

O-17-05

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE NON-UNIFORMED EMPLOYEES' POLICY AND PROCEDURE MANUAL; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, Ordinance No. 7690 adopted by the City Council on February 28, 2005, codified by reference as §2-151 of the North Little Rock Municipal Code, established policies and procedures for non-uniformed employees ("Personnel Manual"), which has subsequently been amended by Ordinance Nos. 8115, 8249, 8258, 8393, 8516, 8525, 8584, 8710, 8713, 8732, 8767, 8770, 8777, 8783, 8789 and 8819; and

WHEREAS, there is a need to revise the policy on group health insurance in the Policy and Procedure Manual.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Policies and Procedure Manual for Non-Uniformed Employees of the City of North Little Rock adopted pursuant to Ordinance No. 7690 (codified by reference as § 2-151 of the North Little Rock Municipal Code), and amended pursuant to Ordinance Nos. 8115, 8249, 8258, 8393, 8516, 8525, 8584, 8710, 8713, 8732, 8767, 8770, 8777, 8783, 8789 and 8819 is hereby amended as follows:

Policy No. 6-002: Group Health Insurance is hereby revised as shown in Exhibit "A" attached hereto and incorporated herein by reference.

Editor's Note: Edited text in exhibit is denoted in red ink as follows: Deleted text by ~~strikethrough~~; added text by underline.

SECTION 2: That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 3: That a new health insurance provider has been selected by the City and it is hereby determined that the interests of the City and its employees can best be served by the adoption of the above amendment to the Policies and Procedure Manual for Non-Uniformed Employees of the City of North Little Rock; THEREFORE, an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:

Joe A. Smith
Mayor Joe A. Smith

ATTEST:

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

C. Jason Carter
C. Jason Carter, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/b

FILED	<u>11:00</u>	A.M.	_____	P.M.
By	<u>City Atty J Carter</u>			
DATE	<u>1-17-17</u>			
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas				
RECEIVED BY	<u>[Signature]</u>			

EXHIBIT "A"

SECTION 6. INSURANCE RETIREMENT BENEFITS

6-002: GROUP HEALTH INSURANCE

Effective: 01/01/1704/04/16

Updated: 12/31/1606/24/16

GROUP HEALTH INSURANCE

The following is a brief summary of the current group health insurance plan, which also includes dental benefits.

A complete description of the group health insurance provisions may be found in the employee's ~~United Health Care of the River Valley~~ Municipal Health Benefit Fund plan booklet that is provided to every covered employee. In the event of any contradiction between the information given here and the ~~United Health Care of the River Valley~~ Municipal Health Benefit Fund booklet, the ~~United Health Care of the River Valley~~ Municipal Health Benefit Fund booklet shall govern in all instances. For details of benefits, restrictions, exclusions, procedures, etc., employees should study and become familiar with the provisions described in the insurance booklet provided to them. If a booklet has been lost, the Finance Department or Plan Administrator should be contacted for a replacement.

No individual may be covered under this plan as both an employee and a dependent. Also, no individual will be considered an eligible dependent of more than one employee.

Eligible Dependents

Optional coverage is available for covered employees' eligible dependents as follows: spouse, children under age 26, and handicapped children past the age of 26 (if not gainfully employed and is living with the employee).

In addition to a son or daughter born to an employee and their spouse, the term "child" also includes an employee's adopted child and stepchild or other child for whom the employee has legal guardianship if such child depends primarily on the employee for support and maintenance and lives with the employee in a parent/custodian-child relationship.

Eligibility as a dependent will cease: (a) for any person on the date he or she becomes covered for personal coverage under Municipal Health Benefit Fund as a dependent of another person, enters active service with the armed forces of any country, or otherwise ceases to be in a covered classification of persons according to the definition of an eligible dependent, (b) for an employee's spouse on the date of divorce or legal separation, and (c) for an employee's child on attainment of the applicable maximum age limit.

Eligibility for Medicare

When a current covered employee becomes age 65 or eligible for Medicare coverage, the City's benefits remain the primary coverage, and Medicare is the secondary coverage.

Effective Date

Coverage for employees and dependents is effective the first day of the month following 30 consecutive days of employment. Dependent coverage will have the same effective date except as stated below.

Enrollment Date

The annual enrollment date is January 1. If the employee does not enroll eligible dependents before the date the employee becomes eligible, they may not be enrolled until the following January 1. If an employee has no eligible dependents, but wishes to provide coverage for an eligible newborn, then the employee must enroll for dependent coverage when the child is born. New dependents, i.e., marriage or adoption, must be enrolled the first of the month following the date the employee acquired the new dependents. If not enrolled when eligible, the new dependents may not be enrolled until January 1 of the next year. Employees must complete an enrollment card and submit it to their departmental payroll clerk for forwarding to the Human Resources Department when dependent coverage is elected.

Payment of Premiums

At the present time, the City pays 100% of the cost of providing medical insurance premiums through ~~United Health Care of the River Valley~~ Municipal Health Benefit Fund for each eligible employee and elected City official and 75% of the cost for eligible dependents.

When a covered employee is temporarily in an inactive, non-pay status other than unpaid FMLA leave, it is the responsibility of the covered employee to pay 100% of his own and his eligible dependents' health insurance premiums.

While the covered employee is on unpaid FMLA leave, the City will continue to pay 100% of the employee's health insurance premium; however, the employee is required to continue to pay the premiums for his/her usual share of the dependent health coverage and any optional insurance payments.

If an employee on FMLA leave fails to return to work following the leave, the employee may be required to reimburse the City for all premiums paid during the leave.

Arrangements for paying health insurance premiums during periods of unpaid leave should be made with the Finance Department as far in advance of the leave as possible.

Status Changes

Dependent coverage may be discontinued by completing the change portion of a new enrollment card. If coverage is discontinued after payment of a portion of the premium, that premium payment will not be refunded. Any change in dependent coverage status requires completion of a new enrollment form. These forms are available in each department. Status changes cannot be completed until the employee has signed the change form.

Options for Continuation of Coverage

Retirees Age 55 or Older "Unless Medicare-Eligible"

When any city employee, fifty-five years of age or over *Unless Medicare-Eligible* who is vested in the retirement system retires from the City, the retiree may continue to participate in the City's health care plan, receiving the same medical benefits and paying the same premium as active employees as long as the retiree pays the total premium due to the health care plan.

Under the Consolidated Omnibus Benefits Budget Reconciliation Act (C.O.B.R.A.)

Employees

Pursuant to Public Law 99-272, Title X known as (C.O.B.R.A.), an employee who is subject to losing group health coverage because of a reduction in hours of employment (including unpaid military leave in excess of thirty (30) days), or termination of employment (for reasons other than gross misconduct on the employee's part), may choose continuation of the City's health insurance coverage by paying the premiums as described below. C.O.B.R.A. coverage does not include Life or AD&D.

Spouses of Employees

Covered spouses of employees may choose continuation coverage if group health coverage is lost for any of the following four reasons:

- the death of the employee;
- a termination of the employee's employment (for reasons other than gross misconduct) or reduction in the employee's hours of employment;
- divorce or legal separation from the employee; or
- the employee becomes entitled to Medicare.

Children of Employees

Covered dependent children of an employee may choose continuation coverage if group health coverage is lost for any of the following five reasons:

- death of a parent who is the employee;
- termination of a covered parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment with the City;
- parents' divorce or legal separation;
- parent becomes entitled to Medicare; or
- the dependent ceases to be a "dependent child" under the City's group health insurance plan.

Payment of Premiums for Continuation Coverage

The covered employee, spouse or dependent is responsible for paying 100% of the group-rate premiums plus 2% (as provided by COBRA) for continuation coverage. COBRA premium due dates are the first of each month.

Group Insurance Fund Administrator

C.O.B.R.A. benefits are administered by the Plan Administrator for ~~United Health Care of the River Valley~~ Municipal Health Benefit Fund. For answers to specific terms and conditions and other questions about C.O.B.R.A., the employee should review the Very Important Notice regarding C.O.B.R.A. rights currently on pages 31, 32, 33 of the employee's ~~United Health Care of the River Valley~~ Municipal Health Benefit Fund booklet or contact the Plan Administrator shown below.

Status Changes

The City and the Plan Administrator must be notified immediately upon any of the above qualifying events and the desire to continue coverage by the employee, spouse, or dependent.

If a covered employee, spouse or dependent changes marital status, or the employee or spouse has changed address, they should immediately notify the City and the Plan Administrator or his agent shown below.

Fund Administrator

Where the foregoing text instructs a covered employee, spouse or dependent to contact the Plan Administrator, please refer to information below or as stated in the ~~United Health Care of the River Valley~~ Municipal Health Benefit Fund policy handbook provided to employees annually. Employees are reminded to refer to the ~~United Health Care of the River Valley~~ Municipal Health Benefit Fund booklet for additional information, requirements, notification requirements, and recent updates or changes.

~~UNITED HEALTHCARE OF THE RIVER VALLEY PLAN ADMINISTRATOR~~

~~P.O. Box 5230~~

~~Kingston, New York 12402-5230~~

MUNICIPAL HEALTH BENEFIT FUND ADMINISTRATIVE OFFICE

P. O. Box 188

North Little Rock, AR 72115