

**BY AUTHORITY**

ORDINANCE NO. \_\_\_\_\_  
SERIES OF 2017

COUNCIL BILL NO. 17-0763  
COMMITTEE OF REFERENCE:  
Finance & Governance

**A BILL**

**For an Ordinance amending Division 1, Article VI of Chapter 18 (Insurance Program) of the Denver Revised Municipal Code to: standardize the City’s insurance program definitions, to establish the City’s 2018 Health Savings Account employer contributions, and to establish a 2018 employee wellness incentive.**

**BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:**

**Section 1.** Section 18-171, of the Denver Revised Municipal Code shall be deleted in its entirety, and restated to read as follows:

**Sec. 18-171. - Definitions.**

The following words and phrases, when used in this Article, shall have the meaning given to them in this section and be observed in the interpretation of this article:

(1) “Child” shall mean a primary insured’s natural child, step-child, adopted child, or the natural child or adopted child of either a primary insured’s spouse, or primary insured’s partner in a civil union.

(2) “Eligible Dependent” shall mean the primary insured’s child or spouse.

- a. An eligible dependent may not also be a primary insured on the same insurance plan.
- b. If spouses are each eligible employees, each may enroll in medical or dental coverage as either a primary insured or eligible dependent, but not both.
- c. An eligible dependent shall not include any form of grandchild of a primary insured or spouse, unless the primary insured or spouse has a court order of adoption.
- d. An eligible dependent may be covered by one primary insured only for each insurance plan.

(3) “Eligible Employee” shall mean both: career service employees as defined in section 9.1.1(e) of the charter, and appointed charter officers as defined in section 9.2.1(B) of the charter. The definition of eligible employee shall not include:

- a. Part-time employees who are regularly scheduled to work less than twenty (20)

1 hours per week;

2 b. Members of the classified service of the police and fire departments; and,

3 c. Persons occupying or employed in on-call, temporary, seasonal, or contract  
4 positions, or positions in which the incumbent is paid according to the community  
5 rate schedule.

6 (4) "Employee only" coverage shall mean insurance coverage for an eligible employee only.

7 (5) "Employee plus children" coverage shall mean insurance coverage for an eligible  
8 employee and one (1) or more eligible dependents other than a spouse.

9 (6) "Employee plus spouse" coverage shall mean insurance coverage for an eligible  
10 employee and a spouse.

11 (7) "Employer contribution" shall mean funds paid by the city for insurance programs  
12 approved by the employee health insurance committee.

13 (8) "Family" coverage shall mean insurance coverage for an eligible employee and a spouse  
14 or spousal equivalent and one or more other eligible dependent.

15 (9) "Primary Insured" shall mean an eligible employee who enrolls for insurance coverage.

16 a. A primary insured may not also be an eligible dependent on the same insurance  
17 plan.

18 (10) "Spouse" shall mean an eligible employee's lawful spouse, a lawful partner in a civil  
19 union in accordance with the Colorado Civil Union Act or spousal equivalent.

20 (11) "Spousal equivalent" shall mean an adult of the same gender with whom the employee  
21 is in an exclusive committed relationship, who is not related to the employee and who  
22 shares basic living expenses with the intent for the relationship to last indefinitely. A  
23 spousal equivalent cannot be related by blood to a degree which would prevent marriage  
24 in Colorado and cannot be married to another person. An employee claiming a spousal  
25 equivalent as an eligible dependent shall file with the Office of Human Resources  
26 employee benefits section, an affidavit of spousal equivalency or may register as a  
27 committed partnership with the clerk's office.

28  
29 **BALANCE OF PAGE INTENTIONALLY LEFT BLANK**

1       **Section 2.** That Section 18-172 of the Denver Revised Municipal Code is hereby amended by  
2 adding the underlined language and deleting the stricken language to read and be read as follows:

3       **Sec. 18-172. - Insurance program.**

4       (1) Every eligible employee and appointed charter officer is entitled to receive insurance  
5 coverage under a an insurance program recommended ~~by the employee health insurance~~  
6 ~~committee~~, in accordance with division 2 of this article, and approved by ~~the city council by~~  
7 ordinance.

8       (2) For purposes of medical insurance coverage only, any employee who qualifies as a "full-  
9 time employee," as applicable to large employers, pursuant to the Patient Protection and  
10 Affordable Care Act (the "Affordable Care Act") created by Public Law 111-148, dated March  
11 23, 2010, as may be amended, shall be offered only medical insurance coverage as an eligible  
12 employee during the ensuing stability period as defined in the Affordable Care Act.

13       (3) For purposes of implementing the Affordable Care Act, the following elections are made by  
14 the city:

15           (a)     The initial measurement period for the city shall be twelve (12) months long  
16           beginning October 03, 2013; and

17           ~~(b)     Administrative period for the city shall be ninety (90) days long, beginning~~  
18           ~~immediately after the measurement period ends.~~

19       (4) To ensure the proper administration of benefits, the Office of Human Resources shall  
20 conduct an audit of eligible dependents at least once every five (5) years.

21       **Section 3.** That Section 18-173 of the Denver Revised Municipal Code is hereby amended by  
22 adding the underlined language and deleting the stricken language to read and be read as follows:

23       **Sec. 18-173. - Medical insurance program—City contribution.**

24       (1) *Full-time contributions.* ~~Eligible employees~~ Primary insureds who are regularly scheduled to  
25 work at least sixty (60) hours every two (2) weeks or full-time employees as defined in DRMC  
26 18-172(2) shall receive full-time contribution as defined in this section.

27       (2) *Part-time contributions.* ~~Eligible employees~~ Primary insureds who are regularly scheduled to  
28 work at least forty (40), but less than sixty (60) hours every two (2) weeks, excluding  
29 employees who fail to meet the full-time employee definition in DRMC 18-172(2), shall receive  
30 a part-time contribution as defined in this section.

1 (3) *High deductible health plan ("HDHP") contributions and payments.* Effective January 1, 2016,  
2 the city shall contribute the following for high *deductible* health plans, regardless of insurance  
3 provider:

4 (a) *Full-time contributions.* Full-time contributions shall be: Ninety-five percent (95%) of the  
5 monthly premium for ~~employee-only~~ employee only plans; ninety percent (90%) of the  
6 monthly premium for employee plus children plans; eighty-seven and one-half percent  
7 (87.5%) of the monthly premium for employee plus spouse ~~partner~~ plans; and eighty-five  
8 percent (85%) of the monthly premium for family plans, regardless of the insurance  
9 provider selected.

10 (b) *Part-time contributions.* Part-time contributions shall be an amount equal to one-half (½) of  
11 the full-time contribution rate for each category of coverage listed in DRMC 18-173(3)(a).

12 (c) *City payment into active health savings accounts ("active HSA") prior to January 1, 2018.*  
13 Beginning 2016 and ending December 31, 2017, subject to the limitations set forth in  
14 DRMC subsection 18-173(3)(d), every year an employee is enrolled in a high deductible  
15 health plan offered by the city, the city shall pay into an employee's active HSA the  
16 following amounts: Six hundred dollars (\$600.00) for employee-only HDHP coverage; and  
17 one thousand two hundred dollars (\$1,200.00) for all other HDHP coverage tiers.

18 i. Employee election. Amounts to be paid to an employee's active HSA shall be based  
19 upon the employee's insurance coverage as of the benefit effective date.

20 ii. Payment timing. Subject to the limitations set forth in DRMC 18-173(3)(d), the city  
21 payment into an active HSA shall occur within thirty (30) days of the creation of the  
22 active HSA account.

23 (c.1) City payment into active health savings accounts ("active HSA") effective January 1,  
24 2018. Effective January 1, 2018 and subject to the limitations set forth in DRMC subsection  
25 18-173(3)(d), every year a primary insured is enrolled in a high deductible health plan  
26 (HDHP) offered by the city, the city shall pay into the active HSA the following amounts:

27 i. For employee only HDHP coverage: for every one-dollar (\$1) per month the employee  
28 deposits into their active HSA, the City will provide a two-dollar (\$2) match, with a  
29 monthly maximum of twenty-five dollars (\$25), and an annual maximum of three  
30 hundred dollars (\$300).

1           ii. For HDHP coverages that have eligible dependents: for every one-dollar (\$1) per  
2           month the employee deposits into their active HSA, the City will provide a two-dollar  
3           (\$2) match, with a monthly maximum of seventy-five dollars (\$75), and an annual  
4           maximum of nine hundred dollars (\$900).

5           iii. Payment timing. Subject to the limitations set forth in DRMC 18-173(3)(d), the city  
6           payment into an active HSA shall occur within thirty (30) days of the active HSA's  
7           creation, with the following limitations:

8           (1) The city's HSA contribution to an active HSA shall follow the same 24-pay period  
9           schedule as health insurance premiums.

10          (2) Retroactive HSA matching contributions will be made only if the active HSA is  
11          opened within 60 days of the employee's date of hire.

12          (3) Matching contributions will be based upon coverage effective on the first of each  
13          calendar month.

14          (4) Matching contributions will stop when the employee's enrollment in the HDHP  
15          stops.

16          (d) *Limitations on city payment into active health savings accounts.* The following restrictions  
17          shall apply to the city payment into an active HSA account as set forth in DRMC 18-  
18          173(3)(c) above:

19          i. An employee who is a dependent on any health insurance plan shall not be eligible to  
20          receive a city payment into an active HSA;

21          ii. ~~No employee shall receive more than one (1) city payment into an active HSA account~~  
22          ~~per plan year;~~ Employees must actively contribute to an active HSA through a pre-tax  
23          payroll deduction to receive a city matching contribution;

24          iii. ~~To receive a city payment into an active HSA, employees must open an active HSA~~  
25          ~~within sixty (60) days of their benefit effective date;~~ The city matching contribution will  
26          end when the primary insured's enrollment in the HDHP offered by the city ends;

27          iv. Employees who do not have an active HSA are not eligible for a city payment into an  
28          active HSA account.

1 (e) *Active health savings accounts.* The Office of Human Resources shall select a bank or  
2 other legally qualified institution ("approved bank") to provide and administer the health  
3 savings accounts associated with the city's HDHP insurance program. No other HSA  
4 account shall qualify as an active HSA as referred to in DRMC 18-173.

5 ~~i. Employees must open their active HSA with the approved bank within sixty (60) days~~  
6 ~~of their benefit effective date.~~

7 (4) *DHMO contributions.* Effective January 1, 2016, the city shall contribute the following for the  
8 Kaiser Permanente DHMO plan, United Health Care Navigate plan and the Denver Health  
9 Medical plan (DHMO):

10 (a) *Full-time contributions.* Eighty-five percent (85%) of the monthly premium for employee-  
11 only plans; eighty percent (80%) of the monthly premium for employee plus children plans;  
12 seventy-seven and one-half percent (77.5%) of the monthly premium for employee plus  
13 ~~partner~~ spouse plans; and seventy-five percent (75%) of the monthly premium for family  
14 plans, regardless of the insurance provider selected.

15 (b) *Part-time contributions.* The city shall contribute an amount equal to one-half (½) of the  
16 full-time contribution rate for each category of coverage listed in DRMC 18-173(4)(a).

17 (5) ~~*Subscriber or dependent enrollees.* If spouses are eligible employees, as defined in DRMC 18-~~  
18 ~~171, each eligible employee may enroll in medical coverage as either a subscriber or~~  
19 ~~dependent, but not both. The city shall make one (1) contribution per employee, per plan,~~  
20 ~~calculated as described in this DRMC 18-173, above, to avoid double coverage of any~~  
21 ~~employee. [RESERVED]~~

22 (6) *Time limitations.* Each employee shall elect a health plan within thirty (30) days of employment.

23 (7) *Change in status.* Each eligible employee shall promptly notify the Office of Human Resources,  
24 benefits division of any changes to his or her status effecting the health plan election within  
25 thirty (30) days of such change. Eligible employees shall cooperate with the city and provide  
26 documentation as requested to verify any changes.

27 (8) *Dependent coverage requirement.* Each child, spouse or spousal equivalent eligible dependent  
28 must be insured under the same plan as the employee.

29 **Section 4.** That Section 18-175 of the Denver Revised Municipal Code is hereby amended by  
30 adding the underlined language and deleting the stricken language to read and be read as follows:

1 **Sec. 18-175. - Dental insurance program—City contribution.**

2 For the calendar year 2015 and thereafter, the city will contribute monthly for dental insurance  
3 for eligible employees and appointed charter officers:

4 (a) Eighty-five percent (85%) of the monthly premium of the lowest cost plan for ~~employee-only~~  
5 employee only plans; seventy-seven and one-half percent (77.5%) of the monthly premium  
6 of the lowest cost plan for employee plus ~~partner~~ spouse plans; eighty percent (80%) of the  
7 monthly premium of the lowest cost plan for employee plus children plans; and seventy-five  
8 percent (75%) of the monthly premium of the lowest cost plan for family plans, regardless of  
9 the plan selected by the employee, for eligible employees who are regularly scheduled to  
10 work at least sixty (60) hours every two (2) weeks.

11 (b) Forty-two and one-half percent (42.5%) of the monthly premium of the lowest cost plan for  
12 ~~employee-only~~ employee only plans; thirty-eight and three-quarters percent (38.75%) of the  
13 monthly premium of the lowest cost plan for employee plus ~~partner~~ spouse plans; forty  
14 percent (40%) of the monthly premium of the lowest cost plan for employee plus children  
15 plans; and thirty-seven and one-half percent (37.5%) of the monthly premium of the lowest  
16 cost plan for family plans, regardless of the plan selected by the employee, for eligible  
17 employees who are regularly scheduled to work at least forty (40), but less than sixty (60),  
18 hours every two (2) weeks.

19 **Section 5.** Section 18-178 of the Denver Revised Municipal Code shall be newly created  
20 to read as follows:

21 **Sec. 18-178. – Wellness.**

22 The Office of Human Resources will administer a wellness program for eligible employees  
23 (as defined in section 18-171 of the DRMC) as follows:

24 (1) Eligible employees who complete the established requirements of the wellness program  
25 administered by the Office of Human Resources prior to the program deadline of November  
26 30, 2017, the city will provide the following wellness incentives during 2018:

27 (a) For DHMO insurance plan participants: a \$25 per month health insurance premium  
28 reduction.

29 (b) For HDHP insurance plan participants: a \$25 per month HSA contribution.

30 (2) Wellness incentives are subject to the following limitations.

31 (a) Employees who are not enrolled in a city-sponsored health plan are not entitled to the  
32 wellness incentives.

- 1 (b) The wellness incentives will terminate if the employee terminates city-sponsored health  
2 insurance coverage.
- 3 (c) For DHMO premium reductions, the premium reduction will follow the same 24-pay period  
4 schedule as health insurance premiums.
- 5 (d) For HSA wellness incentive contribution payments, such payment to an active HSA shall  
6 follow the same 24-pay period schedule as health insurance premiums.
- 7 (3) All department-level wellness programs must include the requirements of the wellness  
8 program administered by the Office of Human Resources.

9 COMMITTEE APPROVAL DATE: July 11, 2017

10 MAYOR-COUNCIL DATE: July 18, 2017

11 PASSED BY THE COUNCIL: \_\_\_\_\_

12 \_\_\_\_\_ - PRESIDENT

13 APPROVED: \_\_\_\_\_ - MAYOR \_\_\_\_\_

14 ATTEST: \_\_\_\_\_ - CLERK AND RECORDER,  
15 EX-OFFICIO CLERK OF THE  
16 CITY AND COUNTY OF DENVER

17 NOTICE PUBLISHED IN THE DAILY JOURNAL: \_\_\_\_\_; \_\_\_\_\_

18 PREPARED BY: Robert McDermott, Assistant City Attorney DATE: July 20, 2017

19 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of  
20 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed  
21 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to  
22 §3.2.6 of the Charter.

23 Kristin M. Bronson, Denver City Attorney

24 BY: \_\_\_\_\_, Assistant City Attorney DATE: \_\_\_\_\_