

MEMORANDUM OF AGREEMENT
Regarding Insured Benefits
January 1, ~~2025~~ 2026 through December 31, ~~2025~~ 2028
For Represented Benefits-Eligible Employees

By and Between
King County
And
The Joint Labor Management Insurance Committee of Unions

Subject: 2026-2028 Joint Labor Management Insurance Committee Benefits Agreement

WHEREAS, certain designated representatives of King County (“County”) and the Joint Labor Management Insurance Committee of Unions (“Unions”) ~~signatory to this Memorandum of Agreement (“Agreement”)~~, referred to hereafter as the “Parties,” have agreed to participate in negotiations as members of the Joint Labor Management Insurance Committee (“JLMIC”) for the purpose of negotiating the plan provisions and funding of the County’s fully insured and self-insured medical, dental, vision, disability, accidental death and dismemberment, and life insurance programs (“insured benefits”); and

WHEREAS, the ~~County and the Unions~~ Parties have agreed to a format for negotiating plan provisions and funding to meet the anticipated cost increases associated with providing insured benefits to represented, benefits-eligible employees; and

WHEREAS, the ~~JLMIC~~ Parties agrees that for the term of this Agreement, insured benefits will include a wellness program, a Health Maintenance Organization Plan (“HMO”), a Preferred Provider Organization Plan (“PPO”) and an Accountable Health Network Plan (AHN).

WHEREAS, the Parties, through the JLMIC, agrees to explore options that incent benefits-eligible employees to choose healthcare that is more effective and produces better health outcomes;

NOW THEREFORE, having bargained in good faith, the Parties memorialize their Agreement ~~JLMIC hereby agrees~~ to the following, referred to as the “JLMIC Agreement”:

- 1. Scope of Agreement.** The benefits described in this Agreement, and any modifications agreed to by the JLMIC pursuant to agreement No. 6, shall be ~~offered~~ provided by the County to all employees who are currently represented by bargaining units other than those listed below ~~the Unions signatory to the 2023-2024 JLMIC Health Benefits Memorandum of Agreement (000U0522).~~ This Agreement does not apply to non-represented employees, although the County, at its discretion, may treat non-represented employees in the same way as the represented employees covered by this Agreement. This Agreement shall not be offered to any employees represented by the Amalgamated Transit Union, Local 587, the King County Police Officers’ Guild, the Puget Sound Police Managers Association, and the Technical Employees’ Association representing employees in Transit. All employees to which this Agreement applies shall be referred to as “JLMIC-Eligible Employees.”

2. **Continuation and Administration of JLMIC Protected Fund Reserve.** The balance of the 2024-2025 JLMIC Protected Fund Reserve (“PFR”) shall be carried over to this Agreement and the PFR shall continue to be maintained for the purpose of funding, providing and maintaining insured benefits, and providing a reserve fund to self-insure against unanticipated increases in the cost of those insured benefits, for JLMIC-Eligible Employees. It is expressly agreed that no funds from the PFR shall at any time be used for any other purpose except for benefits outlined in this Agreement, inclusive of Attachments and Memoranda of Agreement(s). It is further agreed that the County and organizations handling PFR funds have a responsibility to ensure that PFR funds are being used solely on behalf of JLMIC-Eligible Employees.
3. **County Funding Rate.** ~~Commencing on January 1, 2025, the County shall contribute \$1744 per month on behalf of each JLMIC-Eligible Employee.~~
Commencing on January 1, 2026, the County shall contribute \$1,887 per month on behalf of each JLMIC-Eligible Employee.
Commencing on January 1, 2027, the County shall contribute \$1,981 per month on behalf of each JLMIC-Eligible Employee.
Commencing on January 1, 2028, the County shall contribute \$2,070 per month on behalf of each JLMIC-Eligible Employee.
4. **Insufficient County Funding.** To the extent that the County’s funding rate identified in Paragraph 3 and other yearly non-funding rate revenue (e.g., interest earnings, participant benefit access fees, employee monthly contributions, and other plan participant contributions such as COBRA payments), attributed proportionally to JLMIC-Eligible Employees, is at any time inadequate to fully fund the cost of providing insured benefits for JLMIC-Eligible Employees, the Parties agree that the PFR will be used to fund the difference until such time as the PFR is exhausted.
5. **Excess County Funding.** To the extent that the County’s funding identified in Paragraph 3, and other yearly non-funding rate revenue, attributed proportionally to JLMIC-Eligible Employees, provides greater funding than is necessary to fully fund the cost of insured benefits for JLMIC-Eligible Employees, the Parties agree that the excess shall be added to the PFR.
6. **Modification to Health and Welfare Plan Provisions.** The JLMIC is hereby empowered to negotiate and implement modifications to insured benefits for JLMIC-Eligible Employees during the term of this Agreement. The JLMIC will negotiate any changes to plan provisions and/or supplemental premium funding methodology to be effective on January 1 of the following calendar year.
7. **Health and Welfare Plan Provisions.** Insured benefits provisions for JLMIC-Eligible Employees during the term of this Agreement shall be as described in Attachment A, including but not limited to maintaining the JLMIC-Eligible Employees’ out-of-pocket costs for the HMO, PPO and AHN plans, unless otherwise modified by the Parties or modified pursuant to the terms of this Agreement. The Parties hereby agree that modifications will be by written agreement subject to ratification, as necessary.

8. **Health Reimbursement Arrangement (HRA) Voluntary Employees Beneficiary Association (VEBA).** The County will continue to offer HRA VEBA benefits to JLMIC-Eligible Employees as described in Attachment B.
9. **Medical or Dental Plan(s) Options.** During the term of this Agreement, the Parties may add or substitute plan(s) option(s) beyond the HMO, PPO and AHN medical plans and ~~Delta-Dental PPO and Dental HMO and Cigna~~ plans ~~for the 2025 benefits year~~.
10. **Scope and Purpose of the Annual Reconciliation Meeting.** The JLMIC will convene a reconciliation meeting no later than April 15th of each calendar year to review the insured benefits expenditures for the prior year, projected expenditures for the current and future year(s), plan provisions, and any other information or factors that the JLMIC deems relevant.
11. **Dispute Resolution.** If at any time during the term of this Agreement, the PFR is projected to fall below \$15,000,000, the ~~JLMIC-Parties~~ will open negotiations to consider plan design changes and cost-sharing (e.g., copays, premiums) to be implemented by the following January 1. If the ~~JLMIC is~~Parties are unable to reach agreement on such modifications by June 1st of any calendar year, the matter will be submitted to a panel of three (3) subject matter experts ("Panel") for final and binding resolution, whose decision must be issued no later than August 15 of the same calendar year. The Panel shall be comprised of one expert selected by the County, one (1) expert selected by the Unions, and one (1) expert selected jointly by the two (2) selected partisan experts. The Parties agree to cooperate to present relevant information to the Panel in sufficient time for the Panel to issue a decision by August 15th. The Panel shall be empowered to make plan design changes and/or cost sharing (e.g., copay, premiums) and/or County contribution increases. The costs of the Panel shall be paid out of the PFR.

11.1 Rules for Activation of the Dispute Resolution Process (formalized process and hearing):

The Parties agree the that dispute resolution process described in agreement 11 will not be invoked prior to December 31, 2026.

- a) The Parties should name their partisan experts as soon as possible and before May 15st of the year in which the Parties invoke the dispute resolution process. The role of the partisan panel members in the dispute resolution process is to advocate on behalf of their clients. Resources will be provided to the panel to do costing models and calculations. A role of the partisan panel members is to assist with calculations, using shared models and tools.
- b) The Parties' partisan experts should name the neutral expert right away, and that expert should be contacted and retained by June 1st. The partisan panelists will convey to the neutral expert the timelines and requirements for fulfilling the neutral expert role. The panelists may only select a neutral expert who agrees to hear and decide this case entirely between June 1 and August 15 (per paragraph 11).
- c) The variables that are up for renewal, per the current JLMIC structure, are listed below. Any items that remain unresolved in the bargaining process shall be submitted to the panel.

- d) The underlying authority of the panel is in the JLMIC Agreement paragraph 11: “The Panel shall be empowered to make plan design changes and/or cost sharing (e.g., copay, premiums) and/or County contribution increases.” The panel is not empowered to alter the \$15 million distress threshold for the PFR. Only the Parties may agree to an alteration of the critical level.
- e) Joint statements and exhibits: The Parties will endeavor to develop joint exhibits to the panel, that will include:
 - i. A joint statement about the history of the JLMIC.
 - ii. Jointly agreed information about the JLMIC’s historic financing and current projections.
 - iii. If possible, a joint statement about the tasks for the panel. If the Parties are unable to agree on the parameters of what the panel is tasked with determining, then they will present their own versions, much like when there is a disagreement about a statement of the issue in an arbitration case.
- f) At least seven days prior to the hearing described below, the Parties will submit their final proposals to each other and the panel, as well as supporting materials (exhibit binders, written arguments in support, etc.).
- g) As soon as possible after June 1st, the panel will convene a one-day in-person meeting of the panel as well as the invited guests of each party, to discuss and share the Parties’ final proposals and exhibits, and to answer questions by the panelists.
- h) The panel will determine its process for considering the case. In all likelihood, the two partisan panel members will serve the role of clarifying matters that the neutral panel member may have. The partisan panel members will also assist with the costing model and calculations. The partisan panel members are not restricted from talking to their respective sides.
- i) The panel must submit a ruling no later than August 15th, but is encouraged to do so sooner. No extensions will be granted to the panel.
- j) The panel is empowered to adopt either party’s proposals or find common ground in between the competing proposals. In no event shall the panel be empowered to exceed the range between the Parties’ proposals (for example, if one party is proposing \$X and the other party is proposing \$Y, the panel must issue a decision within that range).
- k) The panel will be expected to complete a form that fills in these variables and decisions by the panel for any of the plans agreed to or modified as a result of this process. In addition to completing the form, the panel will issue a written narrative decision that expounds on its rational on making plan design changes and/or cost sharing (e.g., copay, premiums) and/or County contribution.

- 12. **Subsequent Agreement.** The Parties agree to commence negotiations for a successor insured benefits agreement (to be effective starting January 1, ~~2026~~2029) no later than January of ~~2025~~2028.
- 13. **Total Agreement.** This Agreement constitutes the entire agreement with respect to the matters covered herein, and no other agreement, statement or promise made by any party which is not included herein shall be binding or valid. This Agreement may be modified or amended only by a written agreement.
- 14. **Term.** This Agreement shall be in effect following adoption of an ordinance by the King County Council, from January 1, ~~2025-2026~~ through December 31, ~~2025~~2028.

For the Joint Labor Management Insurance Committee of Unions:

Michael Gonzales, Senior Business Agent
General Teamsters Union, Local 174
Co-Chair, Joint Labor Management Insurance Committee

Date

Maria Williams, President and ~~Director of Representation~~ Executive Director
Teamsters Local Union No. 117
Co-Chair, Joint Labor Management Insurance Committee

Date

For King County:

Megan Pedersen, Director
Office of Labor Relations, King County Executive Office
Co-Chair, Joint Labor Management Insurance Committee

Date

Sasha P. Alessi, Labor Relations Manager
Office of Labor Relations, King County Executive Office
Co-Chair, Joint Labor Management Insurance Committee

Date

2025-2026 Medical Plan Quick Comparison: Regular Employees

Plan Feature (In-network)	SmartCare HMO (Kaiser)	KingCare Select AHN (Regence & CVS)	KingCare PPO (Regence & CVS)
Provider Choice	A primary care provider coordinates care through the plan network. You may self-refer to many Kaiser specialists. No coverage for out-of-network care unless approved/referred.	A primary care doctor helps you coordinate your care within your network. Referrals are not required. You save the most by staying in-network, but you can go out-of-network for a higher cost.	You may choose any qualified provider, but your out-of-pocket costs are lowest when you use network providers.
Out-of-area coverage	See next page.	See next page.	See next page.
Employee Monthly Contribution	\$0 \$60	\$50 \$70	\$75 \$85
Benefit Access Fee ¹	\$0	\$75	\$200 per month
Deductible ²	Single \$0 Family \$0	Single \$100 Family \$300	Single \$300 Family \$900
Out-of-Pocket Limit ³	Single \$1,000 Family \$2,000	Single \$1,100 \$1,500 Family \$2,400 \$3,100	Single \$1,400 \$2,000 Family \$2,500 \$4,500
Prescription Out-of-Pocket Limit	Single & Family \$0 Copays apply to out of pocket maximum	Single \$1,500 Family \$3,000	Single \$1,500 Family \$3,000
Your cost—after deductible—using in-network providers⁴			
Emergency Room	\$100 copay	15% after \$200 copay/visit. Copayment applies to facility charges for each visit (waived if admitted) whether or not the deductible has been met. Emergency Room Out-of-Pocket Limit: members will continue to pay \$200 copay/visit (waived if admitted) and 15% coinsurance until they reach the total out of pocket maximum allowed under the Affordable Care Act (ACA).⁵	15% after \$200 copay/visit Copayment applies to facility charges for each visit (waived if admitted) whether or not the deductible has been met. Emergency Room Out-of-Pocket Limit: members will continue to pay \$200 copay/visit (waived if admitted) and 15% coinsurance until they reach the total out of pocket maximum allowed under the Affordable Care Act (ACA).⁵

Plan Feature (In-network)	SmartCare HMO (Kaiser)	KingCare Select AHN (Regence & CVS)	KingCare PPO (Regence & CVS)
Hospital–Inpatient	\$200 copay	10%	15%
Labs, X-ray, Tests	0%	10%	15%
Mental Health	Outpatient: \$20 copay Inpatient: \$200 copay	Outpatient therapy services: \$20 copay Outpt non-therapy services & inpt services: 10%	15%
Office Visits	\$20 copay	\$20 (no deductible)	15%
Prescription Drugs (retail 30-day supply)	Generic: \$10 copay Preferred brand: \$20 copay Non-preferred brand: \$30 copay	Generic: \$5 copay Preferred brand: \$25 copay Non-preferred brand: \$75 copay	Generic: \$7 copay Preferred brand: \$30 copay Non-preferred brand: \$75 copay
Urgent Care	\$20 copay	\$20 copay	15%

DISCLAIMER: This chart should be used as a general guide only. For specific plan details, refer to the governing documents at [KingCounty.gov/Plan-Details](https://kingcounty.gov/Plan-Details).

1. Benefit Access Fee: The cost to add a spouse/state-registered domestic partner who has access to medical coverage through an employer.

2. Deductible: The amount you pay per year before the plan begins to pay.

3. Out-of-pocket limit: The most you could pay per year for your share of the costs of covered services, including the deductible, copays, and coinsurance.

4. All services must be medically necessary. See plan guide for details, limits, restrictions, and preauthorization requirements.

~~5. In 2024, the ACA limit is \$9,450 individual/\$18,900 family. Because the Regence plans already have an annual out-of-pocket limit for prescriptions of \$1500 individual/\$3000 family, the adjusted out-of-pocket limit for ER medical costs will be \$7,950/\$15,900.~~

Benefits, Payroll & Retirement Operations 206-684-1556 KC.Benefits@KingCounty.gov



King County

202~~65~~ Out-of-Network Coverage: Regular Employees

Plan Feature (Out-of-network)	SmartCare HMO (Kaiser)	KingCare Select AHN (Regence & CVS)	KingCare PPO (Regence & CVS)
Out-of-Area Coverage	Covered care is available at out-of-area Kaiser Permanente facilities—call Member Services to set up access. No coverage for out-of-network care unless approved/referred. If outside the Kaiser area, urgent and emergency care is covered at any provider.	When seeking care outside your network, covered services are reimbursed at the out-of-network benefit level, which is significantly lower. Emergency care is covered the same anywhere.	Same coverage as when home, through Regence and CVS Caremark® national provider networks. Your out-of-pocket costs are lowest when you use network providers. Emergency care is covered the same anywhere.
Deductible¹	Single \$0 Family \$0	Single \$500 Family \$1,500	Single \$300 Family \$900
Out-of-Pocket Limit²	Single \$1,000 Family \$2,000	Single \$2,500 \$3,300 Family \$5,500 \$7,100	Single \$1,900 \$3,500 Family \$4,100 \$7,500
Emergency Room	\$100 copay	15% after \$200 copay/visit Copayment applies to facility charges for each visit (waived if admitted) whether or not the deductible has been met. <i>Emergency Room Out-of-Pocket Limit: members will continue to pay \$200 copay/visit (waived if admitted) and 15% coinsurance until they reach the total out of pocket maximum allowed under the Affordable Care Act (ACA).⁴</i>	15% after \$200 copay/visit Copayment applies to facility charges for each visit (waived if admitted) whether or not the deductible has been met. <i>Emergency Room Out-of-Pocket Limit: members will continue to pay \$200 copay/visit (waived if admitted) and 15% coinsurance until they reach the total out of pocket maximum allowed under the Affordable Care Act (ACA).⁴</i>
What you pay for most covered services³	100% (Plan pays 0%)	40% after deductible & copays, until you reach the out-of-pocket limit. (Plan pays 60%.)	40% after deductible & copays, until you reach the out-of-pocket limit. (Plan pays 60%.)

DISCLAIMER: This chart should be used as a general guide only. For specific plan details, refer to the governing documents at [KingCounty.gov/Plan-Details](https://www.kingcounty.gov/Plan-Details).

1. Deductible: The amount you pay per year before the plan begins to pay.

2. Out-of-pocket limit: The most you could pay per year for your share of the costs of covered services, including the deductible, copays, and coinsurance.

3. All services must be medically necessary. See plan guide for details, limits, restrictions, and preauthorization requirements.

4. In 2024, the ACA limit is \$9,450 individual/\$18,900 family. Because the Regence plans already have an annual out-of-pocket limit for prescriptions of \$1500 individual/\$3000 family, the adjusted out-of-pocket limit for ER medical costs will be \$7,950/\$15,900.

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ATTACHMENT B
MEMORANDUM OF AGREEMENT
Regarding HRA VEBA
January 1, ~~2025~~2026 through December 31, ~~2025~~2028
For Represented Benefits-Eligible Employees
By and Between
King County
And
Joint Labor Management Insurance Committee of Unions

Whereas, the Parties have negotiated employees' participation in the Health Reimbursement Arrangement (HRA) Voluntary Employees Beneficiary Association (VEBA) Medical Reimbursement Plan for Public Employees in the Northwest since 2007; and

Whereas, the Parties seek to clarify, update and make consistent the HRA VEBA options and elections process available to King County employees; and

Whereas, the Parties have negotiated in good faith; now

Therefore, the Parties hereby agree to the following HRA VEBA-related provisions:

1. The County adopted the HRA VEBA Plan in 2007. The HRA VEBA Plan is a tax-exempt trust authorized by Internal Revenue Code Section 501(c)(9). Under the IRS code requirements, if a VEBA bargaining unit opts to participate in the HRA VEBA Plan, all eligible employees in positions covered by the bargaining unit must participate. The specific VEBA funding options put in place via the agreed upon King County VEBA elections process will remain in effect for that bargaining unit, unless specific action is taken through this same process to amend or terminate it.

The following options are currently available to participating bargaining units:

- a. **Sick Leave Cash Out at Retirement VEBA Option:** If a retiring employee is in a VEBA bargaining unit that has opted to participate in the HRA VEBA Plan and has elected this option, the County will transfer funds equal to that participating employee's cash out of eligible, compensable sick leave tax-free to a VEBA trust account on that employee's behalf at their retirement. These funds will be transferred to the HRA VEBA account in lieu of the regular cash out to the employee, not in addition to the regular cash out. The funds will be available to the member to pay for eligible health care-related expenses after retirement. De minimis amounts under \$200 will not be subject to the HRA VEBA provisions and will be paid out directly to the employee and subject to appropriate supplemental taxes.
- b. **Vacation Cash Out at Retirement Option:** If a retiring employee is in a bargaining unit that has opted to participate in HRA VEBA and has elected this

option, the County will transfer funds equal to fifty (50) percent of that participating employee's cash out of eligible vacation leave tax-free to an HRA VEBA trust account on that employee's behalf at their retirement. These funds will be transferred to the HRA VEBA account in lieu of the regular cash out to the employee, not in addition to the regular cash out. The funds in the HRA VEBA Plan will be available to the member to pay for eligible health care-related expenses after retirement. De minimis amounts under \$200 will not be subject to the HRA VEBA provisions and will be paid out directly to the employee and subject to appropriate supplemental taxes.

The Parties understand that the VEBA options and elections process must comply with applicable law, and options available or conditions placed on specific options may change from time to time as necessary to comply with legal and systems requirements. Should the County need to change options or process due to legal requirements or systems changes, it will so notify unions and discuss such changes in the Joint Labor Management Insurance Committee (JLMIC).

Unions opting to conduct a VEBA election must report election results for each bargaining unit to King County BPROS using the King County standardized form found on the BPROS Website. If there are discrepancies in the Parties' understandings of the makeup of the individual bargaining units, the Parties will meet to discuss and resolve the issue.

Unions may conduct VEBA elections once per year, if they so choose. Election results must be received by King County BPROS by the last Friday in June each year; for implementation the following year. Bargaining Units that are participating in the HRA VEBA Plan and wish to terminate, or who wish to change their options, may do so via the above referenced election process and agreed upon reporting process. Union representatives must notify the King County BPROS no later than the last Friday in June ~~of 2025~~, using the County's standardized VEBA elections report form, of the VEBA Program Option election results for each County identified bargaining unit.

Bargaining units that are not currently participating in the HRA VEBA Plan may elect to participate in the HRA VEBA Plan effective January 1, ~~2025~~, by following the VEBA election and reporting process outlined in this Memorandum of Agreement.

2. **Irrevocability.** Contributions to HRA VEBA are irrevocable and will be available to provide payment for health care-related expenses incurred by the participating employee, their spouse, and eligible dependents until exhausted, as provided for by the terms of the HRA VEBA Plan and regardless of any subsequent changes to future contributions elected by the bargaining unit.
3. The Parties agree that a standardized VEBA elections process is in their best interests and that they consequently may meet from time to time in JLMIC to discuss changes that may

contribute to the efficiency of this process.

4. **Total Agreement.** This Agreement is the complete and final agreement on the subject of VEBA elections (in addition to any applicable collective bargaining agreement provisions) between the Parties, and may be modified or amended only by a written amendment executed by all Parties hereto.
5. **Severability.** The provisions of this Agreement are intended to be severable. If any term or provision of this Agreement is deemed illegal or invalid for any reason, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.
6. **Term.** This Agreement shall be effective January 1, ~~2025~~2026, through December 31, ~~2025~~2028, consistent with the duration of the JLMIC Benefits Agreement, and any successor to this Memorandum of Agreement is intended to track with future JLMIC Benefits Agreements.

For the Joint Labor Management Insurance Committee of Unions:

Michael Gonzales, Senior Business Agent
General Teamsters Union, Local 174
Co-Chair, Joint Labor Management Insurance Committee

Date

Maria Williams, President and ~~Director of Representation~~Executive Director
Teamsters Local Union No. 117
Co-Chair, Joint Labor Management Insurance Committee

Date

For King County:

Megan Pedersen, Director
Office of Labor Relations, King County Executive Office
Co-Chair, Joint Labor Management Insurance Committee

Date

Sasha P. Alessi, Labor Relations Manager
Office of Labor Relations, King County Executive Office
Co-Chair, Joint Labor Management Insurance Committee

Date