HHS/GO COMM #1-2
June 20, 2013

MEMORANDUM

June 18, 2013

TO: Health and Human Services Committee
Government Operations and Fiscal Policy Committee

FROM: Linda McMillan, Senior Legislative Analyst

SUBJECT: **County Government Employee Wellness Program**
Update on Agencies' Procurement of 2014 Medical and Prescription Plans

Expected for this session:

Brenda Salas, Montgomery County Government Wellness Program Manager
Belinda Fulco, Montgomery County Government (MCG) Office of Human Resources
Richard Johnstone, Montgomery County Public Schools (MCPS)
Sarah Espinosa, Vice President for Human Resources, Montgomery College
Carole Silberhorn, Washington Suburban Sanitary Commission (WSSC)

At this session the joint Committee will (1) meet and receive an overview presentation from Ms. Brenda Salas, the Wellness Program Manager for Montgomery County Government, and (2) hear from Mr. Richard Johnstone regarding the decisions that have been made by Montgomery County Public Schools (MCPS) for medical and prescription plans for calendar year 2014 and hear from other agency representatives about their timeline for decisions. Vendors are selected by each agency based on responses to a joint procurement led by MCPS.

1. Montgomery County Wellness Program Manager

In response to findings and recommendations in the report from the Task Force on Employee Wellness and Consolidation of Agency Group Insurance Programs, the Council approved FY13 funding to hire a Wellness Program Manager for County Government. The Joint Committee has previously received information on wellness efforts in county agencies, including a full briefing on MCPS' Well Aware Program, and agreed that a Wellness Manager was needed in County Government to develop and implement a robust program.

Ms. Brenda Salas has been hired as the County Government Wellness Program Manager. Before coming to County Government, Ms. Salas was the Montgomery College Wellness Coordinator since 2005.

A copy of Ms. Salas' presentation is attached at © 1-33. Included at © 4-6 is information on her observations about major healthcare costs and lifestyle related diagnosis and at © 7 is a list of next steps. The first item in this list discusses the Labor Management Wellness Steering Committee. Each of the Collective Bargaining Agreements includes provisions about health and safety. Language from the MCGEO CBA is at © 34, from the IAFF CBA at © 35-36, and the FOP CBA at © 37-38. The MCGEO provision requires that the parties will work together to develop and implement comprehensive health management initiatives. The MCGEO provision also says that this will be done preferably in partnership with other bargaining units. MCGEO has provided comments to the Council in the past about the need for improvement wellness and health management and the potential for costs savings that would come from a healthier workforce.

2. Update on Solicitation for Medical and Prescription Services

At the February 14, 2013 session, the joint Committee was informed about the joint solicitation for medical plan and prescription plan services for calendar year 2014 that was being issued. The solicitation was issued through the MCPS procurement office but will be used by all the agencies as the process for making selections about plans. It is not a solicitation for consolidated services or pricing. Each agency has flexibility to make or not make awards for each product. It was noted that the solicitations provide notice to vendors that the agencies are considering modifying current plans designs by offering a Medicare Carve-Out/Medi-Gap plan for Medicare members. In addition to solicitations for medical and prescription plans a separate solicitation seeking Disease Management and Data Aggregating Services RFP to which vendors may elect to provide a quotation.

Richard Johnstone, MCPS, will provide the joint Committee with an update on the decisions that have been made regarding MCPS providers for calendar year 2014. Attached at ©39-41 is the May 30, 2013 memo from the Board of Education about medical plan providers. The memo says that of six companies responding to the proposal, MCPS has selected CareFirst BlueCross Blue Shield, CIGNA, and Kaiser Permanente. CIGNA will replace United Healthcare. MCPS expects Year 1 savings of $2.7 million on the administrative fees currently paid. Attached at © 42-44 is the memo to the Board of Education about the selection of CVS as the prescription drug plan provider. The memo says that six companies responded to the proposal. It is expected that there will be savings of $5.9 million compared to the current prescription plan. Some of the savings is attributable to making Medicare Part D the primary payer for retirees aged 65 and older. This will leverage more Federal funds that the current structure of the retiree program but should not result in changes to benefits and co-pays. The memo at © 45-46 says that there will be an estimated savings to MCPS of about $7 million over three years from this change. In addition, the change to a Medicare D program will reduce the Other Post Employment Benefits (OPEB) Accrued Liability by $369 million and result in a $36

million savings per year in the annual contribution. The annual OPEB contribution is appropriated in the County Government Consolidated Retiree Health Benefits Trust Non-Departmental Account.

Representative from the agencies will provide updates on where they are in the selection process. As previously noted, while a joint solicitation is issued, each agency makes individual selections.

Mr. Johnstone will also provide an update on the review of the solicitation for disease management and data aggregation.

Council staff suggests that the joint Committee meet again in October to review final decisions from all the agencies as well as estimated savings including any impact on OPEB. The joint Committee should also be able to review decisions made on the disease management and data aggregation solicitation. At that time, the joint Committee can determine how an executive level cross-agency report, such as the one provided by InforMed, can be provided for a second year.

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Montgomery County Government Wellness

Bending the Cost Curve

Bending the Health Care Cost Curve

Brenda Salas
MCG Wellness Program Manager

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Meet the County's Wellness Program Manager, Brenda Salas

- Wellness Coordinator at Montgomery College, 10 years
- Adjunct Faculty, Montgomery College Health Enhancement, PE and Exercise Science, 5 years
- Certified by: National Board of Fitness Examiners, American College of Sports Medicine, National Wellness Institute, and Mayo Clinic

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"Fit" to be Read…

"In companies with a strong culture of health, employees are 3 times as likely to report taking action to improve their health. Moreover, these companies have better financial outcomes and lower employee turnover."

From "Sustaining a Culture of Health and Wellbeing at Johnson & Johnson"

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MCG Health Care Costs: Direct Medical Costs 2012

1. 2012: The County paid $137M in direct medical costs for eligible members.

2. Of this $137M, 43% ($58,910,540) is in Major Diagnostic Categories (MDC) of musculoskeletal, cardiovascular, metabolic/endocrine, and digestive disorders.

   These are known as the "lifestyle-related disorders." Risk factors for development of these disorders are obesity, lack of physical activity, poor dietary habits, and smoking.

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Lifestyle-Related Major Diagnostic Categories (MDC) - 2012
Direct Costs, Diagnoses, Risk Factors, Our Population Ratings

MDC	DIAGNOSES	RISK FACTORS	# OF MEMBERS	% OF MEMBERS	GEN POP
Musculoskeletal $19,489,918	Osteoarthritis Rheu Arthritis Low Back Issues	Obesity Sedentary lifestyle Repetitive Motion	~10,000	~40%	~33%
Cardiology $21,507,275	Coronary Heart Disease Hypertension High Chol	Obesity Poor Diet Choices Sedentary lifestyle Smoking	8025	32.1%	21.5%
Gastroenterology $10,584,003	GERD Erosive Esoph Barret's Esoph Non-Alcoholic Fattly Liver	Obesity Poor Diet Choices Sedentary lifestyle Smoking	~7600	~30.4%	22.4%
Endocrinology $7,329,344	Diabetes 2 Pre-Diabetes Met. Syndrome	Obesity Poor Diet Choices Sedentary lifestyle	4150	16.6%	16.2%

These diseases are caused by multiple risk factors across the lifestyle, genetic, environmental and health care spectrum. A major factor is lifestyle.

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MCG Health Care Costs: 2013
On the Same Path as 2012…

1/1/13 – 3/31/13:

- Total Medical claims paid was $17,841,955, an increase of 3.2% over last quarter (does not include Rx).

- 43% ($7,725,399) of medical claims is in lifestyle-related MDC's: musculoskeletal, cardiovascular, metabolic/endocrine, and digestive (the same as 2012).

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Next Steps

1. Labor Management Wellness Steering Committee (LMWSC) has been meeting since Summer 2012 and will meet next on July 17, 2013.
2. Drill through data utilizing current benefits carriers in order to design programs to address critical needs (high cholesterol, diabetes).
3. Use benefits carriers for health education and services. Network and leverage resources available: Recreation Departments (MC and City of Rockville), DTS for technology needs, HHS for general health services and minority health services.
4. Develop health education communications in multiple accessible mediums (printed, social network, online modules).
5. Data mining, wellness and data warehousing RFP recommendation from Wellness Steering Committee to leadership for determination of whether or not to award the Contract by August, 2013.
6. Wellness Steering Committee will deliver program recommendations for wellness programming and disease management to Council by December, 2013.

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Health Assessment Questionnaires (HAQ's)

- The HAQ is a health education procedure.
  It organizes health concepts and information in a way that engages the client via personal feedback.

- The HAQ creates a "teachable moment."
  Clients learn about their health conditions and the risks to which they are exposing themselves, leading to better self-care.

- The HAQ provides a "mass screening approach" for development of health promotion programming.

- Despite HAQ's compliance with HIPAA Compliance Rule, there is still much concern about handling of the data.

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Bending the Cost Curve in a Diverse Employee Population: **Sample Programming**

- Bus Operators
- Corrections Officers
- Police
- Fire Fighters
- Office Workers

(This is for presentation purposes in order to demonstrate diversity in health promotion programming.)

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Sample Bus Operators Objective #1: Reduce Neck and Back Pain

In 2011, The Transportation Research Board (TRB) reported:

- 80% of bus operators experience neck pain. Operators are distinctive for movement-related pain in the cervical spine (neck) area.

- 57% report back pain. The sedentary, constrained position and whole-body vibrations may be contributory causes.

Objective #1: Reduce bus operators' neck and back pain.

Stretches for Bus Operators

1. Stretch routines that can be done while driving.
2. Dedicated stretching area at the depot.
3. Massage therapy at the depot.

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Sample Bus Operators Objective #2:

Increase Cardiovascular Disease Awareness

The National Center for Biotechnology Information at the National Institutes of Health (NCBI/NIH) states that:

1. The occupation of driving is associated with an increased risk of cardiovascular disease;

2. Drivers who carry passengers are at greater risk than drivers who carry goods, due to concern for passenger safety as well as stress induced by time constraints;

3. The prevalence of overweight and obesity is higher than other occupations (77.5% v. 64%). Overweight and obesity are risk factors for CHD; and,

4. The distribution fat in this population tends to be central (e.g., abdominal area), a major risk factor for cardiovascular disease.

Sample "Healthy Heart" Program for Bus Operators

Cardiovascular Disease (CVD) Education	Topics include: 1. Types of CVD and prevalence 2. Risk factors 3. Awareness of symptoms 4. CPR/AED training 5. Effective use of the health care system
Early detection and screening	1. HRA w/follow up 2. B/P monitoring at depot 3. Wellness coaching re: CVD health
Physical Activity	1. Dedicated space/equipment at depot 2. Reduced/no fee for County recreation 3. Outdoor walking path at depot(s) with a mile distance marked off
Stress Management	1. Stress management/reduction education program 2. Identify and diminish work-related stressors 3. Utilization of EAP

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Sample Police Wellness Objective: Nutrition Education

"Nutrition for Police Officers":

Research at University of Buffalo's School of Medicine and Preventive Health revealed that 57.5% of officers in the study had elevated cholesterol.

Etiology: elevated stress and "eating on the run". Unmanaged stress results in excess cortisol, which elevates cholesterol and affects eating habits.

Desired Outcomes for "Nutrition for Police"

- To increase awareness among police that elevated blood cholesterol is a cause of coronary heart disease (CHD), and that reducing elevated blood cholesterol will reduce CHD risk.

- To increase awareness among police that diet plays a major role in lowering high blood cholesterol.

- To increase the number of police who have reduced their dietary intake of saturated fat as part of a nutritionally adequate diet.

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Sample Fire Fighter Wellness Objective: Increase Fitness Levels

"Fire Fighter Fitness": 62% of on-duty deaths for career firefighters is caused by sudden cardiac arrest.

(NFPA Fire Analysis and Research, June 2012)

"Fire Fighter Fitness" will be a branded program for firefighters with components of functional training, nutrition, and heart-smart techniques. Fire fighters will enroll while in the Academy.

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Sample "Fire Fighter Fitness"

Take the Fired Up For Fitness Challenge and earn motivational rewards as you meet set fitness goals over the course of the year.
Follow the steps to getting healthy to help you achieve your goals and succeed in the long-term.
Resolve to be healthy this year -- fill out and sign the Heart-Healthy Firefighter Contract to ensure you stick to your heart-health goals throughout the year.
Learn functional fitness exercises you can do with equipment found at the station. These exercises target specific muscle groups firefighters use when training and responding.
Find new, delicious, and healthy recipes you can use both at home and at the firehouse.

Sample Correctional Officers Objective: Stress Management

The National Institute of Justice, the research, development and evaluation agency of the U.S. Department of Justice, states that "available empirical evidence convincingly documents that stress among correctional officers is severe."

Dr. Kerry Kuehl of Oregon Health and Science University states that "prison work is one of the most difficult occupations, with COs having one of the highest rates of stress."

The American Correctional Association (ACA) states that high work stress results in heart disease and may precipitate substance abuse in some COs.

In "**Surviving The Joint: Mitigating Factors of Correctional Officer Stress**", the authors state that correctional officers who experience job stress should engage in stress management training to neutralize the potential effect of stress on their personal lives.

Sample "Stress-Less" CO Program

Objective: Increase awareness of deleterious effects of stress and learn strategies for stress management

1. The County EAP provider will offer "Stress Management – A Comprehensive Overview of the Impact of Stress and Stress Management Techniques" in a 6-session format:

Live Stress Free Series: 6 sessions

The Biology of Stress

Breathing and Gratitude

Relaxation and Visualization

Cognitive Restructuring

Stop Doing What Does Not Work: New Strategy Skill Building

"Say No" and Acceptance

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Sample CO Program, cont'd

2. "Book Club" Discussion – "*Stressed Out: Strategies for Living and Working in Corrections*" 2nd Ed. by Gary F. Cornelius. (found on American Correctional Association [ACA] website)

a. CO's register and receive the book (no charge)
b. Via online portal, comments are shared weekly on each chapter with facilitator and group
c. Via online portal, assignments are given by facilitator
d. A certificate of completion is awarded to participants at the end of the "semester".
e. Graduates could become peer educators (model described in "Addressing Correctional Officer Stress" by Peter Finn).

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County Office Workers

- Are sedentary for approximately 11 hours per day, leaving little time to achieve recommended levels of physical activity (PA) for overall health.[1]
- Occupational sedentary time is significantly more prolonged with fewer breaks[2], leading to cardiometabolic disorders (hyperglycemia, metabolic syndrome, pre-diabetes, diabetes 2).
- Work-based activity interventions provide an opportunity to participate in light intensity activity. Also, these interventions have been shown to result in changes to sedentary behavior in non-work hours.[2]

1. J. Occup Environ Med. 2011 2. Parry, S. and Straker, L. "The Contribution of Office Work to Sedentary Behavior Associated Risk"

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County Wellness Program: “Vitality!”

“Become a V.I.P.!”

Vitality in Progress!

Proposed "Vitality" Mission Statement

"The mission of MC "Vitality!" is to establish a wellness program that encourages healthy lifestyles and enhances the quality of life for MCG Wellness participants through educational opportunities and wellness activities."

Sample Office Workers Wellness Program

"Vitality!" Campaign

Target Population: EOB employees who are office professionals and technicians.

Goals of EOB "Vitality!" Campaign:

1. To increase physical activity (PA) by providing workplace PA opportunities.
2. To increase health literacy* (measured by surveys in July and December).

*Health literacy represents the cognitive and social skills which determine the motivation and ability of individuals to gain access to, understand and use information in ways which promote and maintain good health. Health literacy implies the achievement of a level of knowledge, personal skills and confidence to take action to improve personal and community health by changing personal lifestyles and living conditions.

EOB "Vitality!" Campaign

1. Most adults do not perform enough physical activity (PA) to achieve health and well-being benefits. Physical programs in the workplace can be an effective strategy to increase PA, thus improving employee health and reducing health care costs.

2. Convenience, group support, formal and informal communications among employees in a worksite, and a corporate culture of health will support the behavioral change of increased PA.

3. Workplace programs to increase PA may be especially important because the imbalance between PA and energy intake (i.e., calories) contributes to the obesity epidemic.

Sample EOB "Vitality!" Programming

1. Wellness Ambassadors
2. Climb Mt. EOB Campaign
3. Monthly Health Observances
4. On-site Health Screenings
5. Incentivized Health Promotions (earn V.I.P. status)

Wellness Ambassadors

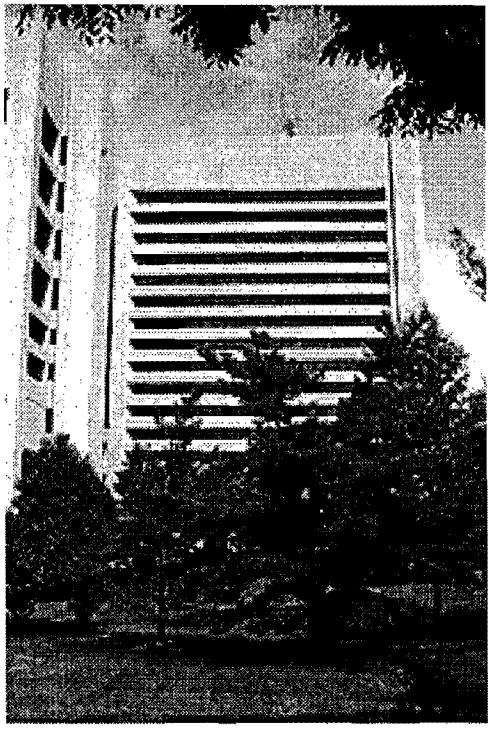
Wellness ambassadors play a vital role in supporting the promotion of health and wellness among employees. An ambassador acts as a liaison between his/her department and the EOB *Vitality!* Wellness Program.

Commitments of a Wellness Ambassador:

1) Attend Quarterly Wellness Ambassador Meetings (Jan, April, July, Oct).
2) Be the office point of contact for the Wellness Program Manager
3) Participate, assist and/or represent Wellness at events and programs.
4) Distribute or post flyers for Wellness events and programs.
5) Invite co-workers by e-mail or word of mouth to Wellness events and programs.
6) Answer questions from co-workers regarding Wellness events and serve as referrer to Wellness Program Manager when appropriate.
7) Help new employees learn about and get involved with Wellness.

Wellness Ambassadors will be recognized at Town Hall meetings and other appropriate events.

"Climb Mt. EOB"



Purpose: to encourage small bouts of activity throughout the day in the EOB as a way to accumulate 30 minutes of moderate PA.

1. **Point-of-decision prompts (signs) are placed by elevators to motivate people to use stairs.**
2. **Sign messages recommend stair use for health benefits and/or weight loss.**
3. **Signs are effective because they remind people of an opportunity to be more active.**
4. **Research shows that messages should be customized to appeal to specific populations.**
5. **One barrier is the poorly maintained stairwells in EOB. This will need to be addressed.**

June: "Know Your Numbers" Month

- Kaiser MHV on site to perform Atherosclerotic CHD screening (total chol, LDL, HDL, glucose, B/P, BMI) – free to all EOB employees
- Lunch and Learn by WPM: "Know Your Numbers"
- HA aggregate data obtained from Kaiser (de-identified)
- Follow up screening to be conducted in Nov 2013 (second step in data collection project)

Monthly Health Campaigns

Purpose: to educate employees about health risks, thus increasing their health literacy via monthly themed health events.

Due to strong evidence of effectiveness, the CDC Task Force for Community Preventive Services Findings recommends using monthly health observances combined with health education to reduce hypertension, hypercholesteremia, absenteeism, and obesity.

July: “Sun Safety” Month

- NVA on site for cataract screening
- Kaiser on site for dermascan screenings
- Free sunscreen from vendors to employees
- Lunch and Learn by WPM on Sun Safety
- Free water bottles to employees to encourage water intake

August: "Oral Health Month"

- Lunch and Learn by WPM (link between oral health and heart health)
- Free toothbrushes, toothpaste, floss to employees
- Dental benefits providers on site to offer free services
- Free apples given away

November: Know (No) More Diabetes

- Repeat of the Know Your Numbers screening (done previously in June). Glucose (part of diabetes screening) is in this screening.
- WPM is also an American Diabetes Association (ADA) Ambassador; will use resources from ADA for lunch and learns.
- Nutrition seminar in/near cafeteria: "Healthy Holiday Eating" with guest presenter (local nutritionist/chef)
- Launching of Diabetes "U", a 12 week cohort program that begins in Jan, 2014 through March, 2014.

December: Health "4" the Holidays

Purpose: this promotion focuses on the 4 areas of health that are usually compromised during the holiday season: time management, stress management, exercise, and nutrition.

- Participants receive a log sheet and a list of activities under each category. Their goal is to participate in 2 of the 4 every day during the 4 weeks of the promotion.
- Incentives are holiday-themed items; e.g., tee shirts with "12 Days of Fitness", etc.

21.18 Employee Health Management

Beginning no later than July 15, 2012 the parties agree to work together (preferably in partnership with other bargaining units) to develop and implement comprehensive population health management initiatives designed to foster a culture of health within the workforce and integrate health management into benefit plan offerings. Focus will include, but not be limited to:

(a) Health Risk Assessments;

(b) Workplace wellness education initiatives and programs that look at a broad ranged of opportunities such as exercise/activity levels, weight management and nutrition, and smoking cessation;

(c) Individualized health advising/wellness coaching programs;

(d) Introduction of targeted disease management initiatives specific to the Montgomery County insured population;

(e) Predictive modeling;

(f) Incentives for participation.

(g) The County shall comply with the Mental Health Parity Act.

IAFF Agreement 7/11-6/13

ARTICLE 35 - HEALTH AND SAFETY

Section 35.1 Joint Health and Safety Committee

A. The Employer shall take all reasonable steps to preserve and maintain the heath and safety of its employees. To that end, the Employer agrees to maintain a joint health and safety committee, to be composed of three (3) members from the bargaining unit appointed by the President of the Union and three (3) members appointed by the Fire Chief or designee. The Committee shall:

1. Study, review and evaluate any working conditions which affect the health and/or safety of employees;

2. Study, review and evaluate any equipment used or contemplated for use by the DFRS;

3. Study, review and evaluate existing or anticipated procedures affecting the health and/or safety of employees.

4. Study, review, and evaluate complaints involving indoor air quality at any worksite to which bargaining unit employees are assigned. The committee may consult with any relevant subject matter experts, including but not limited to representatives from the Department of Finance, Risk Management Division, and the Department of Public Works and Transportation, Facilities Division. In the event the committee makes a joint recommendation that indoor air quality testing is advisable, such testing shall be conducted in a timely manner. The Union will be provided results from any indoor air quality analysis within two weeks of the completion of the analysis.

B. The Committee shall meet at least quarterly. However, upon the request of any three (3) members, the Committee may meet more often than quarterly. The three (3) members requesting to convene a meeting will provide the other members with as much advance notice as practicable.

C. The Committee may convene a meeting of fewer than six (6) members. However, the Committee shall not convene a meeting of fewer than two (2) members from each side (i.e. two (2) members appointed by the President of the Union and two (2) members appointed by the Fire Chief). From time to time, additional individuals may be invited to attend meetings to assist the Committee in its activities and deliberations. Such "additional individuals" shall not have the authority to vote on Committee recommendations (See subsection E, below).

D. The Committee shall appoint, on a rotating basis, a Chairperson, who shall serve in that capacity for one (1) year. The Chairperson shall be selected, alternately, by the President of the Union and the Fire Chief.

E. Either party may refer any matter to the Committee. It is in the interest of the parties that the Committee reach consensus and provide recommendations on matters under its consideration. In the event that consensus cannot be reached, the Employer and Union representatives may provide their respective positions to the Fire Chief and the Union President for their review. In any event, each member of the Committee will be provided ten (10) business days to review and sign-off on Committee recommendations. If the Committee member does not review and sign-off on a Committee recommendation within ten (10) business days, the recommendation will be submitted to the Fire Chief and the Union President with the endorsement of the Committee.

F. The parties agree that the Committee may make recommendations to the Fire Chief concerning incidents involving serious injuries, "near misses," or fatalities involving bargaining unit employees. The Committee may review the facts and circumstances of the incident(s) through the Department's investigative file or report, subject to the confidentiality of personnel and other records. To this end, the County will redact from the file or report any confidential personnel information. This provision shall not impede or limit management rights set forth in Article 5 of this Agreement or the Fire Chief's right to take corrective action or impose discipline prior to receiving the Committee's recommendation(s).

G. The Union representatives on the Committee shall be considered to be on a detail if working during these meetings. Hour-for-hour compensatory time or pay at the employee's regular hourly rate shall be credited to Union representatives who attend meetings on their day off.

Section 35.2 Personal Safety Training

All bargaining unit employees shall receive training in personal safety skills that are necessary for the well-being of the employees when assisting the public. The Joint Health and Safety Committee shall be responsible for developing this training program.

Section 35.3 Wellness/Fitness Program

Fitness assessments and in-house programs will take place in coordination with a Peer Fitness Trainer. Each Peer Fitness Trainer will be certified, as specified in the Fitness Component of the Memorandum of Agreement-Fire/Rescue Wellness Initiative of 2000. Each Peer Fitness Trainer shall be compensated at one and one-half times his or her regular rate of pay or an equivalent amount of Compensatory Leave if appropriate for off-duty time, as

FOP 7/12-6/14

Agreement shall be reopened for negotiations.

2. If, after negotiations, the parties are unable to agree, the matter shall be referred to an Impasse Neutral for resolution.

3. If the new impasse is the result of action or inaction of the Montgomery County Council, the procedures provided for in §33-80(g), supra, shall be followed.

Section B. Non-Economic Provisions.

In the event any non-economic provision of this Agreement becomes inoperative, that provision shall be subject to renegotiation at the request of either party.

If no agreement is reached, the controversy shall be referred to impasse as provided in §A.2 of this Article.

Section C. Exercise of Management Rights.

1. In the event the Employer considers any exercise of a management right listed in Article 42 and the parties are unable to agree as to the effects on employees of the Employer exercise of such rights, all provisions of this agreement shall be reopened for negotiations at the request of either party on or after November 1, 2004.

2. If, after negotiations, the parties are unable to agree, impasse may be declared by either party. Within 10 days of impasse, the parties shall select an impasse neutral either by agreement or through the process of the American Arbitration Association. Within 60 days thereafter, the dispute shall be resolved pursuant to the impasse procedures (excluding dates) of Chapter 33, Section 33-81(b) of the Montgomery County Code. Within 10 days after submission of all evidence, the impasse neutral shall select, as a whole, the more reasonable, in the impasse neutral's judgment, of the final offers submitted by the parties. The impasse neutral may take into account only those factors listed in Chapter 33-81(b)(5) of the Montgomery County Code. (See Ground Rules, Addendum, 2004-2005, attached as Appendix T.)

Section D.

1. The Parties have agreed on amendments to the Police Labor Relations Law as identified under Article 68 to be submitted to the County Council for the purpose of amending Chapter 33, Sections 33-81 and 33-82 of the Montgomery County Code.

2. If the parties agree that the substance of the agreed upon amendments have been enacted into law, Sections C, D, and E will be null and void upon the effective date of the enacted law.

Section E. Should a party make any challenge to the legality of Sections C or D of this Article in any forum, the other party may choose to have the contract expire on June 30, 2005.

Section F. Reopener Matters.

Second Year. In September 2012, there shall be a reopener for the second year of the contract (July 1, 2013 to June 30, 2014) limited to:

1. Cash compensation
2. Reopener
3. Duration (Article 47) to permit a 3rd year
4. Health care issues, including union administered health care

Article 32 Health and Safety

Section A. Generally.

1. The employer shall take all reasonable steps to preserve and maintain the health and safety of its employees. The parties recognize the importance of preserving and maintaining the

safety of employees and to that end agree to establish a joint health and safety subcommittee per Article 33 to be composed of three (3) members appointed by the bargaining unit and three (3) members appointed by the County. In addition, each party may appoint one alternate member to the subcommittee. The subcommittee will meet at the request of any three (3) members upon notice. The chairman shall serve for six (6) months and shall be selected alternately from among the three (3) members selected by the County and three (3) members selected by the FOP. The subcommittee shall:

a. Study, review, and evaluate any working conditions which affect the health and/or safety of employees;

b. Study, review, and evaluate any equipment used or contemplated for use by the Department of Police;

c. Study, review, and evaluate existing or anticipated procedures affecting the health and/or safety of employees.

2. Either party may refer any matter to the joint subcommittee through the LMRC or its LMRC designee for consideration and, after due consideration, the subcommittee or any three (3) members thereof shall make such recommendations as it or they deem appropriate to the chief of police and lodge president. The chief of police shall then consider the recommendation and respond within a reasonable time.

3. Any health and safety modifications entered into by the employer and the FOP may be incorporated into this agreement by the parties without further ratification.

4. Those employees attending subcommittee meetings while off-duty may be granted hour-for-hour compensatory time during the administrative pay period in which the meeting occurs, for time spent at the meeting.

Section B. Medical Tests For Communicable Diseases. Unit members shall receive medical testing for AIDS, tuberculosis, hepatitis and any other communicable diseases when an employee believes he/she has been exposed to such diseases on the job. The costs for such tests shall be payable by the County or otherwise compensable in accordance with existing workers' compensation benefits.

Section C. Coordination and Location of Testing. The Occupational Medical Section, Office of Human Resources, will be responsible for coordinating the testing which may occur at hospital emergency rooms, private physicians or occupational medical section facilities.

Section D. Flu and Hepatitis Shots. The Employer shall provide hepatitis and flu vaccinations to unit members desiring same. In the event an employee requests a flu shot and none is available, subject to receipt, the employer shall reimburse the employee's co-pay associated with such shot.

Section E. Bio-Packs. Due to changes in Federal law (FDA/CDC), this program is currently suspended. In the event that Federal law changes to allow the reinstitution of such a program the parties agree to reopen Article 32, Section E for further discussions.

1. All bargaining unit employees will be given the opportunity to receive the Bio-Pack on a voluntary basis. Future, non-sworn, employees will receive this opportunity at the time of new employee orientation. Bio-packs will be initially distributed by the County's Department of Health and Human Services.

2. Bargaining unit members who are issued Bio-Packs will treat them as "issued equipment." In the event that the contents of a unit member's Bio-Pack needs to be partially or fully replaced as a result of loss or damage through negligence, the unit member will be responsible for paying up to $13.00 of the cost of replacing the medications. Negligent loss or damage of an alternative medication must be replaced by the employee at cost upon a prescription provided by the Employer and may be submitted through the Employee's health plan.

3. The Department of Health and Human Services, in its role as a public health agency, will be the repository of any written medical information received from bargaining unit employees at the time of orientation and distribution of the Bio-Pack. This information will be

ACTION
4.3.2

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

May 30, 2013

MEMORANDUM

To: Members of the Board of Education

From: Joshua P. Starr, Superintendent of Schools

Subject: Award of Contract for Medical Plans

On March 8, 2013, five Montgomery County agencies—Montgomery County Public Schools (MCPS), the Montgomery County Government, Montgomery College, the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Sanitary Commission—jointly issued Request for Proposals (RFP) #1156.3 soliciting proposals from medical plans to administer medical benefit programs. The goal of this joint procurement effort was to select medical plans that could meet each agency's plan design requirements at a competitive cost to the agencies, while offering proactive cost management strategies.

The RFP was sent to five vendors, and six companies submitted proposals. AON Consulting, Inc., and representatives of the five county agencies evaluated each proposal based on evaluation criteria developed by the agencies. Three respondents were invited to attend finalist interviews for further evaluation and discussion. At the finalist interviews, vendors were asked to commit to best and final pricing, performance guarantees, and specific contractual commitments.

The process identified CIGNA, CareFirst BlueCross BlueShield, and Kaiser Permanente as the most responsive and responsible bidders for the agencies. CareFirst BlueCross BlueShield and Kaiser Permanente are current incumbents providing medical coverage for MCPS. CIGNA would replace UnitedHealthcare. As a result of the RFP process, MCPS will realize savings on administrative fees as follows:

Year 1 savings	$2,730,000
Three-year savings	$8,190,000

In addition, each of the county agencies that joined in this initiative will benefit from competitive pricing and will realize significant savings that would not have been achievable on a stand-alone basis. These savings result from more competitive pricing arrangements, multiple-year rate guarantees, cost controls, and performance guarantees.

Total annualized costs associated with the medical plans are projected as follows:

CIGNA
Administrative fees: $6.07 million based on projected claims of $142.37 million

CareFirst BlueCross BlueShield
Administrative fees: $2.26 million based on projected claims of $45.00 million

Kaiser Permanente
Kaiser Permanente is a fully insured Health Maintenance Organization and rates are based on our plan experience. Total premium costs are projected to be approximately $48.0 million.

I am recommending that a contract to administer the medical component of the Employee Benefit Plan be awarded to CIGNA, CareFirst BlueCross BlueShield, and Kaiser Permanente, and propose the following resolutions for Board of Education approval:

WHEREAS, The Board of Education by Resolution 563-58 established in 1958 an Employee Benefit Plan to provide life and health insurance to eligible employees; and

WHEREAS, The Board of Education expanded the Employee Benefit Plan by Resolution 448-72, 457-72, and 43-76 to include dental coverage, vision coverage, a prescription drug plan, and dependent life insurance; and

WHEREAS, The Board of Education has periodically bid elements of the Employee Benefit Plan for the benefit of employees and to reduce administrative costs; and

WHEREAS, Montgomery County Public Schools has joined with the Montgomery County Government, Montgomery College, the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Sanitary Commission to solicit proposals to administer their medical plans, effective January 1, 2014; and

WHEREAS, Having been duly advertised under Request for Proposals #1156.3, health benefit firms were asked to submit proposals for consideration; and

WHEREAS, Montgomery County Public Schools, the Montgomery County Government, Montgomery College, the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Sanitary Commission engaged the services of a benefit consultant, AON Consulting, Inc., to assist them in the evaluation of proposal responses; and

WHEREAS, Three of the six vendors that submitted proposals were selected for finalist interviews and were asked to commit to best and final pricing, performance guarantees, and specific contractual commitments; and

WHEREAS, The CIGNA, CareFirst BlueCross BlueShield, and Kaiser Permanente evaluations have identified they best meet the needs of Montgomery County Public Schools; and

WHEREAS, Montgomery County Public Schools and its employees will continue to have high-quality medical plans and will achieve an estimated $8.1 million in savings from this three-year award; now therefore be it

Resolved, That a contract for administering the Montgomery County Public Schools medical plans be awarded to CIGNA, CareFirst BlueCross BlueShield, and Kaiser Permanente; and be it further

Resolved, That the Board of Education president and superintendent of schools be authorized to execute the documents necessary for this transaction.

JPS:LAB

ACTION
4.3.3

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

May 30, 2013

MEMORANDUM

To: Members of the Board of Education

From: Joshua P. Starr, Superintendent of Schools

Subject: Award of Contract for Prescription Drug Plan

On March 8, 2013, five Montgomery County agencies—Montgomery County Public Schools (MCPS), the Montgomery County Government, Montgomery College, the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Sanitary Commission—jointly issued Request for Proposals (RFP) #4207.2 soliciting proposals from prescription plans to administer prescription benefit programs. The goal of this joint procurement effort was to select a prescription plan that could meet each agency's plan design requirements at a competitive cost to the agencies, while offering proactive cost management strategies.

The RFP was sent to seven vendors, and six companies submitted proposals. AON Consulting, Inc., and representatives of the five county agencies evaluated each proposal based on evaluation criteria developed by the agencies. Two respondents were invited to attend finalist interviews for further evaluation and discussion. At the finalist interviews, vendors were asked to commit to best and final pricing, performance guarantees, and specific contractual commitments.

The proposals issued also requested that each vendor provide administrative services for a Medicare Part D drug program for MCPS retirees who are Medicare eligible. This request was made because of savings that should be realized as a result of legislative changes as well as changes in the healthcare industry.

The process identified CVS Caremark as the most responsive and responsible bidder for the agencies. CVS Caremark is the incumbent vendor providing prescription coverage for MCPS. As a result of the RFP process, MCPS will realize the following savings:

Year 1 savings	$ 5,962,700
Three-year savings	$ 20,031,700

It should be noted that there are additional savings after the first year implementation, which will be realized in the second and third year of the contract.

Each of the county agencies that joined in this initiative will benefit from competitive pricing and will realize significant savings that would not have been achievable on a stand-alone basis.

These savings result from more competitive pricing arrangements, multiple-year rate guarantees, cost controls, and performance guarantees.

I am recommending that a contract to administer the prescription component of the Employee Benefit Plan be awarded to CVS Caremark and propose the following resolution for the Board of Education approval:

WHEREAS, The Board of Education by Resolution 563-58 established in 1958 an Employee Benefit Plan to provide life and health insurance to eligible employees; and

WHEREAS, The Board of Education expanded the Employee Benefit Plan by Resolution 448-72, 457-72, and 43-76 to include dental coverage, vision coverage, a prescription drug plan, and dependent life insurance; and

WHEREAS, The Board of Education has periodically bid elements of the Employee Benefit Plan for the benefit of employees and to reduce administrative costs; and

WHEREAS, Montgomery County Public Schools has joined with the Montgomery County Government, Montgomery College, the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Sanitary Commission to solicit proposals to administer their prescription drug plans, effective January 1, 2014; and

WHEREAS, Having been duly advertised under Request for Proposals #4207.2, Pharmacy Benefit Management firms were asked to submit proposals for consideration; and

WHEREAS, Montgomery County Public Schools, the Montgomery County Government, Montgomery College, the Maryland-National Capital Park and Planning Commission, and the Washington Suburban Sanitary Commission engaged the services of a benefit consultant, AON Consulting, Inc., to assist them in the evaluation of proposal responses; and

WHEREAS, Two of the six vendors that submitted proposals were selected for finalist interviews and were asked to commit to best and final pricing, performance guarantees, and specific contractual commitments; and

WHEREAS, The evaluation has identified that CVS Caremark best meets the needs of Montgomery County Public Schools; and

WHEREAS, Montgomery County Public Schools and its employees will continue to have a high-quality prescription drug plan and will achieve an estimated $5.9 million in savings in the first year of this award and $20.0 million in savings over the course of the three-year contract; now therefore be it

Resolved, That a contract for administering the Montgomery County Public Schools prescription drug plan be awarded to CVS Caremark; and be it further

Resolved, That the Board of Education president and superintendent of schools be authorized to execute the documents necessary for this transaction.

JPS:LAB

ACTION
4.3.1

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

May 30, 2013

MEMORANDUM

To: Members of the Board of Education

From: Joshua P. Starr, Superintendent of Schools

Subject: Prescription Program for Medicare-eligible Retirees

Montgomery County Public Schools (MCPS) currently provides prescription drug coverage to eligible retirees and their dependents. The current retiree prescription coverage offered to retirees aged 65 and over has benefited from rebates offered through the federal Retiree Drug Subsidy program over the past six years. Those rebates have been declining as a result of healthcare legislation directed at Medicare Part D drug programs. This legislation has provided incentives for employers to move to Medicare Part D plans, much like health coverage where retirees receive their primary coverage from Medicare Parts A and B and employers like MCPS provide supplemental coverage.

Staff and the MCPS benefits consultant, AON Consulting, Inc., have evaluated the financial impact and recommend modifying the retiree prescription coverage for retirees who are Medicare eligible as of January 1, 2013, to adopt a Medicare Part D Plan. This recommendation has been reviewed with the employee associations, the MCPS Retirees Association, Inc., and the Board of Education Fiscal Management Committee. Each of these groups has expressed support for the change. This change will be based on a calendar year plan instead of the current fiscal year cycle. An open enrollment period will be offered this fall to address these changes.

Adopting the Medicare Part D program will not result in any changes to retirees' benefits or co-pays. Some retirees may receive a federal subsidy for their Medicare premiums directly from Medicare based on federal income guidelines. A few higher income retirees may be charged an additional fee from Medicare similar to how they currently are charged for their hospital coverage under Medicare Part B.

The MCPS budgetary savings realized from this change to the Medicare Part D program will be approximately $7 million over the next three years. Additionally, the county will realize a one-time reduction on the Other Post Employment Benefit Accrued Liability of $369 million and $36.4 million per year in the Annual Required Contribution.

I am recommending that the retiree prescription plan for Medicare eligible retirees be changed to a Medicare Part D program.

WHEREAS, The Board of Education by Resolution 563-58 established in 1958 an Employee Benefit Plan to provide life and health insurance to eligible employees and retirees; and

WHEREAS, The Board of Education expanded the Employee Benefit Plan by Resolution 448-72, 457-72, and 43-76 to include dental coverage, vision coverage, a prescription drug plan, and dependent life insurance; and

WHEREAS, The current retiree prescription coverage offered to retirees aged 65 and over has benefited from rebates offered through the federal Retiree Drug Subsidy program over the past six years; and

WHEREAS, Those rebates have been declining as a result of healthcare legislation directed at Medicare Part D drug programs, and this legislation has provided incentives for employers to move to Medicare Part D plans; and

WHEREAS, Based on projected savings, it is recommend that retiree prescription coverage for Medicare-eligible retirees become a Medicare Part D plan; and

WHEREAS, As a result of the change to a Medicare Part D plan, Montgomery County Public Schools and its retirees will continue to have a high-quality prescription drug plan without any changes to benefits or co-pays and will achieve an estimated $7 million in savings over the next three years; now therefore be it

Resolved, That the prescription coverage plan for Medicare-eligible retirees become a Medicare Part D plan; and be it further

Resolved, That the Board of Education president and the superintendent of schools be authorized to execute the documents necessary for this transaction.

JPS:LAB:lsh