CITY OF MINNEAPOLIS

and

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, DISTRICT COUNCIL NO. 5, LOCAL UNION NO. 9, AFL-CIO (General Office Clerical and Technical Unit)

LETTER OF AGREEMENT
Health Care Insurance

WHEREAS, the City of Minneapolis (hereinafter "Employer") and the American Federation of State, County and Municipal Employees, District Council #5, Local Union #9, General Office Clerical and Technical Unit (hereinafter "Union") are parties to a Collective Bargaining Agreement that is currently in force; and

WHEREAS, the Parties desire to provide quality health care at an affordable cost for the protection of employees, which requires a modification to the current Collective Bargaining Agreement as it relates to the funding of Health Care beginning January 1, 2014 and

NOW, THEREFORE BE IT RESOLVED, that the parties agree as follows for the period January 1, 2014 through December 31, 2014:

1. The City will offer a medical plan through Medica Insurance Company ("Medica"). Employees can elect to enroll in one of three provider networks. Medica Elect and Medica Essential are managed care models and Medica Choice is an open access model.

2. Medica will continue a dual medical premium system that provides incentives for wellness program participation. The monthly medical premiums for subscribers who complete 2013 wellness program points by August 31, 2013 (the "wellness premiums") will be lower than the premiums for subscribers who do not complete 300 wellness program points by August 31, 2013 (the "standard premiums"). The 2013 wellness program requirements are described the *New and Improved! My Health Rewards by Medica* SM brochure which is attached hereto and incorporated herein as Appendix A.

   The "wellness premium" will also apply to all newly enrolled employees who were benefit eligible after July 1, 2013.

3. For the period January 1, 2014 through December 31, 2014, the City will pay $507.06 per month for employees who elect single coverage under the medical plan.

4. For the period January 1, 2014 through December 31, 2014, the City will pay $1,369.07 per month for employees who elect family coverage under the medical plan.

5. The City will continue the Health Reimbursement Arrangement ("the Plan") which was established January 1, 2004 to provide reimbursement of eligible health expenses for participating employees, their spouse and other eligible dependents; and the Voluntary Employees' Beneficiary Association Trust (the "Trust") through which the Plan is funded.

6. The Plan shall be administered by the City or, at the City's discretion, a third party administrator.

7. The City shall designate a Trustee for the Trust. Such Trustee shall be authorized to hold and invest assets of the Trust and to make payments on instructions from the City or, at the City's discretion, from a third party administrator in accordance with the conditions contained in the Plan. Representatives of the City and up to three representatives selected by the Minneapolis Board of Business Agents shall constitute the VEBA Investment Committee which shall meet not less than annually to review the assets and investment options for the Trust.

8. The City shall pay administration fees for Plan members who are current employees and other expenses pursuant to the terms of the Plan. Plan members who have separated from service will be charged an administration fee of $1.50 per month beginning the January 1st of the calendar year following the year in which they experience a one year break in service.

9. The City will make a contribution to the Plan in the annual amount of $1,080.00 for employees who elect single coverage and $2,280.00 for employees who elect family coverage in the City of Minneapolis Medical Plan. Such City contribution shall be made in monthly installments equal to one-twelfth (1/12) of the designated amount and shall be considered to be contract value in the designated amount.

   No later than December 1, 2014, the City shall make an additional, one-time lump sum contributions to the Plan in the amount of $200.00 for any employee who is enrolled in the medical plan as of January 1, 2014 and who completes certain additional 2014 wellness program activities by August 31, 2014. Additional lump sum contributions to the Plan will be based on the following:

   - For an employee who, as of August 31, 2014, has single coverage or has family coverage and has enrolled children only, and not a spouse, the employee must earn more than 300 points under the 2014 wellness program.
   - For an employee who, as of August 31, 2014, has family coverage and has enrolled a spouse, the employee's spouse must complete a personal health profile.

   In the event of a forfeiture required pursuant to Section 5.5(b) of the Plan, following the death of a member who has no surviving spouse or qualified dependents, the amount forfeited will be divided evenly among the Plan accounts of members of the bargaining unit to which the deceased member last belonged. The amount to be forfeited will be calculated as of the date claims for reimbursement are no longer timely pursuant to terms of the Plan. For purposes of eligibility to receive such forfeited amount, bargaining unit membership will be determined on the date such forfeiture is distributed.

10. Future employee contributions for medical plan and/or Plan contributions will be determined by the Benefits Sub-committee of the Citywide Labor Management Committee; however, absent a subsequent agreement, the City shall bear 82.5% of any generalized medical premium rate increase and the employees shall bear 17.5% of any generalized medical premium rate increase, as determined by Medica.

11. The Parties agree that, except for City contributions to the Plan or other negotiated payments to a tax-qualified health savings account, incentives, discounts or special payments provided to medical plan members that are not made to reimburse the member or his/her health care provider for health care services covered under the medical plan (e.g. incentives to use health club memberships or take health risk assessments) are not benefits for the purposes of calculating aggregate value of benefits pursuant to Minn. Stat. § 471.6161, Subd. 5.

12. The unions shall continue to be involved with the selection of and negotiations with the medical plan carrier.

13. This agreement does not provide the unions with veto power over the City's decisions.

14. This agreement does not negate the City's obligation to negotiate with the unions as described by Minn. Stat. § 471.6161, Subd. 5.

15. The terms of this agreement shall be incorporated into the Collective Bargaining Agreement as appropriate without additional negotiations.

THE PARTIES have caused this Letter of Agreement to be executed by their duly authorized representative whose signature appears below:

FOR THE CITY OF MINNEAPOLIS:

9/16/13

Timothy O. Giles Date
Director, Employee Services

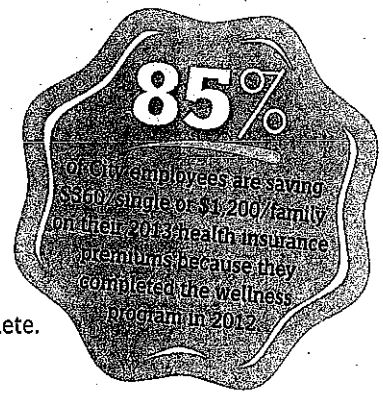
FOR THE UNION:

Laurie Warner 9/6/13

Laurie Warner Date
Business Representative , AFSCME
Council 5, Local 9

New and Improved!

My Health Rewards by Medica℠



Make a smart move for better health and qualify for the preferred wellness premium rate on your 2014 health care coverage. Simply earn 300 or more program points by completing any combination of the health actions below for which you are eligible.

Unlike in past years, these programs cannot be completed in a matter of days. Please start your health actions as soon as possible, as several of the programs can take weeks or months to complete. You must complete your health actions by the due date to earn the wellness premium rate.

For details on specific program requirements, please visit minneapolismn.gov/hr/benefits and click on the Health & Wellness link.

Eligible	Health Action	Points	Due
All employees	**Personal Health Profile.** Evaluate your health and identify areas to work on. Complete a short assessment to earn program points and a $20 gift card from Medica. Available at mymedica.com. Those without computer access may request a paper copy by calling Medica at 952-945-8000.	100	Aug 31
	Health Topics and Goals. Review eight health topics and set eight health goals to earn program points and a $40 gift card from Medica. Topics and goals are available online at mymedica.com or on paper if you also requested a paper copy of the Personal Health Profile.	100	Aug 31
	Biometric Screening. Learn about your health status by checking your body mass index, blood pressure, blood glucose, total cholesterol, HDL, LDL and triglycerides. Go to a worksite screening event or have your testing done by your doctor. If your doctor does your screening, you'll need to submit a Health Action Notification form to receive points. A link to this form can be found at minneapolismn.gov/hr/benefits/forms.	100	Aug 31
	Fit Choices℠ by Medica. Work out at a participating fitness center at least eight times per month for at least four months by the due date to earn program points. You must enroll in Fit Choices to earn points. Visit mymedica.com for a list of participating fitness clubs and enrollment instructions.	100	**July 31**
Employees who are invited or request to participate	**Health Coaching.** Complete two phone calls with a health coach by the due date to earn program points. Finish the entire health coaching program for insight into how you might overcome barriers to your well-being, plus receive a $75 gift card from Medica. Call 1-866-905-7430 to get started.	100	Aug 31
	Tobacco Cessation. Leave tobacco behind for good. Get telephone counseling and support, plus free nicotine replacement therapy to help you quit. Call 1-800-934-4824 to enroll.	100	Aug 31
Only employees with specific conditions who are invited by Medica	**Healthy Pregnancy Program.** Get information and support for first-time and/or high-risk pregnancies.	100	Aug 31
	Treatment Decision Program. Receive assistance in evaluating treatment options for selected conditions.	100	Aug 31
	Medication Therapy Management Program. Get support from a specially trained pharmacist to ensure safe, effective, affordable medication therapy.	100	Aug 31
	Case Management. Work with a nurse to better understand your complex health condition, review treatment options and communicate more effectively with your doctors.	100	Aug 31

All of these programs are voluntary and confidential. Information you share in the course of completing your health actions is not provided to the City of Minneapolis and has no bearing on your Medica health coverage or benefits.

This symbol marks health actions that are new for 2013.

MEDICA®

WE ARE MPLS

You need tools to do your best work, with the most basic of these being good health. That's why the City provides you with an array of benefits from insurance coverage to wellness activities.

We're always working to give you better tools for taking care of yourself. As part of this effort, we're uniting all of our health benefits and wellness programs under a single name: WE ARE MPLS. The logo will make it easy for you to spot information that we mail to your home or post at your worksite.

My Health Rewards by Medica℠

GET STARTED EARNING POINTS – TODAY!

If you have logged on to mymedica.com previously and do not have a new group number in 2013:

1. Visit mymedica.com.
2. Enter your username and password.
3. Click on the Health & Wellness tab.
4. The Personal Health Profile will load.

If you have never logged on to mymedica.com OR have a new group number in 2013:
You have a new group number if your switched networks during the open enrollment period last fall or completed the wellness program for the first time in 2012.

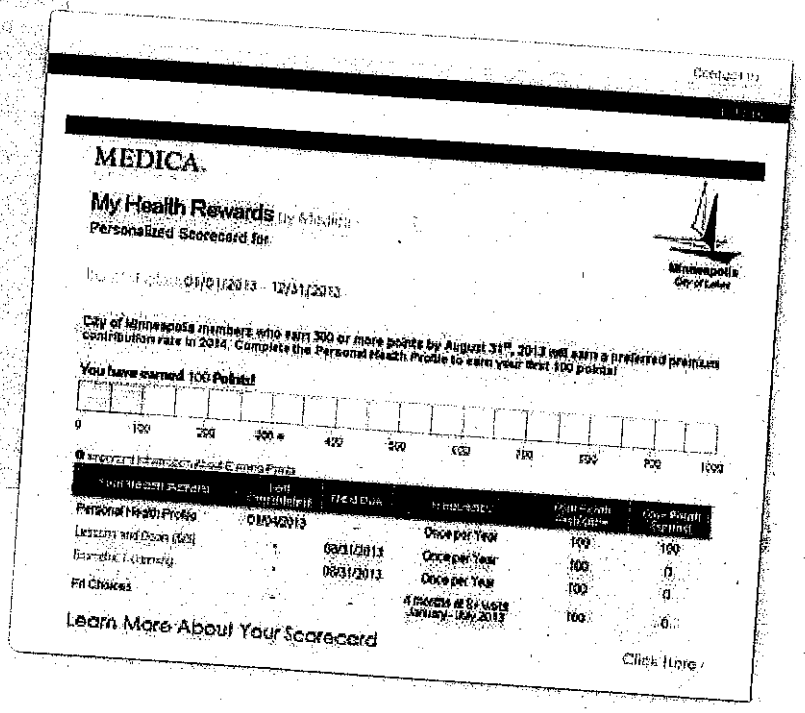
1. Visit mymedica.com.
2. Click on the Register Now button at the bottom of the Site Login box.
3. Complete the registration. You will need your Medica ID card for this step.
4. Once you are logged into mymedica.com, click the Health & Wellness tab.
5. Complete the Account Set Up for the Health & Wellness page (if prompted).
6. Once you are set up, the Personal Health Profile will load automatically.

ALREADY EARNING POINTS? Track your progress with your Personal Health Scorecard

After you complete the Personal Health Profile, you'll have access to your Personal Health Scorecard. The scorecard will display points you have earned and points you are eligible to earn in the future.

The four health actions shown in the sample below will appear automatically on your scorecard. Additional health actions may appear on your scorecard if you are invited by Medica to participate in them.

Log in any time to view the options or check your point status. Medica will mail you a paper copy of your scorecard in May.



MEDICA®

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