



DATE: April 30, 2025

TO: Pat Arseneault, IFO
Crystal Kreklow, AFSCME
Adam Kamp, MAPE

FROM: Galen Benshoof
Enterprise Director, Employee Insurance

RE: 2025-2027 Contract Negotiations – Employer’s Opening Proposal

Please find below a summary of each of the modifications/clarifications/additions developed by the State for the 2025-2027 round of bargaining with the Union Insurance Coalition. All section and page references are to Article 19 – Insurance in the [2023-2025 AFSCME Council 5 contract](#). While we consider this to be our comprehensive package, we reserve the right to add, modify, or drop proposals as necessary.

S1 – Plan Design Modification

Section 6. Basic Coverages. A. Employee and Family Health Coverage. 2. Coverage Under the Minnesota Advantage Health Plan. a. Benefit Options. 4) Advantage Benefit Chart for Services Incurred During Plan Years (pages 71-72)

Refer to slide 7 of the PowerPoint for chart of proposed plan design modifications.

S2 – Modify Employee Share of Premium Contribution

Section 4. Amount of Employer Contribution. A. Contribution Formula. (page 66)

Section 4. Amount of Employer Contribution. The Employer Contribution amounts and rules in effect on June 30, 202~~5~~³, will continue through December 31, 202~~5~~³.

A. **Contribution Formula - Health Coverage.**

1. **Employee Coverage.** For employee health coverage for the 202~~6~~⁴ and 202~~7~~⁵ plan years, the Employer contributes an amount equal to ~~eighty-seventy-five~~ percent (~~87~~⁹⁵%) of the employee-only premium of the Minnesota Advantage Health Plan (Advantage).
2. **Dependent Coverage.** For dependent health coverage for the 202~~6~~⁴ and 202~~7~~⁵ plan years, the Employer contributes an amount equal to eighty~~-five~~ percent (~~80~~⁵%) of the dependent premium of Advantage.

S3 – Standardize Shared Aspects of Insurance Article

Section 1. State Employee Group Insurance Program (SEGIP). (page 59)

Section 1. State Employee Group Insurance Program (SEGIP). During the life of this Agreement, the Employer agrees to offer a Group Insurance Program that includes health, dental, life, vision, and disability coverages equivalent to existing coverages, subject to the insurance eligibility and employer contribution provisions of this Article and to the insurance benefit provisions of the Insurance Addendum.

All insurance eligible employees will be provided access to an electronic summary of benefits (SOB) or certificate of coverage (COC) for each insurance product. These documents shall be provided no less than biennially and prior to the beginning of the insurance year.

Move the following sections to a separate Insurance Addendum document, which would be applicable to all Labor Agreements and Plans: Section 4. Amount of Employer Contribution, Section 5. Coverage Changes and Effective Dates, Section 6. Basic Coverages, and Section 7. Optional Coverages.

S4 – Placeholder – Ensuring One Benefit Set

Section 1. State Employee Group Insurance Program (SEGIP). (page 59)

To be presented at a future meeting.

S5 – Update Year References

Technical date changes throughout Article to reflect current contract cycle.

S6 – Clarify Dependent Definition

Section 2. Eligibility for Group Participation. C. Dependents. 2. Children. b. Dependent Child. (page 61)

Dependent Child: A “dependent child” includes an employee’s (1) biological child, (2) child legally adopted by or placed for adoption with the employee, (3) step-child, ~~and~~ (4) foster child, and (5) child by legal guardianship who has been placed with the employee by an authorized placement agency or by a judgment, decree, or other court order. For a step-child to be considered a dependent child, the employee must be legally married to the child’s legal parent or legal guardian. ~~An employee (or the employee’s spouse or jointly) must have permanent, full and sole legal and physical custody of the foster child.~~ For a foster child to be considered a dependent child under this plan, the foster child must be placed with the employee or the employee’s spouse by an authorized placement agency or by judgement, decree or other court order. For a child by legal guardianship to be considered a dependent child under this plan, the

child by legal guardianship must be established by a court judgement, decree, or other court order.

S7 – Correct Grandchild Dependent Reference

Section 2. Eligibility for Group Participation. C. Dependents. 3. Grandchildren. (page 61)

3. **Grandchildren.** A dependent grandchild is an eligible employee's unmarried dependent grandchild who:
 - a. Is financially dependent upon the employee for principal support and maintenance and has resided with the employee continuously from birth, or
 - b. Resides with the employee and is dependent upon the employee for principal support and maintenance and is the child of the employee's unmarried child (the parent) to age nineteen (19).

If a grandchild is legally adopted or placed in the legal custody of the grandparent, they are covered as a dependent child under Section 2C (2) ~~grand~~ (4).

S8 – Clarify Coverage Effective Dates Reference for Out of Area

Section 5. Coverage Changes and Effective Dates. A. When Coverage May Be Chosen. 1. Newly Hired Employees. AND 2. Eligibility Changes. (pages 66-67)

Section 5. Coverage Changes and Effective Dates.

A. When Coverage May Be Chosen.

1. **Newly Hired Employees.** All employees hired to an insurance eligible position must make their benefit elections by their initial effective date of coverage as defined in this Article, Section 5C. Insurance eligible employees will automatically be enrolled in basic life coverage. If employees eligible for a full Employer Contribution do not choose a health plan administrator and a primary care clinic by their initial effective date, and do not waive medical coverage, they will be enrolled in a Benefit Level Two clinic (or Level One, if available) that meets established access standards in the health plan with the largest number of Benefit Level One and Two clinics in the county of the employee's residence at the beginning of the insurance year. If an employee does not choose a health plan administrator and primary care clinic by their initial effective date, but was previously covered as a dependent immediately prior to their initial effective date, they will be defaulted to the plan administrator and primary care clinic in which they were previously enrolled.

Employees who are eligible for a full Employer Contribution and live outside the Advantage Plan service area will be automatically enrolled with a health plan

administrator based on their work location if they do not waive coverage or select a health plan administrator by their initial effective date.

2. **Eligibility Changes.** Employees who become eligible for a full Employer Contribution must make their benefit elections within thirty (30) calendar days of becoming eligible. If employees do not choose a health plan administrator and a primary care clinic and do not waive coverage within this thirty (30) day timeframe, they will be enrolled in a Benefit Level Two clinic (or Level One, if available) that meets established access standards in the health plan with the largest number of Benefit Level One and Two clinics in the county of the employee's residence at the beginning of the insurance year.

Employees who are eligible for a full Employer Contribution and live outside the Advantage Plan service area will be automatically enrolled with a health plan administrator based on their work location if they do not waive coverage or select a health plan administrator by their initial effective date.

If employees who become eligible for a partial Employer Contribution choose to enroll in insurance, they must do so within thirty (30) days of becoming eligible or during open enrollment.

An employee may change their health or dental plan if the employee changes to a new permanent work or residence location and the employee's current plan is no longer available. If the employee has family coverage and if the new residence location is outside of the current plan's service area, the employee shall be permitted to switch to a new plan administrator and new Benefit Level within thirty (30) days of the residence location change. The election change must be due to and correspond with the change in status. An employee who receives notification of a work location change between the end of an open enrollment period and the beginning of the next insurance year, may change their health or dental plan within thirty (30) days of the date of the relocation under the same provisions accorded during the last open enrollment period. An employee or retiree may also change health or dental plans in any other situation in which the Employer is required by the applicable federal or state law to allow a plan change.

S9 – Continue Increase of Basic Life and AD&D Maximum

Section 6. Basic Coverages. B. Employee Life Coverage. 1. Basic Life and Accidental Death and Dismemberment Coverage. (pages 77-78)

Refer to Memo dated 9/27/2024 signed by Galen Benshoof and Pat Arseneault for details of 2023-2025 mid-term contract agreement.

S10 – Remove Outdated References

Section 6. Basic Coverages. A. Employee and Family Health Coverage. 2. Coverage Under the Minnesota Advantage Health Plan. i. Children living with an ex-spouse outside the Advantage Plan’s service area. (page 74)

Remove outdated reference to “Child living with an ex-spouse outside the Advantage Plan’s service area”.

~~**Children living with an ex-spouse outside the Advantage Plan’s service area.** Covered children living with former spouses outside the Advantage Plan’s service area and enrolled under this provision as of December 31, 2003, will be covered at Benefit Level Two. If available, care must be received by providers in the plan administrator’s national network. If a national network provider is available but not used, benefits will be covered at Benefit Level Three.~~

Section 6. Basic Coverages. A. Employee and Family Health Coverage. 2. Coverage Under the Minnesota Advantage Health Plan. a. Benefit Options. 4) Advantage Benefit Chart for Services Incurred During Plan Years. b. Incentive. (page 73)

Remove outdated reference to wellbeing incentive.

~~**Incentive.** Employees will receive a \$70 first-dollar credit in plan year 2024 to their individual deductible (regardless of whether the employee is enrolled in single or family coverage); conditional upon completion of qualifying activities in the wellbeing program by the deadline. The wellbeing incentive will sunset after 2024.~~

Section 6. Basic Coverages. B. Employee Life Coverage. 3. Procurement. (page 78)

Remove outdated reference to “Procurement”.

~~**Procurement.** A life insurance Request for Proposal (RFP) may be issued during the term of this labor agreement. This RFP may result in changes to the current life insurance benefit. The Joint Labor Management Committee on Health Plans (JLM) will participate in the life insurance RFP process and the JLM must agree to changes that modify the life insurance provisions from status quo benefits levels.~~

Section 7. Optional Coverages. B. Life Coverage. 7. Procurement. (pages 80-81)

Remove outdated reference to “Procurement”.

~~**Procurement.** A life insurance Request for Proposal (RFP) may be issued during the term of this labor agreement. This RFP may result in changes to the current life insurance benefit. The Joint Labor Management Committee on Health Plans (JLM) will participate in the life insurance RFP process and the JLM must agree to changes that modify the optional life insurance provisions from status quo benefit levels.~~

Section 7. Optional Coverages. C. Disability Coverage. 3. Procurement. (page 81)

Remove outdated reference to "Procurement".

~~**Procurement.** A disability insurance Request for Proposal (RFP) may be issued during the term of this labor agreement. This RFP may result in changes to the current disability coverage benefit. The Joint Labor Management Committee on Health Plans (JLM) will participate in the disability coverage RFP process and the JLM must agree to changes that modify the disability coverage provisions from status quo benefit levels.~~