA. This funding shall be retroactive to the date the retiree has the premiums taken out of his/her Social Security, savings or checking account or any other form of payment, pursuant to the Medicare documentation provided.
- 7) All retired members, at eligible Medicare age and older, will be provided with access to a Retiree Health Account (RHA) by the City of Reno. The RHA will be administered per the City of Reno's Retiree Health Account Plan Document through ICMA-RC's Vantage Care Program and the Federal regulations set forth by the IRS. The RHA shall be funded per the following:
 - a) For retired members eligible for a one hundred percent (100%) retiree-only health insurance subsidy, the RHA will be funded at one hundred percent (100%) of the amount of the retiree's Medicare Part A, Part B, and Part D.
 - b) For retired members eligible for a seventy-five percent (75%) retiree-only health insurance subsidy, the RHA will be funded at seventy-five percent (75%) of the amount of the retiree's Medicare Part A, Part B, and Part D.

- c) For retired members eligible for a fifty percent (50%) retiree-only health insurance subsidy, the RHA will be funded at fifty percent (50%) of the amount of the retiree's Medicare Part A, Part B, and Part D.
 - d) The City shall fund the RHA on January 1st and June 1st, of each year. All reimbursements shall comply with the provisions of this Section. Retirees may use the Retiree Health Account (RHA) for Medicare premiums.
- 8) All retired members at eligible Medicare age and older must enroll in the negotiated City Medicare-coordinated group health insurance plan.
- (1) The Medicare-coordinated group health insurance plan shall act as the retired member's Medicare Part D, or Prescription Drug coverage.
 - (2) The City will pay the premiums for the Medicare-coordinated group health insurance plan as follows:
 - (a) For retired members eligible for a one hundred percent (100%) retiree-only health insurance subsidy, the City will pay one hundred percent (100%) of the premium for the retiree's Medicare-coordinated group health plan.
 - (b) For retired members eligible for a seventy-five percent (75%) retiree-only health insurance subsidy, the City will pay seventy-five percent (75%) of the premium for the retiree's Medicare-coordinated group health plan.
 - (c) For retired members eligible for a fifty percent (50%) retiree-only health insurance subsidy, the City will pay fifty percent (50%) of the premium for the retiree's Medicare-coordinated group health plan.
- 9) Should the City find it necessary to change carriers for the Medicare-coordinated group health insurance plan, it shall seek a replacement plan of equal or greater benefit.
- 10) All retired members who wish to cover dependents who are at Medicare eligible age or older under the City's group health insurance plan may do so, pursuant to the following:
- (a) All dependents to be covered under the City's group health insurance plan who are at Medicare-eligible age or older must enroll in Medicare Part A and Part B when they are eligible to do so, or in accordance with the provisions of Medicare.
 - (b) All dependents to be covered under the City's group health insurance plan, who are at Medicare-eligible age or older, must provide proof of Medicare Part A and Part B coverage to the City of Reno.

(c) All dependents to be covered under the City's group health insurance plan, who are at Medicare-eligible age or older must enroll in the Medicare-coordinated group health insurance plan.

(i) The Medicare-coordinated group health insurance plan shall act as the dependent's Medicare Part D, or Prescription Drug coverage.

11) All retired members who wish to cover dependents who are not yet at Medicare eligible age under the City's group health insurance plan may do so, pursuant to the following:

(a) All dependents to be covered under the City's group health insurance plan, who are at not yet Medicare-eligible age shall continue to be covered by the City's group health insurance plan that the retired member was enrolled in prior to participating in the Medicare-coordinated group health insurance plan.

(b) The premiums for covered dependents not yet of Medicare-eligible age shall be the published group health insurance rate for the appropriate level of Retiree coverage.

12) Unless subsequently changed in Medicare, or by changes made by the State or Federal government, or by IRS regulation, it is understood that all RHA will revert to the City of Reno upon ineligibility of the retired member for this program, or upon the death of the retired member.

13) Group dental and vision insurance coverage shall remain in effect pursuant to Article 22, Section (a) (1) and (2).

14) Group basic life insurance coverage shall remain in effect pursuant to the following:

a) The life insurance benefit shall be provided to retirees regardless of the type of retirement subject to the reduction formula specified in the group term life insurance policy.

15) For the retired members listed in the **November 8, 2017 MOU** (see Appendix --), the City agrees to fund the RHA pursuant to 1) vi) (a), (b), and (c), including the possible penalties assessed by Medicare for non-enrollment when first eligible.

16) For members who retired before July 1, 1999, the group health insurance benefits as outlined in this article exclusive of Sections (j) through (l) shall continue to apply.

17) A retired member who is eligible for lifetime coverage under this article who voluntarily terminates Medicare Part A and Part B coverage shall forfeit their lifetime medical benefits under this article. A member who has voluntarily terminated their lifetime coverage and

who desires to re-enroll in the City’s insurance shall be responsible for the entirety of the City insurance costs including any Medicare Part A and/or Part B penalties.

This language is tentatively agreed to and is acknowledged by the following signatures:

_____	_____
For the City of Reno	For the RPPA
_____	_____
Date	Date

Appendix for Group Health Insurance Plan Negotiations

- Common Definitions of Medicare terms and Group Health Insurance terms
- MOU for the (30) retirees who are eligible for payment of Medicare penalties by the City
- Copies of all group health insurance Summary Plan Documents, as well as the ICMA-RC Vantage Care contract for the Retiree Health Account, shall be available online, or by contacting the City of Reno’s Human Resources Department.

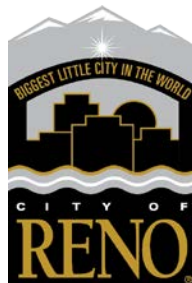
DEFINITIONS:

- **Retiree Health Account (RHA)** – A Retiree Health Account, or RHA, is an IRS approved, employer-funded health benefits plan that reimburses participants for qualified medical expenses and allowable health insurance premiums. The Administrator for the RHA under the City of Reno is ICMA-RC. The RHA will allow reimbursement of Medicare Part A, Part B, Part C, and Part D premiums. RHA funding, including any increased Medicare amounts, shall be pre-funded twice each year by the City on January 1 and July 1 of each Calendar Year. Eligible retirees shall be notified of the appropriate and inappropriate uses of the RHA funds.
- **Qualified Medical Expenses** – Under IRS §213(d) qualified medical expenses are defined as amounts paid for the diagnosis, cure, mitigation, or treatment of a disease.
- **Creditable Coverage** -Health insurance coverage under any of the following: a group health plan; individual health insurance; student health insurance; Medicare; Medicaid; CHAMPUS and TRICARE; the Federal Employees Health Benefits Program; Indian Health Service; the Peace Corps; Public Health Plan (any plan established or maintained by a State, the U.S. government, a foreign country); Children’s Health Insurance Program (CHIP); or, a state health insurance high risk pool. (www.healthcare.gov, Glossary)
- **Eligible** - For the purposes of this Article, an eligible member is one who is retired under PERS, pursuant to Article 22, Sections (j), (k), and (l). *Effective (TO BE DECIDED) 1, 2017*, pursuant to the City of Reno’s Summary Plan Documents (SPD’s), retired members at Medicare eligible age and older are required to enroll in Medicare Part A, Part B and Part D to participate in the City of Reno’s group health insurance plans.
- **Continuation of Care** - The uninterrupted period that the covered employee was continuously covered by the City’s policy immediately before the transfer to the City’s Medicare health plan. Any expenses incurred which are payable under the provision will not be payable under the new policy.
- **Ineligible** – For the purposes of this Article, an ineligible member is one who is not retired under PERS, pursuant to Article 22, Sections (j), (k), and (l). Deceased members are ineligible for benefits. While surviving spouses are eligible to remain covered under the City’s group health insurance plans, members do not have the ability to proscribe retirement health insurance subsidy benefits to surviving spouses.
- **Medicare** – A federal health insurance program for people 65 and older and certain younger people with disabilities. All individuals that are at Medicare qualifying age are eligible for coverage under the program. Some individuals are eligible for part of their Medicare coverage at no monthly premium cost. Some individuals are eligible for their Medicare coverage at a monthly premium cost. (www.healthcare.gov)

- **Original Medicare** – Original Medicare is a fee-for-service health plan that has two parts: Part A (Hospital Insurance) and Part B (Medical Insurance). After you pay a deductible, Medicare pays its share of the Medicare-approved amount, and you pay your share (co-insurance and deductibles). (www.medicare.gov)
- **Medicare-Approved Amount** – In Original Medicare, this is the amount a doctor or supplier that accepts assignment can be paid. It may be less than the actual amount a doctor or supplier charges. Medicare pays part of this amount and you are responsible for the difference. (www.medicare.gov, Glossary)
- **Medicare Part A** – Medicare Part A generally covers hospital care, skilled nursing facility care, nursing home care, home health services, and hospice services. If you have paid in to into [one word] Medicare through an employer, you will likely get Part A free (no monthly premium). If not, you are still eligible to enroll in Part A, however, it can cost up to \$411.00 for the monthly premium. If you do not enroll in Medicare Part A when you are eligible to do so, you may be assessed a penalty of up to ten percent (10%) for each twelve (12) month period you delayed enrolling. This penalty will continue for twice as many months as you were not enrolled in Part A. City of Reno RPPA PPA retirees will not be penalized as long as they remain in the city plans as outlined in this document. (www.medicare.gov)
- **Medicare Part B** – Medicare Part B covers services (like lab tests, surgeries, and doctor visits) and supplies (like wheelchairs and walkers) considered medically necessary to treat a disease or condition. Medicare Part B covers medically necessary services (services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice). Part B also covers preventive services that are designed to prevent illness or to detect it at an early stage, when treatment is most likely to work best. Medicare Part B generally covers clinical research, ambulance services, durable medical equipment (DME), and mental health. Medicare Part B has a monthly premium associated with the coverage. If you enroll in Part B when you are initially eligible to do so, you will be charged a premium of \$104.90 to \$389.80 per month, depending upon your annual income filed with the IRS. If you do not enroll in Medicare Part B when you are eligible to do so, you may be assessed a penalty of up to ten percent (10%) for each full twelve (12) month period that you could have been enrolled in Part B. This penalty is assessed for the life of your Medicare part B coverage. City of Reno RPPA retirees will not be penalized as long as they remain in the city plans as outlined in this document. (www.medicare.gov)
- **Medicare Advantage Plan (Medicare Part C)** – A type of Medicare health plan offered by a private company that contracts with Medicare to provide you with all your Part A and Part B benefits. Medicare Advantage Plans include Health Maintenance Organizations, Preferred Provider Organizations, Private Fee-for-Service Plans, Special Needs Plans, and Medicare Medical Savings Account Plans. If you are enrolled in a Medicare Advantage Plan, most Medicare services are covered through the plan and are

not paid for under Original Medicare. Most Medicare Advantage Plans offer prescription drug coverage. (www.healthcare.gov, Glossary)

- **Medicare Part D** – A program that helps pay for prescription drugs for people with Medicare who join a plan that includes Medicare prescription drug coverage. There are two ways to get Medicare prescription drug coverage: through a Medicare Prescription Drug Plan or a Medicare Advantage Plan that includes drug coverage. These plans are offered by insurance companies and other private companies approved by Medicare. (www.healthcare.gov, Glossary)
- **Medicare Supplement Insurance (Medigap)** – A Medicare Supplement Insurance (Medigap) policy, sold by private companies, can help pay some of the health care costs that Original Medicare does not cover, like co-payments, co-insurance, and deductibles. Some Medigap policies also offer coverage for services that Original Medicare does not cover, like medical care when you travel outside of the United States. If you have Original Medicare and you buy a Medigap policy, Medicare will pay its share of the Medicare-approved amount for covered health care costs. Then, your Medigap policy pays its share. To enroll in a Medigap policy, you must have Medicare Part A and Part B. (www.medicare.gov)
- **Minimum Essential Coverage (MEC)** – Any insurance plan that meets the Affordable Care Act requirement for having health coverage. To avoid the penalty for not having insurance you must be enrolled in a plan that qualifies as minimum essential coverage (sometimes called “qualifying health coverage”). (www.healthcare.gov, Glossary)
- **Qualified Medical Expenses** – Under IRS §213(d) qualified medical expenses are defined as amounts paid for the diagnosis, cure, mitigation, or treatment of a disease.
- **Appendix B - RPPA/City of Reno – Memorandum of Understanding**



UPDATED BY RPPA Chief Negotiator Ron Dreher – April 25, 2017

October 16, 2017

Ron Dreher, Chief Negotiator

Dave Kinamon, President
Reno Police Protective Association

Re: Memorandum of Understanding re: RPPA CBA Article 22

Gentlemen:

Pursuant to the meeting between the City of Reno and the RPPA held on Monday, March 20, 2017, the parties agree to the following as a Memorandum of Understanding (MOU) concerning ongoing negotiations for RPPA Article 22 - Health and Accident Insurance:

- The City of Reno agrees that for the following RPPA retirees, enforcement of the provision of the Summary Plan Documents (SPD's) for the Reno 80/20 Plan and the Hometown Health Plan concerning coordination of benefits with Medicare shall be postponed until July 1, 2018.
- The parties agree that the listing below is comprised of RPPA retirees that fit the following criteria: 1) they were hired as an employee of the City of Reno prior to January 1, 2015 (in most cases, they were hired prior to March 31, 1986, a date considered important by the RPPA **due to the fact that prior to this date the City of Reno did not pay into Medicare for these employees**); 2) they retired from the City of Reno after July 1, 1999; 3) they are eligible for a retirement subsidy for the City of Reno's group health insurance program based upon years of service with the Reno Police Department **and based on the collective bargaining agreements reached by the parties**; 4) according to City of Reno records, they have not enrolled in Medicare Part A and/or Medicare Part B.¹

Name	Date of Hire	Date of Birth	Age
Richard D. Griffin, Jr.	12/29/1969	11/12/1946	70
Joseph J. Depczynski	2/29/1980	1/19/1947	70
Steven P. Keller	3/31/1975	7/4/1947	69
Gary L. Frankenhauser	1/9/1981	8/4/1947	69

¹ **This list is based on information known to the parties as of April 25, 2017 and may not contain all of the names of those RPPA retirees based on incomplete record keeping. If other RPPA retirees are located who fit the criteria described they too shall be added to this list.**

Jay W. Brown	1/30/1989	1/1/1948	69
David M. Ramsey	11/6/1969	9/10/1948	68
Daniel R. Tapia	2/5/1973	10/22/1948	68
Ronald P. Dreher	3/15/1973	10/26/1948	68
James R. Colbert	2/25/1974	3/14/1950	67
Frank H. Johnson	1/9/1981	12/23/1949	67
David L. Keller	5/5/1975	3/21/1952	65
Judy L. Holladay	4/7/1976	6/12/1951	65
William P. Gallagher	6/6/1977	8/23/1951	65
Edward W. Dixon	3/16/1979	8/19/1951	65
Robert D. Stewart	2/1/1980	6/5/1951	65
Roger Linscott	8/14/1978	3/2/1953	64
Michael E. Cleveland	1/3/1977	10/1/1952	64
Glenn S. Withnell	9/8/1978	7/25/1952	64
Marvin W. Barnes	3/16/1979	1/21/1953	64
Randy L. Houston	2/1/1980	7/16/1952	64
Steven C. Reed	11/16/1981	4/16/1952	64

- The parties agree that the above-named RPPA retirees shall be required to enroll in and purchase Medicare Part A and/or Medicare Part B, either when they are **or were** first eligible to do so by turning 65 years old, or during the next Medicare General

Enrollment Period - January 1, 2018 through March 31, 2018. It is understood that RPPA retirees that enroll in Medicare Part A and Medicare Part B during the General Enrollment Period will have their Medicare coverage become effective July 1, 2018, pursuant to the Medicare enrollment rules **and that the City will pay 100% of the Medicare “employee only” coverages including any penalties in accordance with the provisions of Article 22.**

- **NOTE: This period of time is contingent upon the City and the RPPA having a minimum of three (3) meetings with Association members, both active and retired, prior to January 1, 2018, to ensure that the terms of this language and agreement have been thoroughly explained to those effected and that they have been given a chance to vote on these changes as required by the RPPA by-laws.**
- The parties agree that negotiations on the substance of RPPA Article 22 - Health and Accident Insurance, Sections (j), (k), and (l), shall continue in good faith. It is the goal of both parties to put whatever language and program is agreed upon into effect on January 1, 2018. Should negotiations fail **on or before to March 31, 2018**, it is agreed that the parties shall revert to the language of Article 22 - Health and Accident Insurance of the Agreement, as administered on this 25th day of April, 2017, **and as incorporated in the negotiated collective bargaining agreements prior to and subsequent to July 1, 1999** and that either party may pursue next actions as they see fit under the Agreement.

By your signatures below, you acknowledge that you are in agreement with the above stated MOU.

Ronald Dreher, Chief Negotiator
RPPA

Dave Kinamon, President
RPPA

Mandee Bowler, Chief Negotiator
City of Reno

Date Signed by All Parties