

BY AUTHORITY

ORDINANCE NO. _____
SERIES OF 2017

COUNCIL BILL NO. _____
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 definition of dependent as used in the City’s insurance program; to establish the 2018 HSA program contributions, and establish a 2018 employee wellness incentive.

WHEREAS, Division 1 of Article VI of Chapter 18 provides the health insurance program to employees associated with City contracts; and,

WHEREAS, the City Council finds that Sections 18-171, 18-172, 18-173, and 18-175 should be amended, and Section 18-178 should be created to enable the City to clearly define eligible employees and their dependents for insurance coverage; and,

WHEREAS, establish the 2018 employee Health Savings Account contributions; and,

WHEREAS, establish the City’s employee wellness incentives for 2018.

NOW, THEREFORE, 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 definitions and rules of construction shall be observed in the interpretation of this article:

- (1) “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) 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
- (2) “Primary Insured” shall mean an eligible employee who enrolls for insurance coverage.
 - a. A primary insured cannot also be an eligible dependent on the same insurance plan.
- (3) “Eligible Dependent” shall mean the primary insured’s child or spouse.
 - a. An eligible dependent cannot also be a primary insured on the same insurance plan.
 - b. If spouses are each an eligible employee, each may enroll in medical or dental

- 1 coverage as either a primary insured or eligible dependent, but not both.
- 2 c. An eligible dependent shall not include any form of grandchild of a primary
- 3 insured or spouse, unless the primary insured or spouse has a court order of
- 4 adoption.
- 5 d. An eligible dependent can only be covered by one primary insured for each
- 6 insurance plan.
- 7 (4) “Child” shall mean a primary insured’s natural child, step-child, adopted child, or the
- 8 natural child or adopted child of either a primary insured’s spouse, or primary insured’s
- 9 partner in a civil union.
- 10 (5) “Spouse” shall mean an eligible employee’s lawful spouse, a lawful partner in a civil
- 11 union in accordance with the Colorado Civil Union Act or spousal equivalent.
- 12 (6) “Spousal equivalent” shall mean an adult of the same gender with whom the employee
- 13 is in an exclusive committed relationship, who is not related to the employee and who
- 14 shares basic living expenses with the intent for the relationship to last indefinitely. A
- 15 spousal equivalent cannot be related by blood to a degree which would prevent
- 16 marriage in Colorado and cannot be married to another person. An employee claiming
- 17 a spousal equivalent as an eligible dependent shall file with the Office of Human
- 18 Resources employee benefits section, an affidavit of spousal equivalency or may
- 19 register as a committed partnership with the clerk's office.
- 20 (7) “Employee only” coverage, shall mean insurance coverage for an eligible employee
- 21 only.
- 22 (8) “Employee plus children” coverage shall mean insurance coverage for an eligible
- 23 employee and one (1) or more eligible dependents that are not a spouse.
- 24 (9) “Employee plus spouse” coverage shall mean insurance coverage for an eligible
- 25 employee and a spouse or spousal equivalent.
- 26 (10) “Family” coverage shall mean an eligible employee and a spouse or spousal
- 27 equivalent and one or more other eligible dependent.
- 28 (11) “Employer contribution” shall mean funds paid by the city for insurance programs
- 29 approved by the employee health insurance committee.

30

31 **Section 2.** That Section 18-172 of the Denver Revised Municipal Code is hereby amended

32 by adding the underlined language and deleting the stricken language to read and be read as

33 follows:

34

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

36 (1) Every eligible employee and appointed charter officer is entitled to receive insurance

37 coverage under a an insurance program recommended ~~by the employee health insurance~~

38 ~~committee~~, in accordance with division 2 of this article, and approved by ~~the city council~~ by

39 ordinance.

40 (2) For purposes of medical insurance coverage only, any employee who qualifies as a "full-

41 time employee," as applicable to large employers, pursuant to the Patient Protection and

42 Affordable Care Act (the "Affordable Care Act") created by Public Law 111-148, dated March

1 23, 2010, as may be amended, shall be offered only medical insurance coverage as an
2 eligible employee during the ensuing stability period as defined in the Affordable Care Act.

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

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

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

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

11
12 **Section 3.** That Section 18-173 of the Denver Revised Municipal Code is hereby amended
13 by adding the underlined language and deleting the stricken language to read and be read as
14 follows:

15
16 **Sec. 18-173. - Medical insurance program—City contribution.**

17 (1) *Full-time contributions.* ~~Eligible employees~~ Primary insureds who are regularly scheduled to
18 work at least sixty (60) hours every two (2) weeks or full-time employees as defined in DRMC
19 18-172(2) shall receive full-time contribution as defined in this section.

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

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

27 (a) *Full-time contributions.* Full-time contributions shall be: Ninety-five percent (95%) of the
28 monthly premium for ~~employee-only~~ employee only plans; ninety percent (90%) of the
29 monthly premium for employee plus children plans; eighty-seven and one-half percent
30 (87.5%) of the monthly premium for employee plus spouse ~~partner~~ plans; and eighty-five
31 percent (85%) of the monthly premium for family plans, regardless of the insurance
32 provider selected.

33 (b) *Part-time contributions.* Part-time contributions shall be an amount equal to one-half (½)
34 of the full-time contribution rate for each category of coverage listed in DRMC 18-
35 173(3)(a).

36 (c) *City payment into active health savings accounts ("active HSA")* prior to January 1, 2018.
37 Beginning 2016 and ending December 31, 2017, subject to the limitations set forth in
38 DRMC subsection 18-173(3)(d), every year an employee is enrolled in a high deductible
39 health plan offered by the city, the city shall pay into an employee's active HSA the

1 following amounts: Six hundred dollars (\$600.00) for employee-only HDHP coverage;
2 and one thousand two hundred dollars (\$1,200.00) for all other HDHP coverage tiers.

- 3 i. Employee election. Amounts to be paid to an employee's active HSA shall be based
4 upon the employee's insurance coverage as of the benefit effective date.
- 5 ii. 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 creation of the
7 active HSA account.

8 (c.1) City payment into active health savings accounts ("active HSA") effective January 1,
9 2018. Effective January 1, 2018 and subject to the limitations set forth in DRMC
10 subsection 18-173(3)(d), every year a primary insured is enrolled in a high deductible
11 health plan (HDHP) offered by the city, the city shall pay into the active HSA the following
12 amounts:

- 13 i. For employee only HDHP coverage: for every one-dollar (\$1) per month the
14 employee deposits into their active HSA, the City will provide a two-dollar (\$2) match,
15 with a monthly maximum of twenty-five dollars (\$25), and an annual maximum of
16 three hundred dollars (\$300).
- 17 ii. For HDHP coverages that have eligible dependents: for every one-dollar (\$1) per
18 month the employee deposits into their active HSA, the City will provide a two-dollar
19 (\$2) match, with a monthly maximum of seventy-five dollars (\$75), and an annual
20 maximum of nine hundred dollars (\$900).
- 21 iii. Payment timing. Subject to the limitations set forth in DRMC 18-173(3)(d), the city
22 payment into an active HSA shall occur within thirty (30) days of the active HSA's
23 creation, with the following limitations:
 - 24 (1) The city's HSA contribution to an active HSA shall follow the same 24-pay period
25 schedule as health insurance premiums.
 - 26 (2) Retroactive HSA matching contributions will be made only if the active HSA is
27 opened within 60 days of the employee's date of hire.
 - 28 (3) Matching contributions will be based upon coverage effective on the first of each
29 calendar month.
 - 30 (4) Matching contributions will stop when the employee's enrollment in the HDHP
31 stops.

32 (d) Limitations on city payment into active health savings accounts. The following restrictions
33 shall apply to the city payment into an active HSA account as set forth in DRMC 18-
34 173(3)(c) above:

- 35 i. An employee who is a dependent on any health insurance plan shall not be eligible to
36 receive a city payment into an active HSA;
- 37 ii. ~~No employee shall receive more than one (1) city payment into an active HSA~~
38 ~~account per plan year;~~ Employees must actively contribute to an active HSA through
39 a pre-tax payroll deduction to receive a city matching contribution;

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

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

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

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

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

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

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

22 (5) ~~*Subscriber or dependent enrollees.* If spouses are eligible employees, as defined in DRMC~~
23 ~~18-171, each eligible employee may enroll in medical coverage as either a subscriber or~~
24 ~~dependent, but not both. The city shall make one (1) contribution per employee, per plan,~~
25 ~~calculated as described in this DRMC 18-173, above, to avoid double coverage of any~~
26 ~~employee. [RESERVED]~~

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

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

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

1 **Section 4.** That Section 18-175 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:
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5 **Sec. 18-175. - Dental insurance program—City contribution.**

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

8 (a) Eighty-five percent (85%) of the monthly premium of the lowest cost plan for ~~employee-~~
9 ~~only~~ employee only plans; seventy-seven and one-half percent (77.5%) of the monthly
10 premium of the lowest cost plan for employee plus ~~partner~~ spouse plans; eighty percent
11 (80%) of the monthly premium of the lowest cost plan for employee plus children plans;
12 and seventy-five percent (75%) of the monthly premium of the lowest cost plan for family
13 plans, regardless of the plan selected by the employee, for eligible employees who are
14 regularly scheduled to work at least sixty (60) hours every two (2) weeks.

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

23 **Section 5.** Section 18-178 of the Denver Revised Municipal Code shall be newly created
24 to read as follows:
25

26 **Sec. 18-178. – Wellness.**

27 The Office of Human Resources will administer a wellness program for eligible employees
28 (as defined in section 18-171 of the DRMC) as follows:
29

30 (1) Eligible employees who complete the established requirements of the wellness program
31 administered by the Office of Human Resources prior to the program deadline of October 31,
32 2017, the city will provide the following wellness incentives during 2018:
33

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

36 (b) For HDHP insurance plan participants: a \$25 per month HSA contribution.
37

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

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

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

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

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

5 _____
6 (3) All department-level wellness programs must include the requirements of the wellness
7 program administered by the Office of Human Resources.
8

9 COMMITTEE APPROVAL DATE: _____, 2017

10 MAYOR-COUNCIL DATE: _____, 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: _____, Assistant City Attorney DATE: _____, 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
24 Kristin M. Bronson, Denver City Attorney

25
26 BY: _____, Assistant City Attorney DATE: _____
27