

**BY AUTHORITY**

ORDINANCE NO. \_\_\_\_\_

COUNCIL BILL NO. \_\_\_\_\_

SERIES OF 2015

COMMITTEE OF REFERENCE:

GOVERNMENT AND FINANCE

**A BILL**

**For an ordinance amending Section 18-173 of Chapter 18, of the Revised Municipal Code, changing the City's participation in medical insurance plans and contributions, to implement the City's High Deductible Health Plan and Health Savings Account ("HSA") contribution.**

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

**Section 1.** That section 18-173 of the Revised Municipal Code be and is hereby amended by adding the underlined language and deleting the stricken language to read and be read as follows:

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

**(1) Full Time Contributions.** Eligible employees who are regularly scheduled to work at least sixty (60) hours every two weeks or *full time* employees as defined in DRMC 18-172(2), shall receive a Full Time Contribution as defined in this section.

**(2) Part Time Contributions.** Eligible employees who are regularly scheduled to work at least forty (40), but less than sixty (60) hours every two weeks, excluding employees who fail to meet the *full time* employee definition in DRMC 18-172(2), shall receive a Part Time Contribution as defined in this section.

**(3) High Deductible Health Plan ("HDHP") Contributions and Payments.** Effective January 1, 2016, the city shall make the following contributions for High Deductible Health Plans, regardless of insurance provider:

a. **Full Time Contributions.** Full Time Contributions shall be: Ninety-five percent (95%) of the monthly premium for employee-only plans; ninety percent (90%) of the monthly premium for employee plus children plans; eighty-seven and one-half percent (87.5%) of the monthly premium for employee plus partner plans; and eighty-five percent (85%) of the monthly premium for family plans.

b. **Part Time contributions.** Part Time Contributions shall be an amount equal to one half of the Full Time Contribution rate for each category of coverage listed in DRMC 18-173(3)(a).

c. **City Payment Into Active Health Savings Accounts.** Beginning 2016, every year an employee is enrolled in a High Deductible Health Plan offered by the City, the City shall

pay into an employee's Active HSA the following amounts: \$600.00 for employee-only HDHP coverage, and; \$1,200.00 for all other HDHP coverage tiers.

- i. Employee Election. Amounts to be paid to an employee's Active HSA shall be based upon the employee's insurance coverage as of the benefit effective date.
  - ii. Payment Timing. City Payment into an Active HSA shall occur as of the earlier of the first day of February of each plan year; or for a new employee, no more than sixty (60) days after starting employment with the City.
- d. Limitations on City Payment into Active Health Savings Accounts.** The following restrictions shall apply to the City Payments into Active HSA defined in DRMC § 18-173(3)(c), above:
  - i. An employee who is a dependent on any health insurance plan shall not be eligible to receive a City Payment;
  - ii. No employee shall receive more than one City Payment per plan year;
  - iii. To receive a City Payment into an Active HSA, employees must open their Active HSA within sixty (60) days of their benefit effective date.
  - iv. Employees who do not have an Active HSA are not eligible for a City Payment.
- e. Active Health Savings Accounts.** The Office of Human Resources shall contract with a bank or other legally qualified institution the ("Approved Bank") to provide and administer the Active Health Savings Accounts associated with the City's HDHP insurance program. No other HSA shall qualify as an Active HSA pursuant as referred to in DRMC § 18-173(3)(c).
  - i. Employees must open their Active HSA with the Approved Bank within 60 days of their benefit effective date.

~~(3) HMO Contributions:~~ Effective January 1, 2014, the city shall contribute the following for the Kaiser Permanente HMO plan, United Health Care EPO/Choice Traditional plan and the Denver Health Medical Plan HMO:

- ~~f. **Full Time Contributions.** Seventy-five percent (75%) of the monthly premium for employee-only plans; seventy percent (70%) of the monthly premium for employee plus children plans; sixty seven and one half percent (67.5%) of the monthly premium for employee plus partner plans; and sixty five percent (65%) of the monthly premium for family plans, regardless of the insurance provider selected.~~
- ~~g. **Part time contributions.** The City shall contribute an amount equal to one half of the Full Time Contribution rate for each category of coverage listed in DRMC 18-173(3)(a).~~

**(4) DHMO Contributions:** Effective January 1, 2016 2014, the city shall contribute the following

for the Kaiser Permanente DHMO plan, United Health Care Navigate plan and the Denver Health Medical Plan DHMO:

a. **Full Time Contributions.** Eighty-Five percent (85%) ~~Ninety-five percent (95%)~~ of the monthly premium for employee-only plans; eighty percent (80%) ~~ninety percent (90%)~~ of the monthly premium for employee plus children plans; seventy-seven and one-half percent (77.5%) ~~eighty-seven and one-half percent (87.5%)~~ of the monthly premium for employee plus partner plans; and seventy-five percent (75%) ~~eighty-five percent (85%)~~ of the monthly premium for family plans, regardless of the insurance provider selected.

b. **Part time contributions.** The City shall contribute an amount equal to one half of the Full Time Contribution rate for each category of coverage listed in DRMC 18-173(4)(a).

**(5) Subscriber or Dependent Enrollees.** If spouses are eligible employees, as defined in DRMC 18-171, each eligible employee may enroll in medical coverage as either a subscriber or dependent, but not both. The City shall make one (1) contribution per employee, per plan, calculated as described in this DRMC 18-173, above, to avoid double coverage of any employee.

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

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

**(8) Dependent Coverage Requirement.** Each child, spouse or spousal equivalent must be insured under the same plan as the employee.

COMMITTEE APPROVAL DATE: \_\_\_\_\_, 2015.

MAYOR-COUNCIL DATE: \_\_\_\_\_, 2015.

PASSED BY THE COUNCIL \_\_\_\_\_ 2015

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

APPROVED: \_\_\_\_\_ - MAYOR \_\_\_\_\_ 2015

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

NOTICE PUBLISHED IN THE DAILY JOURNAL \_\_\_\_\_ 2015; \_\_\_\_\_ 2015

PREPARED BY: Robert McDermott – Assistant City Attorney - \_\_\_\_\_, 2015

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

D. Scott Martinez, City Attorney for the City and County of Denver

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

DATE: \_\_\_\_\_, 2015