

MEMORANDUM OF AGREEMENT
Regarding
Health Benefits for 2010 - 2012
For Represented Benefits-Eligible Employees
By and Between King County
and
Unions Representing King County Employees

Whereas, certain designated representatives of the County and the Unions signatory hereto have agreed to participate in discussions as members of the Joint Labor Management Insurance Committee ("JLMIC") for the purposes of reviewing, studying and making recommendations relative to the County's existing medical, dental, vision and life insurance programs; and

Whereas, collective bargaining agreements between King County and the unions representing its employees, with the exception of the King County Police Officers Guild, contain language adopting the recommendations of the JLMIC; and

Whereas, the County and the Unions signatory hereto have agreed to plan modifications for 2010 - 2012 to maintain the strength of the plan while recognizing the County's budget situation.

Therefore, having bargained in good faith, the JLMIC hereby agrees to the following benefit plan design change for 2010 - 2012.

1. The terms of the 2007 - 2009 Memoranda of Agreement will remain in effect through December 31, 2012 with the following modifications. Those agreements are attached hereto.

2. **In-Network Out of Pocket Expense Levels.** The following are the changes to KingCareSM benefits agreed to by the parties

	Gold	Silver	Bronze
Deductible	\$300 / \$900	\$600 / \$1,800	\$800 / \$2400
Annual Out of Pocket Maximum	No Change	No Change	No Change
Coinsurance (in-network/out of network)	85% / 65%	75% / 55%	75% / 55%

3. **Prescription Drug Coverage.** The parties agree to the following schedule for Rx co-pays

Drug Type	Retail (1 month supply)
Generic	\$7
Dispense as Written:	\$22
Preferred Brand	\$30
Dispensed as Written:	\$45
Non-preferred Brand	\$60

Home delivery will continue to be two times retail for a 90-day supply.

4. Rx Out of Pocket Maximum. The annual out of pocket maximum for prescription drugs will be \$1,500 individual/\$3,000 family.

5. Progressive Medication Program. The JLMIC agrees to adopt the progressive medication program ("PMP") as described by Express Scripts in their August 5, 2008 presentation, except that the program will include the following therapy classes:

NSAID,
Statin,
PPI,
Hypnotics,
Leukotrienes,
ARB/ACE,
Bisphosphonates,
Nasal Steroids,
SSRI and Other Antidepressants,
Antivirals,
Non-sedating Antihistamines, and
Overactive Bladder.

The PMP will include grandfathering of plan members currently taking drugs in one of the drug classes.

The following describes the PMP, according to the August 5, 2008 presentation.

Progressive Medication Program. PMP is a program especially for people who take prescription drugs regularly (maintenance medication) for ongoing conditions like pain and inflammation, high cholesterol, ulcer disease, sleep disorders, asthma, and high blood pressure. It helps members get an effective medication to treat their condition while keeping the costs for members and the plan as low as possible.

Front-Line and Backup Drugs.

- Drugs are grouped according to copayment amounts.
- Front-line drugs - the first step - are generic drugs proven safe, effective and affordable. These drugs should be tried first because they provide the same health benefit as more expensive drugs, at a lower cost.
- Back-up drugs - Step 2 and Step 3 - drugs are brand-name drugs such as those you see advertised on TV. There are lower-cost brand drugs (Step 2) and higher-cost brand drugs (Step 3). Back-up drugs cost more than front-line drugs.
- The PMP is developed under the guidance and direction of independent, licensed doctors, pharmacists and other medical experts. Together these experts review the most current research on thousands of drugs tested and approved by the FDA for safety and effectiveness. Then they recommend appropriate prescription drugs for PMP.

Grandfathering.

- Only members who have new, **first time** prescriptions for a drug that is in one of the designated PMP therapy classes are affected by this program.
- Members who are already taking second or third line back-up drugs continue getting their prescriptions without interruption (they will be “grandfathered” for the back-up drug.)

Pharmacy Process

- When a new prescription is presented to the pharmacist, the pharmacist will look to see what is covered.
- If the drug is not on the first-line list, the pharmacist will call the physician to discuss if the first-line drug is appropriate for the member.
- Most of the time, the pharmacist will reach the physician, and 1 of 2 things will happen:
 - The physician will write a new prescription for the lower cost front-line drug, or
 - The physician will complete the clinical criteria to allow the back-up second or third line drug.
- Occasionally, the pharmacist may not be able to reach the physician while the member is in the pharmacy.
- In all cases the member will be able to leave the pharmacy with either a full month’s supply of an appropriate drug, or a small supply (five-day) of the prescribed medication to take while the prescription is being processed.

6. Dental. The JLMIC agrees to increase the maximum annual benefit for dental care to \$2,500 per plan member.

7. Benefit Access Fee. The JLMIC agrees to increase the benefit access fee to \$50.

8. Healthy Incentives. The JLMIC agrees to the continuation of the Healthy Incentives Program and the supportive environment necessary to make it effective.

9. Employee Education. In order to implement and administer this Memorandum of Agreement, the County commits to provide resources to adequately implement and administer the benefits program agreed to herein.

10. Reopener. The parties may reopen by mutual agreement.

11. Further Study. The parties agree to continue to study options including the Washington Teamsters Welfare Trust and the Washington State Public Employees Benefits Board Plan.

12. Term, Total Agreement & Severability.

A. Total Agreement. This agreement comprises the entire Agreement of the parties 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.

B. Severability. The provisions of the Agreement are intended to be severable. If any term or provision of this Agreement is deemed illegal or invalid for any reason, such illegality shall not affect the validity of the remainder of this Agreement.

C. Term. This Agreement shall be in effect from January 1, 2010 through December 31, 2012.

On behalf of King County:

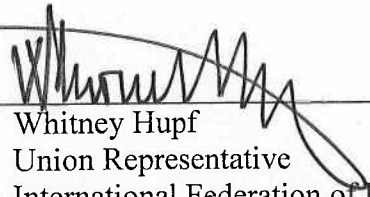


King County Executive

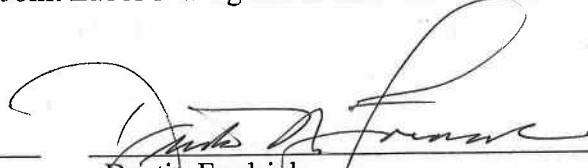
MARCH 27, 2009

Date

On behalf of the Unions Participating in the Joint Labor Management Insurance Committee:



Whitney Hupf
Union Representative
International Federation of Professional and
Technical Engineers, Local 17



Dustin Fredrick
Business Manager
Public Safety Employees Union

Tracey A. Thompson
Secretary-Treasurer
International Brotherhood of Teamsters
Local 117



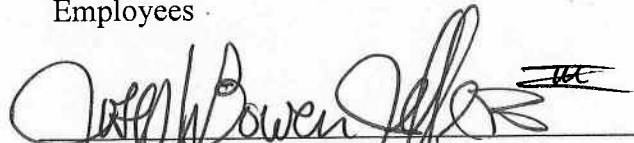
Debbie Foley
Organizer/Representative
Service Employees International Union,
Local 925

Lance F. Norton
President/Business Agent
Amalgamated Transit Union, Local 587



Diana Prenguber
Staff Representative
Washington State Council of County and City
Employees

Randy Weaver
Vice President
King County Corrections Guild



J. Bowen Jeffers
Business Representative
Laborers' International Union of North
America, Local 1239

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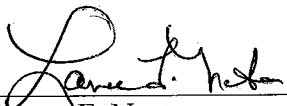
Date

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Union Representative
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Rick Hicks
Secretary-Treasurer
Teamsters, Local 174