Bill No. 14-14
Concerning: Contracts and Procurement – Wage Requirements – Health Insurance - Amendments
Revised: April 1, 2015 Draft No. 14
Introduced: February 4, 2014
Enacted: April 14, 2015
Executive: April 22, 2015
Effective: July 22, 2015
Sunset Date: [[None]] July 1, 2017
Ch. 18, Laws of Mont. Co. 2015

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Navarro, Berliner, Riemer, Elrich, Floreen and Branson

AN ACT to:

(1) require [[certain]] the County [[contractors or subcontractors]] to [[provide health insurance or a cash equivalent for]] assist certain employees working on a County contract to apply for health insurance on the Maryland Health Benefit Exchange;

(2) [[limit the employee's share of the health insurance premium for certain employees working on a County contract;

(3)]] eliminate the credit against the wage requirements for the employer's share of health insurance for certain employees working on a County contract; and

(3) generally amend the law governing wage requirements for County contractors and subcontractors.

By amending
Montgomery County Code
Chapter 11B, Contracts and Procurement
Article VI, Wage Requirements
Section 11B-33A

Boldface	*Heading or defined term.*
Underlining	*Added to existing law by original bill.*
[Single boldface brackets]	*Deleted from existing law by original bill.*
Double underlining	*Added by amendment.*
[[Double boldface brackets]]	*Deleted from existing law or the bill by amendment.*
* * *	*Existing law unaffected by bill.*

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Section 11B-33A is amended as follows:

* * *

(d) *Health insurance.* [If a]

(1) Definitions. As used in this subsection:

Health insurance means insurance coverage that is part of an employer benefit package that pays for medical expenses incurred by an employee and an employee's family either by reimbursing the employee or by paying the care provider directly and provides the minimum essential health benefits required under the Patient Protection and Affordable Care Act, 26 U.S.C. §5000A, as amended.

Maryland Health Benefit Exchange means the public corporation and independent unit of Maryland State government established in Title 31 of the Maryland Insurance Code.

(2) [[The employee's share of the premium for individual health insurance offered by a contractor or subcontractor must be affordable as defined for an employer-sponsored plan under the Patient Protection and Affordable Care Act, 26 U.S.C. §36B(c)(2)(C), as amended.]] [[(3)]] A contractor or subcontractor [commits in its bid or proposal to] who does not provide health insurance [[must provide]] for an employee who provides services to the County must:

(A) [[health insurance]] [to any employee who provides services to the County, the] report to the Director the job title and salary for each employee providing services to the County under the contract who does not have health insurance

27 without identifying confidential medical information; [[or]]
28 and
29 (B) [[a cash payment equal to the hourly average cost to the]]
30 permit each employee [[for a Silver plan]] without health
31 insurance to meet with a County representative designated
32 by the Director of Health and Human Services during
33 normal work hours to receive help applying for health
34 insurance on the Maryland Health Benefit Exchange, [[less
35 9.5% of the employee's hourly salary]] including any
36 available Federal tax subsidy.
37 [[(4)]] [[(3)]] [[The contractor]] [[or subcontractor]] [may] [[must]] [:(1)]
38 [[certify in its bid or proposal:
39 (A) the]] [[per-employee hourly]] [[per pay period cost of the
40 employer's share of the premium for]] [[that]] [[health
41 insurance[,] offered to its employees; and
42 [(2)] (B)]] [reduce the wage paid under subsection (e) to any
43 employee covered by the insurance by all or part of the per-
44 employee hourly cost of the employer's share of the
45 premium] [[the employee's share of the premium for that
46 health insurance.]]
47 [[(5)]] [[(4)]] (3) The Director of the Department of Health and Human
48 Services or a designee [[of the Director]] must assist any employee
49 of a contractor or subcontractor without health insurance who
50 requests help to apply for health insurance on the Maryland Health
51 Benefit Exchange, including any available Federal tax subsidy.
52 [[(6)]] [[(5)]] (4) Each contractor must submit a quarterly payroll
53 report to the [[Director]] Chief Administrative Officer for each

54 employee of the contractor or any subcontractor who performed
55 services on the contract that includes:
56 (A) the wages paid to the employee; and
57 (B) the employer and the employee share of any health
58 insurance premium provided to the employee.
59 [[(7)]] [[(6)]] (5) [[The Executive must adopt a Method 2 regulation
60 establishing guidelines for calculating the amount of the cash
61 payment option in subparagraph (3)]] The Director must retain the
62 quarterly payroll reports submitted by the contractor under
63 paragraph [[(6)]] [[(5)]] (4) for at least 3 years after the completion
64 of the contract. On or before each September 1, the Director must
65 report to the Executive and the Council the number of employees
66 of a contractor or subcontractor who provided services to the
67 County during the previous fiscal year who had health insurance
68 and the number of employees who did not have health insurance.
69 * * *
70 (e) *Wage requirement.*
71 (1) [[Except as permitted under subsection (d)(2), each]] Each covered
72 employer must pay each employee who is not exempt under
73 subsection (f) at least $10.50 per hour during the time the
74 employee actually provides services to the County.
75 * * *
76 **Sec. 2. Effective date.**
77 [[(a)]] The amendments to Section 11B-33A, inserted in Section 1 of this
78 Act[[,]]:
79 (a) apply to any contract [[for which the County government released a
80 solicitation]] in effect on or after the date this Act takes effect; and

(b) [[At the request of the contractor the Executive must renegotiate the terms of any contract entered into before this Act takes effect to reimburse the contractor for the increased cost of voluntarily adding a health insurance benefit that complies with this law for its employees who perform work for the County. The increased cost to the County must not be greater than $4000 per year for each covered employee]] are not effective after July 1, 2017.

Approved:

George Leventhal, President, County Council — Date: 4/16/15

Approved:

Isiah Leggett, County Executive — Date: April 22, 2015

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council — Date: 4/22/15