



Subcommittee on Employee Relations Legislative Coordinating Commission

72 State Office Building St. Paul, MN 55155-1201 Phone: (651) 296-2963 or (651) 296-9002 Fax: (651) 297-3697
TDD (651) 296-9896 www.ser.leg.mn

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Date: September 14, 2015

To: Members of the Subcommittee

From: Greg Hubinger

Re: State employee contracts and plans summary

Background

Minnesota Management and Budget (MMB) has reached tentative settlements with:
American Federation of State, County, and Municipal Employees, Council 5
AFSCME Radio Communications Operators Unit
Minnesota Association of Professional Employees (MAPE)
Middle Management Association (MMA)

MMB has also submitted two compensation plans for unrepresented employee groups:
Commissioner's Plan for Unrepresented Employees
Managerial Compensation Plan

These contracts and plans are for the FY 16-17 biennium and are effective July 1, 2015.

This memo includes a description of the major provisions of each contract and plan, and a summary of the financial implications. Links to the actual contracts and plans, in legislative format, are available in the summary for each contract and plan. Changes to the State Employee Group Insurance Plan (the core health insurance program for state employees) are included as part of these contracts and plans.

Insurance Benefits

The health, dental, life, and disability benefits provisions are initially bargained through a coalition that includes exclusive representatives from all of the state's unions. Final bargaining is completed between the state and the exclusive representatives for AFSCME and MAPE. As a result, the insurance provisions themselves are generally consistent from contract to contract. However, some minimal changes for financial and benefit issues (like eligibility and modifications to state contributions) may be bargained from contract to contract.

The Legislature reviews proposed changes to benefits provisions as part of its overall review of proposed collective bargaining agreements. Because benefits are a term and condition of employment bargained in these agreements, the Legislature does not separately review the benefits program.

The insurance provisions also generally become part of the Legislative Plan for Employee Benefits, so that they apply to members and staff. Changes to the Legislative Plan, including any changes to insurance provisions must be approved by the Legislative Coordinating Commission before becoming effective.

Insurance changes become effective January 1, 2016.

MMB and the employee representatives negotiated the following with regard to insurance:

- No changes to the underlying plan design.
- First dollar deductibles, office and prescription co-pays and co-insurance increase effective January 1, 2016. See attached chart.
- Increase from 60% to 80% the in-network percentage coverage for many dental procedures.
- Provide palliative care as a covered benefit.

Premiums are planned to increase by approximately 7.4% in CY 16. Increases for CY 17 will be established in mid-2016 based on actual and estimated cost trends. (Premiums are determined by MMB, and are not negotiated.)

AFSCME Contract Council 5

The tentative settlement with the American Federation of State, County, and Municipal Employees (AFSCME Council 5) covers approximately 14,800 employees in five bargaining units:

- Clerical and Office (Unit 6)
- Technical (Unit 7)
- Health care non-professionals (Unit 4)
- Craft, Maintenance and Labor (Unit 2)
- Service (Unit 3)

The contract, in legislative format, is available at:

http://www.ser.leg.mn/contracts/16-17/Draft_2015-2017_AFSCME_Contract-BU.pdf

Financial provisions:

- 2.5% across the board increases effective July 1, 2015 and July 1 2016.
- Step increases in each year for employees who are eligible. Step increases represent approximately a 2.7% increase. About half of employees are at the maximum of their salary ranges and do not receive these increases.

Non-financial provisions

- Modify calculation of severance pay (pay out of unused sick leave at termination). Severance pay is generally paid to employees who terminate after 20 years of service, or with less than 20 years of service and who retire at age 65, or employees with less than 10 years of service who are immediately eligible for an annuity. The current formula pays 40% of the first 900 hours of the unused sick leave balance and 12.5% of the remainder. The new formula pays 35% of the entire sick leave balance.
- Increase amount of vacation leave an employee may contribute to the sick leave account of another employee from 12 hours per year to 40 hours per year, in accordance with a change in state law.
- For an employee facing suspension in a disciplinary action, an agency may require an employee to serve up to three days of the suspension at the worksite, with a corresponding reduction in the employee's vacation leave balance.
- For employees who have been disciplined: Reduce from 24 months to 18 months the amount of time that a written reprimand is maintained in the employee's personnel file, if there has not been any intervening discipline. For a "letter of expectation," reduce the amount of time the letter is maintained in the personnel file from one year to six months, provided the employee has performed satisfactorily.

Other provisions continue unchanged for employees to:

- Receive ten holidays and one floating holiday per year.
- Receive thirteen days of paid sick leave per year.
- Earn between 13 (entry level) and 29 (with 30 years of service) days of vacation leave per year, depending on length of service.
- Receive a state match to an employee's contribution to a deferred compensation account, to a maximum of \$175 per year.
- Receive a shift differential of \$0.65 per hour for shifts scheduled to begin before 6 AM or end after 7 PM.
- Maintain supplemental agreements with many agencies with provisions that apply to agency specific needs. (See contract pages: Admin -1 to Zoo-4, approximately 400 pages.)

Pay equity

Minnesota Management and Budget is required by Minnesota Statutes 43A.05 to report any employee classes that it has found to have inequities in compensation. The December 2014 report by the Department identified no female-dominated classes in bargaining units represented by AFSCME.

Settlement cost sheet

MMB estimates that the cost of the increases (across the board increases, steps, insurance, FICA, retirement contributions) provided in the AFSCME Council 5 contract will be 4.96% this biennium. The cost of these increases will add 8.39% to the next biennium's base. (This figure captures the tails – those obligations made during this biennium whose full costs are not realized until the next biennium.) For purposes of comparison, these costs are summarized in a settlement tracking sheet that is attached.

In order to provide another point of comparison, also attached is the settlement sheet for the previous biennium.

AFSCME Contract: Radio Communications Operators

The tentative settlement with the American Federation of State, County, and Municipal Employees (AFSCME Unit 225), covers approximately 60 Radio Communications Operators in the Department of Public Safety.

A copy of the contract is available at:

[http://www.ser.leg.mn/contracts/16-17/AFSCME Radio Operators FY 16-17.pdf](http://www.ser.leg.mn/contracts/16-17/AFSCME_Radio_Operators_FY_16-17.pdf)

The provisions and proposed changes in this contract parallel those in the AFSCME Council 5 contract, except:

- A current \$2/hour differential paid to all employees is rolled into the base wage rate effective January 1, 2016.
- A wage differential for those operators who provide training is increased for \$.50 to \$.65 per hour.

MAPE Contract

The Minnesota Association of Professional Employees (MAPE) represents approximately 13,700 employees. A copy of the contract is available at:

[http://www.ser.leg.mn/contracts/16-17/Draft 2015-2017 MAPE Contract.pdf](http://www.ser.leg.mn/contracts/16-17/Draft_2015-2017_MAPE_Contract.pdf)

Financial provisions:

- 2.5% across the board increases effective July 1, 2015 and July 1, 2016.
- Step increases in each year for employees who are eligible. Step increases represent approximately a 3.5% increase. About 57% of these employees are eligible to receive these step increases.
- Increase maximum reimbursement for membership in professional organizations from \$250 to \$350.

Non-financial provisions:

- Letter of agreement with the Office of the Governor to establish a Task Force to assess opportunities for paid parental leave for state employees.
- Permit employees to use sick leave for initial training in the use of a service dog.

- Allow extension of probationary periods by up to six months. An agency is required to provide an explanation of its rationale for this extension.

Other provisions continue unchanged for employees to:

- Receive ten holidays and one floating holiday per year.
- Receive thirteen days of paid sick leave per year.
- Earn between 13 (entry level) and 29 (30 years of service) days of vacation leave per year, depending on length of service.
- Receive a state match to an employee's contribution to a deferred compensation account, to a maximum of \$100 per year.
- Receive severance if they meet eligibility criteria (based on length of service and eligibility for retirement benefits).
- Employees continue to be eligible for achievement awards. These awards recognize achievement for outstanding performance. The award consists of a lump sum of up to \$1,000 or a step increase. They can be granted to a maximum of 35% of the employees in an agency.
- Maintain supplemental agreements with many agencies with provisions that apply to agency specific needs.

Pay equity

MMB is required by Minnesota Statutes 43A.05 to report any employee classes that it has found to have inequities in compensation. The 2014 report by the Department identified four female dominated classes with 86 employees represented by MAPE that had inequities. MMB indicates these four classes were reassigned to a higher compensation code effective January 1, 2015.

Settlement cost sheet

MMB estimates that the cost of the increases (across the board increases, steps, insurance, FICA, retirement contributions) provided in the MAPE contract will be 5.06% this biennium. The cost of these increases will add 8.45% to the next biennium's base. (This figure captures the tails – those obligations made during this biennium whose full costs are not realized until the next biennium.) These costs are included in the settlement tracking sheet.

Middle Management Association Contract

The tentative settlement with the Middle Management Association covers approximately 2,980 supervisors.

The contract, in legislative format, is available at:

http://www.ser.leg.mn/contracts/16-17/MMA_draft_FY16-17.pdf

Financial provisions:

- 2.5% across the board increases effective July 1, 2015 and July 1, 2016.
- Step increases in each year for supervisors who are eligible. Step increases represent approximately a 3.6% increase. About 45% of supervisors are eligible to receive these increases.

Other provisions continue:

- The state continues to provide achievement awards of \$1,600, or one step, to supervisors who demonstrate outstanding performance. Up to 40% of the employees may receive such an award. The Appointing Authority may award Team awards of up to \$1,000.
- The state continues making a matching contribution of \$300 each year to the employee's deferred compensation account. Supervisors at the maximum of their salary range may alternatively convert up to 40 hours of vacation leave to deferred compensation. Supervisors employed by MnSCU receive a match to the supervisor's supplemental retirement account of up to \$1,700.
- Supervisors employed by MnSCU continue to be able to take up to 20 credits tuition-free. However, the number of hours that the supervisor can share with dependents continues to be limited to 16 credits.

Pay equity

MMB is required by Minnesota Statutes 43A.05 to report any employee classes that it has found to have inequities in compensation. The 2014 report by the Department identified two female dominated classes with ten employees represented by MMA that had inequities. MMB reports that one of the two classes was reassigned to a higher compensation code effective January 1, 2015. The other class is being reviewed as part of a larger study.

There was not a provision in the proposed contract dealing with this issue.

Settlement Cost Sheet

MMB estimates that the cost of the increases (across the board increases, steps, insurance, FICA, retirement contributions) provided in the MMA contract will be 4.32% this biennium. The cost of these increases will add 6.94% to the next biennium's base. (This figure captures the tails – those obligations made during this biennium whose full costs are not realized until the next biennium.) These costs are included in the settlement tracking sheet.

Minnesota Management and Budget also submitted compensation plans for two unrepresented employee groups:

Commissioner's Plan

The Commissioner's Plan establishes terms and conditions of employment for about 1,200 unrepresented employees including confidential staff, and employees who have severed from their bargaining units. A copy of this proposed plan, in legislative format, is available at: http://www.ser.leg.mn/contracts/16-17/Commissioner's_Plan_FY_16-17.pdf

This plan also covers medical specialists, whose benefits are determined in a separate appendix to the Commissioners Plan: http://www.ser.leg.mn/contracts/16-17/Medical_Specialists_FY_16-17.pdf

Financial provisions:

- 2.5% across the board increases effective July 1, 2015 and July 1, 2016.
- Continue annual performance-based increases effective December 30, 2015 and December 28, 2016. Employees may receive increases up to 3.5%. The employee's salary may not exceed the maximum of their salary range. Approximately 40% of employees are eligible for these increases. The Commissioner may eliminate or delay the implementation of these increases, or reduce the salary limit (i.e., below the 3.5% limit).

Non-financial provisions

- Modify calculation of severance pay (pay out of unused sick leave at termination). Similar to the proposed AFSCME contract, change the current formula that pays 40% of the first 900 hours of the unused sick leave balance and 12.5% of the remainder, to a new formula that pays 35% of the entire sick leave balance.

Other provisions:

- Continue provision providing for an employer match of up to \$300 per year to a deferred compensation account, or permitting an employee to convert up to 40 hours of vacation leave to their deferred compensation account.
- Employees continue to be eligible for achievement awards. These awards recognize achievement for outstanding performance. The maximum award is \$2,000. The pool of funds available is \$500 times the number of eligible employees.
- Provisions in the Medical Specialists addendum parallel those in the Commissioner's Plan, except the hiring incentive may continue to be provided to an employee in difficult to fill positions if necessary to retain them.

Settlement Cost Sheet

MMB estimates that the cost of the increases (across the board increases, performance-based increases, insurance, FICA, retirement contributions) provided in this plan will be 3.05% this biennium. The cost of these increases will add 4.19% to the next biennium's base. (This figure captures the tails – those obligations made during this biennium whose full costs are not realized until the next biennium.)

Managerial Plan

The Managerial Plan establishes terms and conditions of employment for about 1,400 unrepresented managers including deputy and assistant commissioners, bureau heads and division directors. This plan also establishes insurance benefits for heads of state agencies. A copy of this proposed plan, in legislative format, is available at:

http://www.ser.leg.mn/contracts/16-17/Managerial_Plan_FY_16-17.pdf

Financial provisions:

- 2.5% across the board increases effective July 1, 2015 and July 1 2016 if managers meet performance standards.
- Continue annual performance-based increases effective December 30, 2015 and December 28, 2016. Managers may receive increases up to 3.5%. The manager's salary may not exceed the maximum of their salary range. Approximately 40% of managers are eligible for these increases. The Commissioner may eliminate or delay the implementation of these increases, or reduce the salary limit (i.e., below the 3.5% limit).

Other provisions:

- Continue provision providing for an employer match of up to \$300 per year to a deferred compensation account, or permitting a manager to convert up to 50 hours of vacation leave to their deferred compensation account.
- Managers continue to be eligible for achievement awards. These awards recognize achievement for outstanding performance. The maximum award is \$2,000. The pool of funds available is \$500 times the number of eligible employees.
- Changes to the insurance provisions are the same as those provided in the collective bargaining agreements.

Settlement Cost Sheet

MMB estimates that the cost of the increases (across the board increases, performance-based increases, insurance, FICA, retirement contributions) provided in this plan will be 4.49% this biennium. The cost of these increases will add 7.04% to the next biennium's base. (This figure captures the tails – those obligations made during this biennium whose full costs are not realized until the next biennium.)

Attachments: FY 16-17 settlement sheet
SEGIP Benefits Schedule
State settlement cost comparison

STATE EMPLOYEE SALARY SETTLEMENTS

FY 16-17 ESTIMATED COSTS

LCC Subcommittee on Employee Relations

September 9, 2015

Bargaining Unit	Across the board increases (% increase)				BIENNIAL BASE(1)	BIENNIAL NEW MONEY (1)	% INCREASE (2)	% INCREASE BIENNIUM TO NEXT BIENNIUM (3)	\$ IMPACT ON NEXT BIENNIUM
	7/1/2015	1/1/2016	7/1/2016	1/1/2017					
> AFSCME, Council 5	2.50%		2.50%		\$ 1,816,059,000	\$ 90,145,000	4.96%	8.39%	\$152,367,350
AFSCME, Unit 8, Correctional Guards									
> AFSCME, Unit 25, Radio Communications Oper	2.50%		2.50%		\$ 8,476,000	\$ 423,000	4.99%	8.37%	\$709,441
> MN Association of Professional Employees	2.50%		2.50%		\$ 2,399,809,000	\$ 121,437,000	5.06%	8.45%	\$202,783,861
> Middle Management Association	2.50%		2.50%		\$ 623,882,000	\$ 26,968,000	4.32%	6.94%	\$43,297,411
MN Government Engineering Council									
Minnesota Nurses Association									
MN Law Enforcement Association									
State Residential Schools Education Assoc									
Service Employees International Union					\$ 936,416,185	\$ 16,200,000	1.73%		
State University Inter Faculty Organization									
MN State University Assoc of Admin & Service Faculty									
Minnesota State College Faculty									
Personnel Plan for MnSCU administrators									
Personnel Plan for St Bd of Invest employees									
Office of Higher Education Plan									
> Managerial Plan	2.50%		2.50%		\$ 366,422,000	\$ 16,463,000	4.49%	7.04%	\$25,796,109
> Commissioners Plan (4)	2.50%		2.50%		\$ 226,847,000	\$ 6,923,000	3.05%	4.19%	\$9,504,889
Office of Legislative Auditor									
MnSure Compensation Plan									
TOTAL					\$6,377,911,185	\$278,559,000	4.37%	6.81%	\$ 434,459,061

The ">" indicates proposed contract or plan not yet acted on by the Subcommittee.
The "*" indicates the proposed contract or plan has not been ratified by the Legislature

- (1) Includes all funds, including higher education agencies. Includes across the board salary increases, steps, FICA, insurance & pension.
- (2) Percent of new money needed over base.
- (3) This percentage reflects the annualized cost of the increases granted during the biennium.
This figure depicts all of the costs of the contract, including "tails."
- (4) Groups within plan follow lead of comparable bargaining units.

**Minnesota Management & Budget
Bargaining Agreements and Unrepresented Employee Plans
FY2016-FY2017**

MMB Bargaining Units/Plans	No. Full-time Employees	No. Part-time Employees	Total No. Employees	Average Annual Salary	Percent of Employees at Range Maximum	Percent of Employees Below Range Maximum	Average Step Size	FY2016 General Salary Increase	FY2017 General Salary Increase	Employer Match to Deferred Compensation/ Fiscal Year	(H) Without Insurance Costs	(M) Without Insurance Costs	Employer Contribution to MSRS Pension Plan July 1, 2014**	CY2016 Annual Employer Contribution for Employee only Health Insurance	CY2016 Annual Employer Contribution for Family Health Insurance	CY 2017 Annual Employer Contribution for Employee only Health Insurance	CY 2017 Annual Employer Contribution for Family Health Insurance
													5.50%	\$6,432	\$17,601	\$6,857	\$18,763
AFSCME 2,3,4,6,7	11,437	3,428	14,865	\$42,992	49%	51%	2.70%	2.50%	2.50%	\$175	3.54%	5.52%	5.50%	\$6,432	\$17,601	\$6,857	\$18,763
AFSCME 25	61	0	61	\$45,957	30%	70%	2.70%	2.50%	2.50%	\$175	3.64%	5.64%	5.50%	\$6,432	\$17,601	\$6,857	\$18,763
MAPE	13,020	655	13,675	\$63,204	43%	57%	3.60%	2.50%	2.50%	\$100	3.99%	6.30%	5.50%	\$6,432	\$17,601	\$6,857	\$18,763
MMA	2,949	34	2,983	\$75,231	56%	44%	3.60%	2.50%	2.50%	\$300*	3.33%	4.93%	5.50%	\$6,432	\$17,601	\$6,857	\$18,763
Commissioner's Plan	1,126	97	1,223	\$72,662	59%	41%	No Steps	2.50%	2.50%	\$300*	2.07%	2.22%	5.50%	\$6,432	\$17,601	\$6,857	\$18,763
Managerial Plan	1,374	17	1,391	\$102,563	61%	39%	No Steps	2.50%	2.50%	\$300*	3.71%	5.47%	5.50%	\$6,432	\$17,601	\$6,857	\$18,763

* Certain eligible MMA employees and all employees covered by the Commissioner's and Managerial Plans may elect to receive the deferred compensation match of \$300 or elect to convert up to forty hours of vacation (fifty hours for Managers) into their deferred compensation account.

** Employer contribution to MSRS Pension Plan for the majority of employees in the bargaining unit.

Employees represented by AFSCME, MAPE, and MMA whose salaries are below their salary range maximum rate are eligible for performance-based salary increases on their anniversary date each fiscal year

Employees covered by the Commissioner's and Managerial Plans whose salaries are below their salary range maximum rate are eligible for performance-based salary increases in January of each fiscal year.

AFSCME 2,3,4,6,7	Labor, Service, Health Care Non-Professional, Office Clerical, and Technical Employees
AFSCME 25	Radio Communications Operators
MAPE	Minnesota Association of Professional Employees
MMA	Middle Management Association
Commissioner's Plan	Unrepresented confidential employees, health treatment professionals, and medical specialist
Managerial Plan	Unrepresented managers

Minnesota Advantage Health Plan 2016-2017 Benefits Schedule

2016-17 Benefit Provision	Cost Level 1 - You Pay	Cost Level 2 - You Pay	Cost Level 3 - You Pay	Cost Level 4 - You Pay
A. Preventive Care Services <ul style="list-style-type: none"> Routine medical exams, cancer screening Child health preventive services, routine immunizations Prenatal and postnatal care and exams Adult immunizations Routine eye and hearing exams 	Nothing	Nothing	Nothing	Nothing
B. Annual First Dollar Deductible (single/family)	\$150/300	\$250/500	\$550/1100	\$1250/2500
C. Office visits for Illness/Injury, for Outpatient Physical, Occupational or Speech Therapy, and Urgent Care <ul style="list-style-type: none"> Outpatient visits in a physician's office Chiropractic services Outpatient mental health and chemical dependency Urgent Care clinic visits (in or out of network) 	\$25/30 copay per visit Annual deductible applies	\$30/35 copay per visit Annual deductible applies	\$60/65 copay per visit Annual deductible applies	\$80/85 copay per visit Annual deductible applies
D. Convenience Clinics	\$10 copay	\$10 copay	\$10 copay	\$10 copay
E. Emergency Care (in or out of network) <ul style="list-style-type: none"> Emergency care received in a hospital emergency room 	\$100 copay Annual deductible applies	\$100 copay Annual deductible applies	\$100 copay Annual deductible applies	25% coinsurance Annual deductible applies
F. Inpatient Hospital Copay (copay waived for procedures at designated Centers of Excellence)	\$100 copay Annual deductible applies	\$200 copay Annual deductible applies	\$500 copay Annual deductible applies	25% coinsurance Annual deductible applies
G. Outpatient Surgery Copay	\$60 copay Annual deductible applies	\$120 copay Annual deductible applies	\$250 copay Annual deductible applies	25% coinsurance Annual deductible applies
H. Hospice and Skilled Nursing Facility	Nothing	Nothing	Nothing	Nothing
I. Prosthetics, Durable Medical Equipment	20% coinsurance	20% coinsurance	20% coinsurance	25% coinsurance Annual deductible applies
J. Lab (including allergy shots), Pathology, and X-ray (not included as part of preventive care and not subject to office visit or facility copayments)	5% coinsurance Annual deductible applies	5% coinsurance Annual deductible applies	20% coinsurance Annual deductible applies	25% coinsurance Annual deductible applies
K. MRI/CT Scans	5% coinsurance Annual deductible applies	10% coinsurance Annual deductible applies	20% coinsurance Annual deductible applies	25% coinsurance annual deductible applies
L. Other expenses not covered in A-K above, including but not limited to: <ul style="list-style-type: none"> Ambulance Home Health Care Outpatient Hospital Services (non-surgical) <ul style="list-style-type: none"> Radiation/chemotherapy Dialysis Day treatment for mental health and chemical dependency Other diagnostic or treatment related outpatient services 	5% coinsurance annual deductible applies	5% coinsurance annual deductible applies	20% coinsurance annual deductible applies	25% coinsurance annual deductible applies
M. Prescription Drugs 30-day supply of Tier 1, Tier 2, or Tier 3 prescription drugs, including insulin, or a 3-cycle supply of oral contraceptives	\$14/25/50	\$14/25/50	\$14/25/50	\$14/25/50
N. Plan Maximum Out-of-Pocket Expense for Prescription Drugs (excludes PKU, Infertility, growth hormones) (single/family)	\$800/\$1600	\$800/\$1600	\$800/1600	\$800/\$1600
O. Plan Maximum Out-of-Pocket Expense (excluding prescription drugs) (single/family)	\$1200/2400	\$1200/2400	\$1600/3200	\$2600/5200

*The level of the office visit copayment for the employee and his or her family is dependent upon whether the employee has completed the Health Assessment in each Open Enrollment period, and opted-in for any indicated health coaching. Employees who have completed the Health Assessment and opted-in for health coaching are entitled to the lower copayment. Employees hired after the close of Open Enrollment will be entitled to the lower copayment.

This chart applies only to in-network coverage. Point of Service (POS) coverage is available only for members whose permanent residence is outside the State of Minnesota and outside the service areas of the health plans participating in Advantage. This category includes employees temporarily residing outside Minnesota on temporary assignment or paid leave [including sabbatical leaves] and all dependent children, including college students, and spouses living out of area. These members pay a \$350 single or \$700 family deductible and 30% coinsurance to the out-of-pocket maximum described in Section O above. Members pay the drug copayment described at Section M above to the out-of-pocket maximum described at Section N.

Out-of-network emergency and urgent care are covered at the in-network level.

A standard set of benefits is offered in all SEGIP Advantage Plans. There are still some differences from plan to plan in the way that benefits, including the transplant benefit, are administered, in the referral and diagnosis coding patterns of primary care clinics, and in the definition of Allowed Amount.

Benefits for palliative care are fully described in the Advantage Summary of Benefits.

Comparison of costs of state labor contracts and compensation plans

September 1, 2015

LCC Subcommittee on Employee Relations

	7/1/01- 6/30/03	7/1/03- 6/30/05	7/1/05- 6/30/07	7/1/07- 6/30/09	7/1/09- 6/30/11	7/1/11- 6/30/13	7/1/13- 6/30/15	7/1/15- 6/30/17
FY	02-03	04-05	06-07	08-09	10-11	12-13	14-15	16-17 ⁴
Cost in biennium	6.43%	1.41%	3.59%	5.93%	0.57%	1.59%	4.50%	4.37%
Cost impact on next biennium	9.79%	3.95%	6.50%	9.62%	1.69%	4.78%	6.63%	6.81%
Inflation Rate (CPI-U)	3.49%	5.76%	6.63%	3.55%	4.82%	3.36%	2.16%	
CPI-U 1982-84 base: begin period	177.5	183.9	195.4	208.3	215.4	225.9	233.6	238.7
CPI-U 1982-84 base: end period	183.7	194.5	208.4	215.7	225.7	233.5	238.6	

Notes:

¹ Cost in biennium reflects the costs of salary and benefits increases in that biennium

² Cost impact on next biennium reflects the impact of the salary and benefit increases on the NEXT biennium.
These costs are higher because they are paid the entire biennium.

³ The inflation rate (CPI-U) is calculated for the two year period coinciding with the state's biennium, and the terms of the state contracts

⁴ The costs for the 16-17 biennium are based on proposed contracts and plans

