

MEMORANDUM OF AGREEMENT

It is hereby stipulated and agreed by and between the County of Suffolk and the Suffolk County Police Benevolent Association, Inc. ("PBA"), Suffolk County Detectives Association ("SDA"), Suffolk County Superior Officers Association ("SOA"), Suffolk County Detective Investigators Police Benevolent Association ("DIPBA"), Suffolk County Association of Municipal Employees ("AME"), Suffolk County Probation Officers Association ("POA"), Suffolk County Deputy Sheriffs Police Benevolent Association ("DSPBA"), Suffolk County Deputy Sheriffs Police Benevolent Association Park Police Unit ("DSPBA PPU"), Suffolk County Corrections Officers Association ("COA"), Suffolk County Faculty Association ("FA") and the Suffolk County Guild of Administrative Officers ("GAO"), and all of the Unions jointly as the Suffolk Coalition of Public Employees ("SCOPE"), hereinafter collectively referred to as the "parties," as follows:

1. The parties agree to continue all terms and conditions of the October 15, 2007 Suffolk County Employees medical Health Plan ("SCEMHP") Memorandum of Agreement through December 31, 2020 with the modifications contained herein. All changes shall be effective January 1, 2013 unless otherwise provided.
2. The parties agree there will be a change in the prescription benefit manager (PBM) by January 1, 2013 or as soon as practical. The Unions shall provide at least \$17 million in PBM modifications and prescription benefit modifications. Reconciliation of the savings in 2013 and 2014 shall be completed no later than June 1, 2015; reconciliation of the savings in 2015 and 2016 shall be completed no later than June 1, 2017; reconciliation of the savings in 2017 and 2018 shall be completed no later than June 1, 2019 to ensure at least \$34 million in savings over the projected increases in prescription costs during each bi-annual period were achieved. To calculate the projected increases, the average annual increases for prescriptions (Express Scripts, Inc.) paid in 2009, 2010, 2011 and 2012 shall be applied for each subsequent year (i.e., if 2009 - 2012 average increase was 4% then a \$1,000 cost in 2012 would be \$1,040 in 2013 and \$1,081.60 in 2014). EMHP's benefits consultant shall perform all reconciliations.

Should the County not utilize the PBM presented by the Unions to generate the savings, unless not utilized because prohibited from doing so by law, the Unions' obligation in this paragraph shall be deemed satisfied for the full \$17 million with no further responsibility to generate cost savings.

In addition, during the same bi-annual periods described above the parties agree the average cost of benefits under the SCEMHP shall remain equal to the Kaiser Family Foundation and Health Research and Educational Trust, Employer Health Benefits Survey of premium increases in the Northeast Region, hereinafter referred to as Kaiser Northeast. The analysis shall be conducted pursuant to Paragraphs 1(a) and (b) of the parties' October 15, 2007 SCEMHP Memorandum of Agreement.

Upon completion of the calculations described above, the two figures (PBM savings/losses and SCEMHP Plan savings/losses compared to Kaiser) shall be added for one total figure of savings/losses. If the total is a savings, the amount shall be carried over as a credit to the Unions during the next bi-annual reconciliation period. If the total is a loss, the Unions shall

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implement EMHP modifications to generate sufficient recurring savings prospectively and to make up for the prior shortfall within three (3) months of the reconciliation following the procedure in the 2007 SCEMHP MOA.

3. It is the intent of the parties that no participant employed by the County on December 31, 2012 shall contribute toward the premium or group cost of health insurance they select, single or family, during the term of this agreement, or in retirement should they retire during the term of this agreement. However, effective January 1, 2013 all active members who are or become enrolled in an HMO plan as of January 1, 2013 shall pay the difference between the premium of the HMO plan and the EMHP plan cost, single or family, as applicable, in addition to any obligation for employees hired on or after January 1, 2013 pursuant to paragraph 4, below.
4. All employees hired on or after January 1, 2013, shall contribute 15% of the premium or group cost of health insurance they select, single or family. When an employee hired on or after January 1, 2013 retires he or she shall continue to pay 15% at the rate in effect on the date of retirement until he or she becomes Medicare eligible at which time contributions will cease. The County and Unions will agree on the calculations and data used to determine the cost of single or family EMHP plan by November 30, 2012 or the matter shall proceed to expedited arbitration before Roger Maher for a decision by December 31, 2012. Any participant who returns to the County workforce within 3 years of layoff shall be subject to the terms and conditions of EMHP using their original hire date. Should a participant hired on or after January 1, 2013 be (come) married or part of a domestic partnership with a participant hired prior to January 1, 2013, the participants shall determine the primary. In any case where two participants are or would be paying, and be (come) married or part of a domestic partnership, they shall have the option of both paying and maintaining coordination of benefits or electing one as contributing and the other as not contributing as a dependent with no coordination of benefits.  
  
Any participant receiving a NYS disability pension shall not be required to make any health insurance contribution.
5. All covered individuals under EMHP, active, retired and dependent, shall be entitled to the same benefits, at the same benefit level and cost, except differences agreed upon herein. All covered individuals who are covered by Medicare shall have Medicare as their primary insurance and shall all be entitled to the same secondary benefits, at the same benefit level and cost, except differences agreed upon herein.
6. The parties agree EMHP will cover emergency treatment costs above the reasonable and customary rate when utilized on an emergency basis when there is no participating provider available to provide treatment on an emergency basis. This benefit shall be limited to \$100,000 cost to SCEMHP per claim.
7. The County agrees to reinstate coordination of benefits to all participants hired prior to January 1, 2013.

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DWB JTB of ESM (initials) JPK (initials) (initials) (initials)

8. The pending grievances for denial of the buy-back payment shall be granted and the buy-back benefit shall revert to the policy in effect in 2010. Those participants, who are both County employees and receive the buy-back payment, shall not receive coordination of benefits unless they cease participation in the buy-back plan.
9. Upon application to the EMHP Co-Chairs, a participant with a minor child(ren) with a physical or mental disability may be exempt from the out-of-network deductible and may receive one hundred percent (100%) reasonable and customary reimbursement for care of the child(ren).
10. The parties agree EMHP shall utilize a third party provider mutually agreed upon for determination of reasonable and customary charges. The parties further agree to cease utilization of the current method of calculating reasonable and customary as a percentage of Medicare.
11. EMHP shall have a consultant monitor the NYSHIP plan and apprise the committee of any changes for their consideration as provided for in the 2007 SCEMHP MOA.
12. The County and SCOPE may each have up to two (2) consultants, attorneys, etc., attend EMHP meetings as observers. The observers may not participate in meetings without the mutual consent of the Co-Chairs.
13. Any administrative leave required for attendance at EMHP meetings shall be charged against the respective bargaining units administrative leave bank. The Director of Labor Relations, however, at his or her sole discretion, may permit non-chargeable leave. The Director's determination shall not be subject to any third (3<sup>rd</sup>) party review, including a grievance under this Agreement or any of the Unions' collective bargaining agreements.
14. The parties agree to cover dependent grandchildren as in effect in 2011. The child must live with the covered employee and the employee must be the legal guardian of the child.
15. SCOPE shall be granted full access to all EMHP records and documentation including provider information, except for personal medical records and confidential County records which have not been provided to EMHP or its providers, consultants, counsel, etc.. The request shall be made to the Director of Labor Relations through the SCOPE President or designee. All requests shall be filled within fifteen (15) business days of receipt of written request. All new and renewal contracts with providers shall require the provider to produce any requested information to the Director of Labor Relations within ten (10) business days of receipt.
16. The parties agree to resolution of the following grievances:
  - (a) Unions' PBM Grievance – Withdrawn with prejudice
  - (b) Unions' Physical Therapy Co-Pay – Withdrawn with prejudice
  - (c) County's Physical Therapy Co-Pay – Withdrawn with prejudice
17. The parties recognize the County and the Unions have remaining proposals under negotiation. In the event no resolution is reached on those EMHP issues, pursuant to paragraph 5(c) of the October 15, 2007 SCEMHP MOA, the parties agree to immediately proceed to arbitration. The neutral referee on the arbitration panel shall be Arbitrator Roger Maher and the Union referee shall be Noel DiGerolamo. The parties further agree the panel

*[Handwritten signatures and initials]*

shall only be authorized to impose additional contributions toward the cost of health insurance on employees pursuant to Paragraph 2, above, unless said additional contributions are mutually agreed upon by the parties. In addition, the parties agree the panel's jurisdiction is extended to establish the terms of SCEMHP through December 31, 2020.

18. The County and Unions acknowledge that simultaneous with the signing of this Agreement the Unions have signed a document to officially create a legal entity entitled the Suffolk Coalition of Public Employees ("SCOPE"). The purpose of SCOPE is to enable the Unions, as one, to negotiate, mediate, grieve, arbitrate, litigate and otherwise address EMHP and HMO health insurance benefits with the County.

The Unions, individually and collectively, acknowledge and agree SCOPE is authorized to be their exclusive bargaining representative to negotiate, mediate, grieve, arbitrate, litigate and otherwise address EMHP and HMO health insurance benefits with the County. They further acknowledge and agree SCOPE is authorized to enter into binding agreements on their behalf regarding health insurance issues.

SCOPE acknowledges and agrees it does not have the right to strike, nor to assist or participate in any strike, nor to impose an obligation to conduct, assist or participate in a strike against the County.

The County recognizes SCOPE as the exclusive representative to negotiate, mediate, grieve, arbitrate, litigate and otherwise address EMHP and HMO health insurance benefits with the County.

The parties agree SCEMHP's by-laws, and any other documents necessary, will be amended to reflect the agreement and obligations contained herein by and between the County and SCOPE.

THIS AGREEMENT SHALL REFLECT THE COMPLETE AGREEMENT OF THE PARTIES AND SHALL NOT BE AMENDED EXCEPT BY WRITTEN INSTRUMENT SIGNED BY BOTH PARTIES. THIS AGREEMENT REPLACES, SUPERCEDES, AND VOIDS ANY PRIOR AGREEMENTS BETWEEN THE PARTIES TO THE CONTRARY.

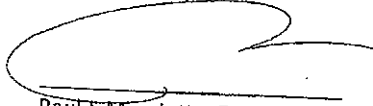
SHOULD ANY PROVISION IN THIS AGREEMENT BE FOUND TO BE UNLAWFUL OR UNENFORCEABLE BY A COURT OF COMPETENT JURISDICTION THE REMAINDER OF THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT AND THE PARTIES SHALL IMMEDIATELY COMMENCE NEGOTIATIONS TO REPLACE THE INVALIDATED PROVISION WITH A COMPARABLE, LEGAL, CLAUSE.

IT IS AGREED BY AND BETWEEN THE PARTIES THAT ANY PROVISION OF THIS AGREEMENT REQUIRING LEGISLATIVE ACTION TO PERMIT ITS IMPLEMENTATION BY AMENDMENT OF LAW OR BY PROVIDING THE ADDITIONAL FUNDS THEREFOR, SHALL NOT BECOME EFFECTIVE UNTIL THE APPROPRIATE LEGISLATIVE BODY HAS GIVEN APPROVAL.

*[Handwritten signatures and initials]*

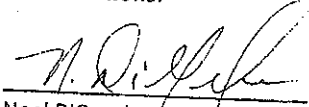
Dated: 7-31-12

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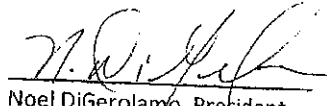


Paul J. Margiotta, Esq.  
Chief Deputy County Attorney  
Director of Labor Relations

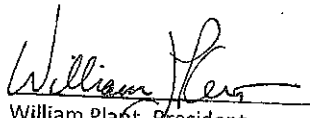
For the Unions:



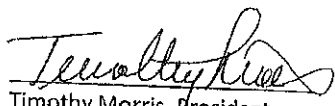
Noel DiGerolamo, President  
Suffolk County Police Benevolent Association



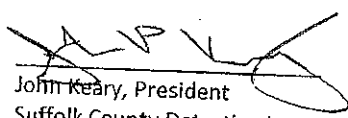
Noel DiGerolamo, President  
Suffolk Coalition of Public Employees



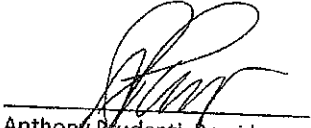
William Plant, President  
Suffolk County Detectives Association



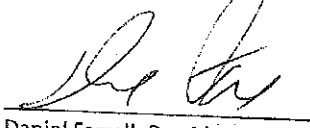
Timothy Morris, President  
Suffolk County Superior Officers Association



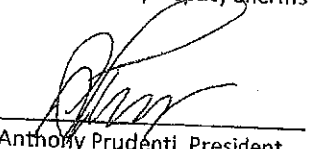
John Keary, President  
Suffolk County Detective Investigators PBA



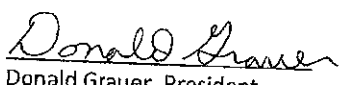
Anthony Prudenti, President  
Suffolk County Deputy Sheriffs PBA



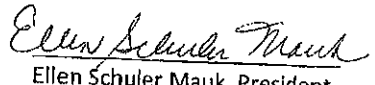
Daniel Farrell, President  
Suffolk County Association of  
Municipal Employees



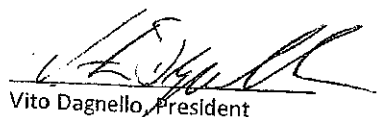
Anthony Prudenti, President  
Suffolk County Deputy Sheriffs PBA  
Park Police Unit



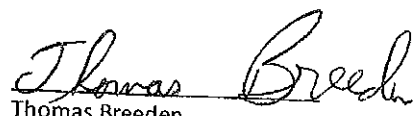
Donald Grauer, President  
Suffolk County Probation Officers Association



Ellen Schuler Mauk, President  
Faculty Association



Vito Dagnello, President  
Suffolk County Corrections Officers Association



Thomas Breeden  
Guild of Administrative Officers