

**AGREEMENT**  
**Between**  
**THE CITY OF BOSTON**  
**And**  
**THE BOSTON PUBLIC EMPLOYEE COMMITTEE**  
**Pursuant to M.G.L. c. 32B, §19**

WHEREAS, the City of Boston ("City), including the Boston Public Schools, is a public employer providing certain health insurance coverage to its subscribers (i.e., employees, retirees, surviving spouses and dependents); and

WHEREAS, on April 14, 2011 all of the individual bargaining units of the City of Boston, including the bargaining units of Boston Public Schools, entered into a Memorandum of Agreement ("MOA") with the City agreeing that, upon the City's acceptance of M.G.L. c. 32B, §19, said individual bargaining units would create the Boston Public Employee Committee ("PEC") to be the authorized exclusive collective bargaining representative for the coalition of public employee bargaining units and retirees of the City of Boston with respect to health insurance coverage; and

WHEREAS, on May 4, 2011 the City, by majority vote of the City Council and approval of the Mayor, accepted M.G.L. c. 32B, §19; and

WHEREAS, the City and the PEC (collectively "the parties") agree that the terms of the April 14, 2011 MOA, which is hereby incorporated into this Agreement ("PEC AGREEMENT"), sets forth the parties' agreement with respect to health insurance benefits for the City's subscribers for the limited time period of July 1, 2011 through June 30, 2015; and

WHEREAS, it is the express intent of the parties that this PEC AGREEMENT be a enforceable, durable binding agreement for the time period of June 1, 2011 through June 30, 2015, subject to the conditions set forth herein, regardless of any potential or actual legislative changes to M.G.L. c. 32B, §19, any provision of M.G.L. c. 150E, and any other section of the General Laws, and/or special law, including, but not limited to the Acts of 2011; and

WHEREAS, the parties agree that all "bridge agreements" so called and any successor collective bargaining agreements negotiated with any bargaining units shall continue in full force and effect, except as expressly modified by this PEC AGREEMENT; and

NOW, THEREFORE, the parties agree as follows:

1. **M.G.L. c. 32B, Section 19 Supersedes Collective Bargaining Agreements.** Any and all provisions of any collective bargaining agreement relative to health insurance, including but not limited to health insurance plans, contribution rates, or policies between the City, the Boston School Committee and any of the bargaining units who are signatories to this PEC AGREEMENT shall be superseded by the PEC AGREEMENT, as it is the parties understanding that all health insurance matters will hereafter be subject to the provisions and procedures of Section 19 and decisions

made between the City and the PEC shall determine said matters, which are therefore not a proper subject of bargaining for individual bargaining units. Notwithstanding the aforementioned, dental and vision benefits and any health insurance "opt-out" clause related to any individual union shall not be part of this PEC AGREEMENT and shall continue to be negotiated between the City and each of the collective bargaining units pursuant to M.G.L. c. 150E.

2. **Expiration of PEC Agreement and Revocation of M.G.L. c. 32B, Section 19.** The parties agree that execution of this written PEC AGREEMENT constitutes both a vote by the PEC to enter into a Section 19 agreement as well as a vote by the PEC to revoke Section 19 upon this PEC AGREEMENT's expiration on June 30, 2015. Therefore, Section 19 shall be deemed revoked on June 30, 2015, and said revocation shall not require a subsequent agreement between the City and the PEC or subsequent vote by the City Council and approval by the Mayor. If it is later determined that a distinct vote by the City Council and approval of the Mayor is required to revoke Section 19 then this PEC AGREEMENT shall be deemed to be support and approval by the City and the PEC for such revocation
3. **Bargaining After Section 19 Revocation:** When this PEC AGREEMENT expires and Section 19 is revoked pursuant to paragraph # 2, above, the PEC will be dissolved and the City of Boston and the Boston Public Schools shall, unless otherwise agreed to by any and all bargaining units, negotiate with each bargaining unit individually with respect to health insurance coverage. Said negotiations, and any available health insurance coverage, shall be in accordance with M.G.L. c. 150E and/or any other applicable law regarding public employee health insurance.
4. **Binding Effect.** This PEC AGREEMENT shall be effective upon ratification of its terms by representative of the employee groups who are signatories hereto, upon the execution of the agreement by the legally required percentage of unions and upon acceptance by the City Council and approval by the Mayor, provided, however, that this PEC AGREEMENT shall become null and void if no legislative change occurs effecting public employee health insurance and/or plan design change prior to December 31, 2011.
5. **Nullification:** If this PEC AGREEMENT becomes null and void, then all premium splits and/or plan designs shall revert to or remain at the levels they were as of April 15, 2011, and employees shall be reimbursed for any increased premium they have paid up to that time and the parties shall engage in bargaining in accordance with the provisions of paragraph #3, above.
6. **Health Insurance Coverage:** The health insurance coverage for subscribers from July 1, 2011 through June 30, 2015 shall be in accordance with Appendix A of this PEC AGREEMENT.
7. **No Severable Terms:** The terms and provisions of this PEC AGREEMENT are not severable. If any term(s) or provision(s) of this PEC AGREEMENT shall be held to

be invalid or unenforceable for any reason by a court of competent jurisdiction, the remaining terms and provisions shall be invalid and unenforceable, provided, however, that in the event that amendments to M.G.L. c. 32B, §19, or any other law remove some class or unit of employees, retirees or other subscribers from the scope of the PEC, this PEC AGREEMENT will continue in full force and effect for all remaining classes or units of employees with the PEC.

8. **Signatories.** The signatories are authorized to bind their principals.

For the City of Boston:

For the Boston Public Employee  
Committee:

Thomas M. Menino

Teril Sping AFSCME

[Signature]

Thomas M. Mc BPPA

[Signature]

Richard H. Lewis BOSTON FELO  
L-718

[Signature]

John Zuccaro Jr. SEN 9158  
[Signature] BPPA 833

[Signature]

Francis W. Conroy Jr. BPSOF

For the School Committee:

Virginia Ricci

David J. Felley L1952

[Signature]

Date: 5/5/11

[Signature] For G. Supplero BPOBS

[Signature] AFSCME 1526

Rahmad Hidayat BTU 66

Ali R. B. BAPPA / EBPD LUC 650

Rogayah Sampson BPKA

Sturrah Durham BPLPSA

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Chinnia Sulella BASAS

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Date: \_\_\_\_\_

## Appendix "A"

### Health Insurance Plan Design

#### 1. Premium Share.

- a) For coverage effective July 2011, the employee and retiree premium share for non-Medicare products shall increase by 1.25% and each employee and retiree enrolled in the plans listed below shall contribute the following amount:

i.	Harvard Pilgrim Health Care - HMO	16.25%
ii.	Neighborhood Health Plan - HMO	16.25%
iii.	BMC - Advantage	16.25%
iv.	Harvard Pilgrim Health Care - POS	21.25%
v.	Blue Cross Blue Shield - Blue Choice	26.25%
vi.	Blue Cross Blue Shield - Blue Care Elect Preferred	26.25%

- b) For coverage effective July 2012, the employee and retiree premium share for non-Medicare products shall increase by 1.25% and each employee and retiree enrolled in the plans listed below shall contribute the following amount:

i.	Harvard Pilgrim Health Care - HMO	17.5%
ii.	Neighborhood Health Plan - HMO	17.5%
iii.	BMC - Advantage	17.5%
iv.	Harvard Pilgrim Health Care - POS	22.5%
v.	Blue Cross Blue Shield - Blue Choice	27.5%
vi.	Blue Cross Blue Shield - Blue Care Elect Preferred	27.5%

- c) For coverage effective July 2015, the retiree premium share for Medicare products shall increase by 1% and each retiree enrolled in the plans listed below shall contribute the following amount:

i.	Medicare HMO Blue	11%
ii.	Tufts Medicare Preferred HMO	11%
iii.	Managed Blue for Seniors	11%
iv.	Tufts Medicare Complement	11%
v.	Harvard Pilgrim Medicare Enhance	11%
vi.	Master Medical A&B Carve-out	26%
vii.	Master Medical Part A Carve-out	26%

Due to the fact that the City of Boston takes health insurance deductions one month in advance, enrollees would see the first increase in the premium contribution deducted from their paychecks or pension check one month prior to the effective date of the premium increase.

2. Co-Pays and Deductibles.

- a) Effective July 2012, the co-pays below for Harvard Pilgrim Health Care HMO and POS, Neighborhood Health Plan, BMC Advantage\*, and Blue Choice shall be changed to the following:

<u>Office Visits</u> * °	
Primary Care (including PT)	\$15
Specialty Care	\$25
 <u>Pharmacy</u> °	
Retail	\$10/\$25/\$45
Mail (90 days)	\$20/\$50/\$100
 <u>Emergency Room</u>	
	\$100

\* BMC Advantage office visits within the BMC provider network will increase in the same manner as shown above. Office visits outside the BMC provider network will increase to \$25 for primary care visits, and \$35 for specialty visits.

° Primary and Specialty care and Pharmacy tiers will follow standard practice by each health plan.

- b) Effective July 2012, the co-pays below for Blue Care Elect Preferred shall be changed to the following:

<u>Office Visits</u> °	
Primary and Specialty Care	\$20
 <u>Pharmacy</u> °	
Retail	\$10/\$25/\$45
Mail (90 days)	\$20/\$50/\$100
 Emergency Room	
	\$100

° Primary and Specialty care and Pharmacy tiers will follow standard practice by the health plan.

3. Effective January 2012 the non-Medicare plan known as Master Medical shall cease to be available to retirees. (The product is already no longer available to active employees.) The PEC and the individual unions hereby agree that the City has met all bargaining obligations associated with the elimination of this product.

4. Throughout the duration of this agreement the City of Boston shall continue to reimburse fifty-percent (50%) of the cost of Medicare Part B to all retirees, who are enrolled in Medicare Part B, and who are enrolled in one of the City's Medicare Products. The process, procedure, eligibility and all other matters related to the Medicare Part B reimbursement shall be consistent with the City's current practice.
5. Throughout the duration of this agreement the City of Boston shall not implement any plan design changes to the City's Medicare products with the exception of those changes that are implemented by providers of Medicare Advantage Plans. (The City's current Medicare Advantage Plans are Medicare HMO Blue and Tufts Medicare Preferred HMO.)