

1 **BY AUTHORITY**

2 ORDINANCE NO. _____
3 SERIES OF 2017

COUNCIL BILL NO. CB17-0763
COMMITTEE OF REFERENCE:
Finance & Governance

5 **A BILL**

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

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

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

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

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

- 18 (1) “Child” shall mean a primary insured’s natural child, step-child, adopted child, or the
19 natural child or adopted child of either a primary insured’s spouse, or primary insured’s
20 partner in a civil union.
- 21 (2) “Eligible Dependent” shall mean the primary insured’s child or spouse.
 - 22 a. An eligible dependent may not also be a primary insured on the same insurance
23 plan.
 - 24 b. If spouses are each eligible employees, each may enroll in medical or dental
25 coverage as either a primary insured or eligible dependent, but not both.
 - 26 c. An eligible dependent shall not include any form of grandchild of a primary
27 insured or spouse, unless the primary insured or spouse has a court order of
28 adoption.
 - 29 d. An eligible dependent may be covered by one primary insured only for each
30 insurance plan.

- 31 (3) “Eligible Employee” shall mean both: career service employees as defined in section
32 9.1.1(e) of the charter, and appointed charter officers as defined in section 9.2.1(B) of
33 the charter. The definition of eligible employee shall not include:
 - 34 a. Part-time employees who are regularly scheduled to work less than twenty (20)
35 hours per week;

- b. Members of the classified service of the police and fire departments; and,
- c. Persons occupying or employed in on-call, temporary, seasonal, or contract positions, or positions in which the incumbent is paid according to the community rate schedule.

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

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

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

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

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

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

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

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

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

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

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

- 5 (1) Every eligible employee and appointed charter officer is entitled to receive insurance
6 coverage under a an insurance program recommended ~~by the employee health~~
7 ~~insurance committee~~, in accordance with division 2 of this article, and approved by ~~the~~
8 ~~city council~~ by ordinance.
- 9 (2) For purposes of medical insurance coverage only, any employee who qualifies as a "full-
10 time employee," as applicable to large employers, pursuant to the Patient Protection and
11 Affordable Care Act (the "Affordable Care Act") created by Public Law 111-148, dated
12 March 23, 2010, as may be amended, shall be offered only medical insurance coverage
13 as an eligible employee during the ensuing stability period as defined in the Affordable
14 Care Act.
- 15 (3) For purposes of implementing the Affordable Care Act, the following elections are made
16 by the city:
- 17 (a) The initial measurement period for the city shall be twelve (12) months long
18 beginning October 03, 2013; and
- 19 ~~(b) Administrative period for the city shall be ninety (90) days long, beginning~~
20 ~~immediately after the measurement period ends.~~
- 21 (4) To ensure the proper administration of benefits, the Office of Human Resources shall
22 conduct an audit of eligible dependents at least once every five (5) years.

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

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

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

1 excluding employees who fail to meet the full-time employee definition in DRMC 18-
2 172(2), shall receive a part-time contribution as defined in this section.

3 (3) *High deductible health plan ("HDHP") contributions and payments.* Effective January 1,
4 2016, the city shall contribute the following for high *deductible* health plans, regardless of
5 insurance provider:

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

12 (b) *Part-time contributions.* Part-time contributions shall be an amount equal to one-
13 half ($\frac{1}{2}$) of the full-time contribution rate for each category of coverage listed in
14 DRMC 18-173(3)(a).

15 (c) *City payment into active health savings accounts ("active HSA") prior to January*
16 *1, 2018.* Beginning 2016 and ending December 31, 2017, subject to the
17 limitations set forth in DRMC subsection 18-173(3)(d), every year an employee is
18 enrolled in a high deductible health plan offered by the city, the city shall pay into
19 an employee's active HSA the following amounts: Six hundred dollars (\$600.00)
20 for employee-only HDHP coverage; and one thousand two hundred dollars
21 (\$1,200.00) for all other HDHP coverage tiers.

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

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

28 (c.1) *City payment into active health savings accounts ("active HSA") effective*
29 *January 1, 2018.* Effective January 1, 2018 and subject to the limitations set forth
30 in DRMC subsection 18-173(3)(d), every year a primary insured is enrolled in a

1 high deductible health plan (HDHP) offered by the city, the city shall pay into the
2 active HSA the following amounts:

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

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

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

14 (1) The city's HSA contribution to an active HSA shall follow the same
15 24-pay period schedule as health insurance premiums.

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

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

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

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

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

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

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

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

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

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

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

17 (a) *Full-time contributions.* Eighty-five percent (85%) of the monthly premium for
18 employee-only plans; eighty percent (80%) of the monthly premium for employee
19 plus children plans; seventy-seven and one-half percent (77.5%) of the monthly
20 premium for employee plus partner spouse plans; and seventy-five percent (75%)
21 of the monthly premium for family plans, regardless of the insurance provider
22 selected.

23 (b) *Part-time contributions.* The city shall contribute an amount equal to one-half (½)
24 of the full-time contribution rate for each category of coverage listed in DRMC 18-
25 173(4)(a).

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

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

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

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

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

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

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

15 (a) Eighty-five percent (85%) of the monthly premium of the lowest cost plan for
16 ~~employee-only~~ employee only plans; seventy-seven and one-half percent (77.5%)
17 of the monthly premium of the lowest cost plan for employee plus ~~partner~~ spouse
18 plans; eighty percent (80%) of the monthly premium of the lowest cost plan for
19 employee plus children plans; and seventy-five percent (75%) of the monthly
20 premium of the lowest cost plan for family plans, regardless of the plan selected by
21 the employee, for eligible employees who are regularly scheduled to work at least
22 sixty (60) hours every two (2) weeks.

23 (b) Forty-two and one-half percent (42.5%) of the monthly premium of the lowest cost
24 plan for ~~employee-only~~ employee only plans; thirty-eight and three-quarters percent
25 (38.75%) of the monthly premium of the lowest cost plan for employee plus ~~partner~~
26 spouse plans; forty percent (40%) of the monthly premium of the lowest cost plan
27 for employee plus children plans; and thirty-seven and one-half percent (37.5%) of
28 the monthly premium of the lowest cost plan for family plans, regardless of the plan
29 selected by the employee, for eligible employees who are regularly scheduled to
30 work at least forty (40), but less than sixty (60), hours every two (2) weeks.

31 **Section 5.** Section 18-178 of the Denver Revised Municipal Code shall be newly created

1 to read as follows:

2 **Sec. 18-178. – Wellness.**

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

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

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

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

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

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

14 (b) The wellness incentives will terminate if the employee terminates city-sponsored
15 health insurance coverage.

16 (c) For DHMO premium reductions, the premium reduction will follow the same 24-
17 pay period schedule as health insurance premiums.

18 (d) For HSA wellness incentive contribution payments, such payment to an active
19 HSA shall follow the same 24-pay period schedule as health insurance premiums.

20 All department-level wellness programs must include the requirements of the wellness
21 program administered by the Office of Human Resources.

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1 COMMITTEE APPROVAL DATE: July 11, 2017

2 MAYOR-COUNCIL DATE: July 18, 2017

3 PASSED BY THE COUNCIL: August 7, 2017

4 Al Berke - PRESIDENT

5 APPROVED: [Signature] - MAYOR Aug 8, 2017

6 ATTEST: _____ - CLERK AND RECORDER,
7 EX-OFFICIO CLERK OF THE
8 CITY AND COUNTY OF DENVER

9 NOTICE PUBLISHED IN THE DAILY JOURNAL: _____; _____

10 PREPARED BY: Robert McDermott, Assistant City Attorney DATE: July 27, 2017

11 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of
12 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
13 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to
14 §3.2.6 of the Charter.

15 Kristin M. Bronson, Denver City Attorney

16 BY: [Signature], Assistant City Attorney DATE: Jul 27, 2017