City of Omaha
Jean Stothert, Mayor

Human Resources Department
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Deborah K. Sander
Director

Honorable President

OCT 31 '24 AM11:44

and Members of the City Council,

Attached hereto is an Ordinance to approve amendments to the Labor Agreement between the City of Omaha and the Civilian Management, Professional, and Technical Employee Council (CMPTEC) for the 2025 through 2028 payroll years. The Labor Agreement for CMPTEC is codified in Chapter 23 of the Omaha Municipal Code. This Ordinance also approves the same changes for those employees who are in the Administrative Executive Classifications (AEC) who though not a bargaining group, receive the same benefits as those in the CMPTEC group.

If approved, this Labor Agreement provides for the following:

1. **Health Insurance**

   The City agreed to increase contributions to each employee's health savings account for 2025 in response to several increases in the High Deductible Health Plan Minimum Deductible over the last couple of years. The limit for 2025 increases as follows:

   2025

   Employee Only: $2,100 to $2,200 lump sum
   Employee + One, and Family: $4,200 to $4,400 lump sum

In addition, the parties agreed to increased contributions to each employee's health savings account for 2026 through 2028 which will provide the City some certainty as to cost for those years and will foreclose the issue from being raised until after 2028. As part of this Agreement, the parties corrected some language that had been contested between the parties and agreed to freeze premiums and plan design changes for the period of 2026 to 2028. The increased contributions are as follows:

2026 to 2028

Employee Only: $2,300 lump sum
Employee + One, and Family: $4,600 lump sum

The Human Resources Department recommends your approval of this Ordinance. The Personnel Board approved this Ordinance at its October 31, 2024 meeting.

Respectfully submitted,

Deborah K Sander 10/17/2024

Deborah K. Sander Date
Human Resources Director

Referred to City Council for Consideration:

Mayor's Office/Title 10/21/24
Date

Approved as to Funding:

10/21/24

Stephen B. Curtiss Date
Finance Director

Approved as to Form:

10/16/24

Bernard J. in den Bosch Date
Deputy City Attorney

2024\20799sel

ORDINANCE NO. 44083

AN ORDINANCE to amend Sections 23-402 and 23-403 of the Omaha Municipal Code to reflect changes negotiated between the City of Omaha and the Civilian Management, Professional, and Technical Employee Council (CMPTEC) for the years 2026 to 2028 for healthcare; to make similar changes to those employees who are the Administrative and Executive Classifications (AEC); to provide that any ordinances of the City of Omaha, and any rules and regulations promulgated thereunder, which are in conflict with this ordinance shall not be applicable to those employees in the Functional Employees Group; and to provide the effective date hereof.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

Section 1. That Section 23-402 of the Omaha Municipal Code is hereby amended as follows:

Sec. 23-402. – City's contribution generally; premium.

The city shall provide a group health care plan for each employee and covered dependents. Such employees may elect their health insurance coverage as follows: single coverage, single + 1 coverage, or family coverage. Employees selecting single + 1 coverage shall pay two times the single COBRA rate for their premium.

~~Effective December 25, 2011, all current and newly hired police management, CMPTEC, AEC employees and effective 30 days after legal execution of Ordinance No. 39422, fire management, shall pay a premium for this health care plan of seven percent of the applicable COBRA rate.~~

~~Effective December 26, 2010, all current and newly hired functional employees shall pay a premium for this health care plan of seven percent of the COBRA rate for single coverage, single + 1 coverage, or family coverage.~~

~~Effective December 15, 2019,~~ Aall current and newly hired AEC CMPTEC, and Functional ~~and fire management~~ employees shall pay a premium for their health care plan based on the blended health care premium equivalency rate, using the experience of both active and retired civilian and fire management employees, of ten percent of the applicable COBRA rate. The City has agreed that the premium paid by employees shall remain at ten percent of the applicable COBRA rate through at least the 2028 payroll year. Any change to premiums thereafter would need to be negotiated between the City and the various employee groups.

All current and newly hired fire management employees shall pay a premium for their health care plan based on the blended health care premium equivalency rate, using the experience of both active and retired civilian and fire management employees, of ten percent of the applicable COBRA rate.

Effective upon adoption of the ordinance approving the agreement between the city and the Police Manager's Association for 2018 through 2021, all current and newly hired police management employees shall pay a premium for their health care plan based on the blended health care premium equivalency rate of the members of the plan to which members of the Omaha Police Officer's Association are a part of in the following amounts:

Family: *23* percent;

Single + 1: *23* percent; and

Single: 15 percent.

All employees newly hired with the city shall have a one-year waiting period on any preexisting condition(s) unless such employee presents to the city evidence that he/she had, with a previous employer, continuous health coverage without a break in service of 63 days within the last 18 months prior to his/her employment with the city.

Section 2. That Section 23-403 of the Omaha Municipal Code is hereby amended as follows:

Sec. 23-403. – Health care benefits.

A. *Health care for police management employees.*

(a) Police management employees will have the same high deductible healthcare plan (HDHP) that is being implemented for police bargaining employees effective January 1, 2018. If the city negotiates a new health care plan with the Omaha Police Officers Association during the term of this agreement, then the police management group will have the ability to inform the city that they want to move to the same plan and the city shall do so. The health care plan provided herein shall be set forth in the summary plan description on file with and administered by the city's third party administrator or health insurance provider. The city shall provide employees with a written summary of the health care benefits herein. Such health care coverage shall commence on the first day of employment.

(b) The health care benefits shall include, without limitation:

(1) In-patient hospital precertification: All in-hospital admissions must be certified. Planned admissions must be certified in advance. Emergency admissions must be certified within 24 hours of admission or as soon as medically possible. The

penalty for failure to certify is $500.00 of the hospital charges. Hospitalizations beyond the certified number of days must be recertified. If the hospitalization is recertified, there is no penalty. The penalty for hospitalization past certified number of days without recertification is a reduction by 50 percent of both physician and hospital charges.

(2) Hospital certifications (and recertifications) shall be phoned in to a telephone number provided each employee on his/her I.D. card. The employee or any person on his behalf (e.g., spouse, nurse, doctor, hospital personnel) may precertify. Any disputes regarding precertification or recertification in a particular case may be presented to the city's disputes committee.

(3) The health care benefit is a qualified high deductible health plan with a network component. Benefits are available for service from in-or out-of-network providers, a $2,700.00 deductible applies for single coverage and/or $5,400.00 embedded deductible for single + 1 and family coverage per calendar year. The deductible for an out-of-network provider will be twice the in-network amount. Should federal regulations require changes to the deductible or any other plan benefits, the plan will comply with said requirements.

(4) The maximum lifetime benefit per plan member is unlimited.

(5) Prescription coverage: A pharmacy benefit manager (PBM) manages administration of the prescription drug benefit. Prescription drug services are available from in- and out-of-network pharmacies. When an in-network pharmacy is utilized both deductible and coinsurance amounts apply to the out-of-pocket maximum. Out of network pharmacies will be handled as shown on the summary plan description on file for police bargaining and administered by the city's third party administrator. The cost will be applied to the deductible and then will be covered at 50 percent. Unless specifically required by the physician, generic drugs will be dispensed whenever possible.

(6) Wellness program: Preventative services as outlined by the Affordable Care Act (ACA) are covered with no member cost sharing when received from an in-network provider. If preventative services are received from an out-of-network provider the benefit is limited to $175.00 for employee only. Members of the bargaining group who voluntarily participate and follow the rules of the city wellness program will be eligible for city-specified incentives, including but not limited to, reductions in health insurance premiums, waiving of health insurance copays for specified medical facilities, gift cards, gym memberships, etc. No employee is required to participate in the wellness program and the city maintains the absolute right to set forth the terms and conditions surrounding the program.

(7) Vision program: If the Omaha Police Officer Association creates a voluntary vision program for its members that are funded entirely by the employee, the city shall work with police management in order to allow them to participate.

(8) The above summary only highlights the covered benefits under the qualified high deductible health plan. For a more extensive review, consult the summary plan description provided by the city's third party administrator.

(9) Health savings account (HSA). The city shall make a contribution to a HSA on behalf of the employee in the following amounts:

2020, 2021, and 2023

Single: $1,300.00 annual contribution then a 50 percent city match up to $375.00 on the first $750.00 of employee contributions. The maximum cumulative city lump sum and matching contribution shall be $1,675.00.

Single + 1 and Family: $2,600.00 annual contribution then 50 percent city match up to $750.00 on the first $1,500.00 of employee contributions. The maximum cumulative city lump sum and matching contribution shall be $3,350.00.

Payroll year 2022:

Single: $1,950 annual contribution.

Single + 1 and Family: $3,900 annual contribution.

Payroll year 2024:

Single: $2,050 annual contribution.

Single + 1 and Family: $4,100 annual contribution.

Payroll year 2025:

Single: $2,100 annual contribution.

Single + 1 and Family: $4,200 annual contribution.

Other conditions.

The city's annual HSA contribution will be contributed as a lump sum on the first pay period of the calendar year.

For employees hired mid-year, the city's annual contribution will be prorated for the remaining months of the plan year.

B. Health care for CMPTEC, AEC, and Functional ~~and fire management~~ employees commencing on January 1, 2020.

(a) CMPTEC, AEC, and Functional ~~and fire management~~ employees will have the same high deductible healthcare plan (HDHP) that was implemented for Local 251 employees effective January 1, 2020. The health care plan provided herein shall be set forth in the summary plan description on file with and administered by the city's third party administrator or health insurance provider. The city shall provide employees with a written summary of the health care benefits herein. Such health care coverage shall commence on the first day of the month following employment. The City agrees that the plan design for the City's HDHP as detailed in Section 23-403 B. (b)(1), (2) and (4) through (8) shall remain in effect through the 2028 payroll year. Any changes to plan design thereafter would need to be negotiated between the City and the various employee groups.

(b) The health care benefits shall include, without limitation:

(1) Hospital Precertification - All in-patient admissions must be certified. Planned admission must be certified in advance, or as soon as medically possible. The penalty for failure to certify is $500 of the in-hospital charges, which will not be paid by the CITY and will be the responsibility of the employee. Hospitalizations beyond the certified number of days must be recertified. If the hospitalization is recertified, there is no penalty. The penalty for hospitalization past the certified number of days a reduction by 50% of both physician and hospital covered charges, which will not be paid by the CITY and will be the responsibility of the employee

(2) Hospital certifications (and recertifications) shall be phoned in to a telephone number provided each employee on his/her I.D. card. The employee or any person on his behalf (e.g., spouse, nurse, doctor, hospital personnel) may precertify. Any disputes regarding precertification or recertification in a particular case may be presented to the City's Disputes Committee.

(3) The health care benefit is a Qualified High Deductible Health Plan with a network component. Benefits are available for service from in-or out-of-network providers.~~, a $2,750 deductible applies for single coverage and/or $5,500 embedded deductible for Single + 1 and Family coverage per calendar year~~. The deductible for an out-of-network provider will be twice the in-network amount. For an in-network provider in the 2020 calendar year, the deductible for single coverage was $2,800 with an embedded deductible of $5,600 for Single + 1 and Family coverage. Should Federal regulations require changes to the deductible or any other plan benefits, the plan will comply with said requirements. Unless it is not legally permitted, the embedded deductible for Single + 1 and Family coverage per calendar year will be double the deductible for Single coverage per calendar year and the Single Deductible applicable to covered employees will not exceed the minimum deductible established by the IRS for qualified high deductible health plans.

(4) The maximum lifetime benefit per plan member is unlimited.

(5) Prescription Coverage: A Pharmacy Benefit Manager (PBM) manages administration of the prescription drug benefit. Prescription drug services are

available from in- and out-of-network pharmacies. When an in-network pharmacy is utilized both deductible and coinsurance amounts apply to the out-of-pocket maximum. Out of network pharmacies will be handled as follows - the cost will be applied to the deductible and then will be covered at 50%,

Unless specifically required by the physician, generic drugs will be dispensed whenever possible.

(6) Preventative Services & CITY Wellness Program: The CITY's health insurance coverage will pay 100% of certain preventive services for adults, women (including women who are pregnant), and children when such services are provided by an in-network provider. For Out of Network providers, the CITY will allow coverage up to $200 for each covered individual for preventative services of well-baby exams, routine physicals, school physicals, annual well woman examinations, routine colonoscopies, routine mammograms, immunizations, pap smears. Such out of network coverage shall be handled though the CITY's health care administrator in a manner similar to covered benefits under the health care plan, including application of any amounts to be paid against the covered individuals deductibles. After such coverage is met on any of these listed out of network preventive services, any further preventative services are subject to the normal deductible and coinsurance under the health care plan.

Members of the bargaining group who voluntarily participate and follow the rules of the CITY Wellness Program will be eligible for CITY-specified incentives, including but not limited to, reductions in health insurance premiums, waiving of health insurance copays for specified medical facilities, gift cards, gym memberships, etc. No employee is required to participate in the Wellness Program and the CITY maintains the absolute right to set forth the terms and conditions surrounding the program.

(7) Vision program: The CITY has created a voluntary vision program that is funded entirely by the employee.

(8) The above summary only highlights the covered benefits under the qualified high deductible health plan. For a more extensive review, consult the summary plan description provided by the city's third party administrator.

(9) Health savings account (HSA). The CITY shall set up Health Savings Accounts and allow employees to make voluntary contributions to the Accounts as permitted by Federal Law. The CITY shall make a contribution to a HSA on behalf of the employee in the following amounts through the 2021 payroll year:

Single: $1,750 annual contribution.

Single + 1 and Family: $3,500 annual contribution.

~~The contributions to the HSA of $1,750 annually for single and $3,500 annually for single + 1 and family shall also be in effect for fire management for 2022.~~

The City shall make contributions to the HSA on behalf of CMPTEC, AEC and Functional employees in the following amounts:

Payroll year 2022:

Single: $1,950 annual contribution.

Single + 1 and Family: $3,900 annual contribution.

Payroll year 2023:

Single: $2,000 annual contribution.

Single + 1 and Family: $4,000 annual contribution.

Payroll year 2024:

Single: $2,050 annual contribution.

Single + 1 and Family: $4,100 annual contribution.

Payroll year 2025:

Single: ~~$2,100~~ $2,200 annual contribution.

Single + 1 and Family: ~~$4,200~~ $4,400 annual contribution.

Payroll year 2026 to 2028:

Single: $2,300 annual contribution.

Single + 1 and Family: $4,600 annual contribution.

~~The City shall make contributions to the HSA on behalf of Fire Management employees in the following amounts:~~

~~Payroll year 2023:~~

~~Single: $2,000 annual contribution.~~

~~Single + 1 and Family: $4,000 annual contribution.~~

~~Payroll year 2024:~~

~~Single: $2,050 annual contribution.~~

~~Single + 1 and Family: $4,100 annual contribution.~~

Other conditions.

The city's annual HSA contribution will be contributed as a lump sum on the first pay period of the calendar year.

For employees hired mid-year, the city's annual contribution will be prorated for the remaining months of the plan year.

(10) Active Employees who are eligible for Medicare benefits under Title XVIII of the Social Security Act due to age, disability, or end-stage renal disease on January 1 of a plan year and who are enrolled in the City's HDHP Plan, are enrolled in Medicare, and are not eligible to receive the City's contribution to a HSA account, shall receive a lump sum payment in the following amounts, depending on the coverage they have, at the same time that they receive pay for the first pay period of the calendar year:

Single: $2,375

Single + 1 and Family: $4,750.

This lump sum payment shall be treated as taxable income and is subject to all tax withholdings.

C. Health care for fire management employees commencing on January 1, 2020.

(a) Fire management employees will have the same high deductible healthcare plan (HDHP) that was implemented for Local 251 employees effective January 1, 2020. The health care plan provided herein shall be set forth in the summary plan description on file with and administered by the city's third party administrator or health insurance provider. The city shall provide employees with a written summary of the health care benefits herein. Such health care coverage shall commence on the first day of the month following employment.

(b) The health care benefits shall include, without limitation:

(1) Hospital Precertification - All in-patient admissions must be certified. Planned admission must be certified in advance, or as soon as medically possible. The penalty for failure to certify is $500 of the in-hospital charges, which will not be paid by the CITY and will be the responsibility of the employee. Hospitalizations beyond the certified number of days must be recertified. If the hospitalization is recertified, there is no penalty. The penalty for hospitalization past the certified number of days a reduction by 50% of both physician and hospital covered charges, which will not be paid by the CITY and will be the responsibility of the employee

(2) Hospital certifications (and recertifications) shall be phoned in to a telephone number provided each employee on his/her I.D. card. The employee or any person on his behalf (e.g., spouse, nurse, doctor, hospital personnel) may

precertify. Any disputes regarding precertification or recertification in a particular case may be presented to the City's Disputes Committee.

(3) The health care benefit is a Qualified High Deductible Health Plan with a network component. Benefits are available for service from in-or out-of-network providers., a $2,750 deductible applies for single coverage and/or $5,500 embedded deductible for Single + 1 and Family coverage per calendar year. The deductible for an out-of-network provider will be twice the in-network amount. Should Federal regulations require changes to the deductible or any other plan benefits, the plan will comply with said requirements.

(4) The maximum lifetime benefit per plan member is unlimited.

(5) Prescription Coverage: A Pharmacy Benefit Manager (PBM) manages administration of the prescription drug benefit. Prescription drug services are available from in- and out-of-network pharmacies. When an in-network pharmacy is utilized both deductible and coinsurance amounts apply to the out-of-pocket maximum. Out of network pharmacies will be handled as follows - the cost will be applied to the deductible and then will be covered at 50%,

Unless specifically required by the physician, generic drugs will be dispensed whenever possible.

(6) Preventative Services & CITY Wellness Program: The CITY's health insurance coverage will pay 100% of certain preventive services for adults, women (including women who are pregnant), and children when such services are provided by an in-network provider. For Out of Network providers, the CITY will allow coverage up to $200 for each covered individual for preventative services of well-baby exams, routine physicals, school physicals, annual well woman examinations, routine colonoscopies, routine mammograms, immunizations, pap smears. Such out of network coverage shall be handled though the CITY's health care administrator in a manner similar to covered benefits under the health care plan, including application of any amounts to be paid against the covered individuals deductibles. After such coverage is met on any of these listed out of network preventive services, any further preventative services are subject to the normal deductible and coinsurance under the health care plan.

Members of the bargaining group who voluntarily participate and follow the rules of the CITY Wellness Program will be eligible for CITY-specified incentives, including but not limited to, reductions in health insurance premiums, waiving of health insurance copays for specified medical facilities, gift cards, gym memberships, etc. No employee is required to participate in the Wellness Program and the CITY maintains the absolute right to set forth the terms and conditions surrounding the program.

(7) Vision program: The CITY has created a voluntary vision program that is funded entirely by the employee.

(8) The above summary only highlights the covered benefits under the qualified high deductible health plan. For a more extensive review, consult the summary plan description provided by the city's third party administrator.

(9) Health savings account (HSA). The CITY shall set up Health Savings Accounts and allow employees to make voluntary contributions to the Accounts as permitted by Federal Law.

The City shall make contributions to the HSA on behalf of Fire Management employees in the following amounts:

Payroll year 2023:

Single: $2,000 annual contribution.

Single + 1 and Family: $4,000 annual contribution.

Payroll year 2024:

Single: $2,050 annual contribution.

Single + 1 and Family: $4,100 annual contribution.

Other conditions.

The city's annual HSA contribution will be contributed as a lump sum on the first pay period of the calendar year.

For employees hired mid-year, the city's annual contribution will be prorated for the remaining months of the plan year.

(10) Active Employees who are eligible for Medicare benefits under Title XVIII of the Social Security Act due to age, disability, or end-stage renal disease on January 1 of a plan year and who are enrolled in the City's HDHP Plan, are enrolled in Medicare, and are not eligible to receive the City's contribution to a HSA account, shall receive a lump sum payment in the following amounts, depending on the coverage they have, at the same time that they receive pay for the first pay period of the calendar year:

Single: $2,375

Single + 1 and Family: $4,750.

This lump sum payment shall be treated as taxable income and is subject to all tax withholdings."

Section 3. That Sections 23-402, and 23-403 of the Omaha Municipal Code as heretofore existing are hereby repealed.

Section 4. This Ordinance is legislative in character and shall be in full force and take effect fifteen days from and after its passage.

ORDINANCE NO. 44083
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INTRODUCED BY COUNCILMEMBER

APPROVED BY:

PASSED DEC 10 2024 7-0

MAYOR OF THE CITY OF OMAHA DATE 12-11-24

ATTEST:

CITY CLERK OF THE CITY OF OMAHA DATE 12-11-24

APPROVED AS TO FORM:

DEPUTY CITY ATTORNEY DATE 10/16/24

2024\20799sel