

TA with State Includes Raises, Steps, Affordable Health Care *Bargaining team recommends ratification of 2-year deal*



AFSCME negotiators reached the tentative agreement at 11:35 p.m. June 22.

A tentative agreement on a new two-year contract for State of Minnesota employees includes a 2 percent raise effective July 1; another 2.25 percent raise on July 1, 2018; and steps both years. That means employees with annual step increases could see their pay increase by 9.25 percent by the time the proposed contract expires June 30, 2019.

AFSCME's master bargaining team is unanimously recommending ratification. Their recommendation first goes to the elected Delegate Assembly on July 28. Members then will vote on the contract proposal in August. Exact dates, times, and voting locations will be announced soon and posted at www.afscmemn.org.

The proposed contract covers 15,504 AFSCME workers in Unit 2 (craft and maintenance), Unit 3 (service), Unit 4 (health care), Unit 6 (clerical) and Unit 7 (technical) of the executive branch. The health insurance covers 18,337 AFSCME workers, including Units 8 (corrections) and 25 (radio communications).

Health and Dental Gains

The tentative agreement also includes significant improvements in health and dental insurance. Combined with raises and steps, workers will get ahead economically with this proposed contract.

Overall, union negotiators beat back \$56 million in health-insurance take-backs that the state wanted. As a result, the employee share of health-insurance premiums stays the

same: 5 percent for individual coverage (\$32.04 a month) and 15 percent for family coverage (\$218.61 a month).

We won a new pilot program that helps people with chronic conditions get the right care at the right time. It's called Value Based Insurance Design (VBID) and it will focus on diabetes for the first two years, with the potential to cover other conditions in the future. The program will reduce member out-of-pocket costs for care associated with diabetes, including office visits, lab fees and prescription drugs. Co-payments will be waived for cost levels 1 and 2, and partially reduced for cost levels 3 and 4. We expect the program will reduce hospitalizations and other costly complications of diabetes. Nearly 6,000 workers and their adult dependents are eligible for this new diabetes pilot.

Maximum medical out-of-pocket costs and first-dollar deductibles remain the same.

- First-dollar deductibles:
 - Tier 1 = \$150 individual / \$300 family
 - Tier 2 = \$250 individual / \$500 family
 - Tier 3 = \$550 individual / \$1,100 family
 - Tier 4 = \$1,300 individual / \$2,600 family
- Maximum medical out-of-pocket:
 - Tier 1 = \$1,200 individual / \$2,400 family
 - Tier 2 = \$1,200 individual / \$2,400 family
 - Tier 3 = \$1,600 individual / \$3,200 family
 - Tier 4 = \$2,600 individual / \$5,200 family

Co-pays for prescription drugs and office visits remain the same.

- Office visit co-pays:
 - Tier 1 = \$25 with health assessment / \$30 no health assessment
 - Tier 2 = \$30 with health assessment / \$35 no health assessment
 - Tier 3 = \$60 with health assessment / \$65 no health assessment
 - Tier 4 = \$80 with health assessment / \$85 no health assessment
- Prescription drug co-pays:
 - Generics = \$14
 - Formulary = \$25
 - Non-formulary = \$50

The dental plan now covers fluoride sealants at no cost, and 80 percent of the cost for implants, prosthetics, prosthetic repairs and orthodontics. The plan continues to pay 80 percent of the cost for in-network restorative services (fillings, endodontics, periodontics, oral surgery and crowns). It also continues to pay 100 percent of diagnostic and preventative care, such as annual exams and teeth cleaning. Orthodontia now covers adults as well as children. Annual maximums will increase

from \$1,500 to \$2,000.

Paid Parental Leave

The proposed contract also guarantees six weeks of paid parental leave, a benefit that will save the average state employee \$6,200 in lost wages and give parents priceless time to bond with newborn and adopted children. The employer estimates that 500 mothers and fathers will take advantage of this recruitment and retention benefit each year.

Language Improvements

The proposed contract also includes a number of language improvements suggested by AFSCME members. Among them:

- Injured on Duty Pay increases from 240 hours to 300 hours.
- Open enrollment for short-term disability.
- No charge for convenience clinics and virtuwell.com.
- Mileage reimbursement for motorcycles increases from 15-cents a mile to 30-cents.
- Comp-time bank increases from 150 hours to 200 hours.
- Workers can now put up to 100 hours in their deferred compensation each year, up from 80 hours.
- New employees earn and can use their vacation immediately.
- Dental hygienists in Unit 7 get a three-step range reassignment worth \$4,990 more each year.