

ORDINANCE NO. 2021- _____

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING MIAMI BEACH CITY CODE CHAPTER 78, ARTICLE II THEREOF, ENTITLED "EMPLOYEE BENEFIT PLANS;" AMENDING SECTION 78-81, "ENTITLED GROUP HEALTH INSURANCE," TO PROVIDE THAT ANY EMPLOYEE WHO ELECTS TO DECLINE PARTICIPATION IN THE CITY'S GROUP HEALTH INSURANCE PLAN FOLLOWING RETIREMENT AFTER THE EFFECTIVE DATE OF THIS ORDINANCE MAY RESUME COVERAGE AND BE ELIGIBLE FOR THE CITY'S CONTRIBUTION TOWARDS THE COST OF COVERAGE IF IT IS DEMONSTRATED THAT THE RETIRED EMPLOYEE HAS MAINTAINED CONTINUOUS COVERAGE UNDER ANOTHER GROUP HEALTH PLAN SINCE THEIR DATE OF RETIREMENT OR SINCE THE DATE ON WHICH THEY LAST OPTED OUT OF THE CITY'S GROUP HEALTH INSURANCE PLAN; REPEALING SECTION 78-82, ENTITLED "HEALTH MAINTENANCE ORGANIZATION;" PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION AND FOR AN EFFECTIVE DATE.

WHEREAS, the City provides medical and dental insurance ("the Plan") to its employees and retirants through a self-funded plan that is currently administered by Cigna Health; and

WHEREAS, the City contributes toward the cost of retirant health insurance coverage that is determined by the City Commission each year as part of the City budget process, based on available funds as set forth in Code of the City of Miami Beach Sec. 78-81 (for Group Health Insurance Plans) and Sec. 78-82 (for Health Maintenance Organizations); and

WHEREAS, offering post-employment health benefits that are partially funded by the City is a recruitment tool that aids in the City's hiring process; and

WHEREAS, on March 8, 2006, the Mayor and City Commission adopted Ordinance No. 2006-3505, that made changes to the City's contributions to its Group Health Insurance Plans and to its Health Maintenance Organizations ("HMOs") for retiring employees; and

WHEREAS, Ordinance No. 2006-3505 required that an employee who intended to participate in the City's health plan upon retirement, must make a one-time irrevocable written election, prior to termination of City employment, to continue to participate in the City's health plan upon retirement; and

WHEREAS, Ordinance No. 2006-3505 was silent on the matter of retired employees who become employed with organizations that provide employer-sponsored healthcare coverage. This meant that when retired employees were provided with an opportunity to enroll in another employer-sponsored healthcare plan, they were only able

to do so with an understanding that reenrolling in the City's Plan in the future could only be done at their expense, with no City contribution toward the cost of coverage; and

WHEREAS, the proposed changes to Sec. 78-81 (for Group Health Insurance Plans) and Sec. 78-82 (for Health Maintenance Organizations) would allow unclassified employees who retire with the City, to reject retirant health insurance, and thereafter to elect to come back to the City's Plan at a future date and obtain the applicable City funding toward their healthcare coverage. Pursuant to these changes, the returning retirant must demonstrate that there were no gaps in coverage upon their return to the City's Plan;

WHEREAS, the Administration engaged the City's healthcare benefits consultant, Gallagher Benefits Services, Inc. ("GBS"), who has prepared a projected financial impact of adopting this proposal and has found that in the short-term and medium term the City can expect to reduce costs and save money for the City, and in the long term, the City can expect to see some increased costs, with the short and medium term savings more than compensating for any long terms costs;

WHEREAS, based on the analysis completed by GBS, the Mayor and City Commission have determined that it is in the best interest of the City and its retirants to enact the following amendments to Code Sec. 78-81 (for Group Health Insurance Plans) and Sec. 78-82 (for Health Maintenance Organizations), which will provide retired employees the flexibility to choose the best healthcare plan for themselves and their families as well as to provide the City with the cost savings associated with allowing retirants to opt out of the City's healthcare Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA:

SECTION 1.

DIVISION 3. -CONTRIBUTIONS

Sec. 78-81. - Group health insurance.

- (a) *Member.* For all employees. ~~T~~he contribution of a member to the costs of the benefits provided for in his/her agreement, shall be a specific amount as determined by the amount of funds available each year and approved by the city commission as part of the annual city budget.
- (b) *City.* For employees hired before March 18, 2006. ~~T~~he contribution of the city on behalf of the members to the cost of the benefits provided for in his/her agreement, shall be a specific amount as determined by the amount of funds available each year and approved by the city commission as part of the annual city budget.
- (c) *Medicare pensioners' contributions.* For employees hired before March 18, 2006. ~~T~~he contribution of those employees, retirants, pensioners and dependents age

65 and over, eligible for Medicare benefits and who are members of the plan, to the costs of the benefits provided for in the plan for those employees, retirants, pensioners and dependents age 65 and over, eligible for Medicare benefits, shall be a specific amount as determined by the amount of funds available each year and approved by the city commission as part of the annual city budget, plus the same specific amount of the contribution for Medicare benefits, but in no event shall such total contribution exceed the contribution of members of the plan who are not eligible for Medicare benefits and have a similar agreement for individual membership or for a family basis.

- (d) *City's contribution to Medicare pensioners.* For employees hired before March 18, 2006, ~~the~~ contribution of the city on behalf of the members of the plan age 65 and over and eligible for Medicare benefits to the costs of the benefits provided for in his/her agreement, shall be a specific amount as determined by the amount of funds available each year and approved by the city commission as part of the annual city budget, plus the same specific amount of contribution for Medicare benefits; but in no event shall the total of such contribution by the city exceed the amount of contribution respectively for any other agreements under the plan which covers members only who are not eligible for Medicare benefits or which covers members and their families, none of whom are eligible for Medicare benefits.
- (e) *Husband and wife or domestic partner members.* Whenever a husband and wife or domestic partners are both members of the plan, and either has an agreement with the plan providing for benefits on a family basis, and either is making contributions for the same, the other spouse or domestic partner shall not be required to contribute to the plan. Any members believing they qualify under this provision shall file a notice with the personnel director on a form prescribed by him. Such notice shall be signed by both husband and wife or by both domestic partners and shall indicate from which spouse's or domestic partner's pay contributions are to be deducted. Such notice shall become effective as of the first pay period following the date of the election, subject to review by the board, which shall disallow any election it finds to be improper. Thereafter contributions shall be made as provided in the notice, but there shall be no refund of any contributions made prior to the effective date of any notice.
- (f) *Election by employees retiring before the effective date of this [Ord. No. _____] to continue participation in group health insurance following retirement.* Any employee who retired prior to the Effective on and after the date of this ordinance [Ord. No. 2006-3505] is adopted, any employee who intends to participate in the city's group health insurance ~~or HMO plan~~ upon retirement must make a one-time, irrevocable written election, prior to termination of city employment, to continue to participate in the city's group health insurance ~~or HMO~~ plan upon retirement, in order to be eligible for such continued participation

upon retirement. A retiree who timely makes such an election prior to termination of city employment shall be eligible for the applicable city contribution toward that coverage if coverage is maintained uninterrupted. Any employee who elects to continue under the city's health insurance ~~or HMO~~ plan upon retirement in accordance with this subsection (f), but thereafter discontinues or is discontinued from such coverage, may resume coverage only at the employee's expense, with no city contribution toward the cost of such coverage. ~~Notwithstanding the foregoing, employees in classifications within the GSA and any other bargaining unit excluding the CWA and AFSCME bargaining units, shall not be required to make the above election unless and until a collective bargaining agreement is ratified that provides for such election.~~

(g) ~~Ten year service requirement. Effective on the date this ordinance [Ord. No. 2006-3505] is adopted, any employee who previously elected or thereafter elects to participate in the defined contribution retirement system shall be required to have at least ten years of regular, full time city employment before becoming eligible for retiree health benefits. Notwithstanding the preceding sentence, employees in classifications within a bargaining unit other than the CWA, AFSCME or GSA bargaining units shall not be required to meet the minimum employment requirement in this subsection (g), unless and until a collective bargaining agreement is ratified that provides for such requirement. Notwithstanding the first sentence of this subsection (g), any mayor, member of the city commission, city manager or city attorney who previously elected or thereafter elects to participate in the defined contribution retirement system shall be required to have at least five years of city employment before becoming eligible for retiree health benefits.~~

(g) Election by employee retiring on or after the effective date of this ordinance to participate in the city's group health insurance following retirement. On and after the effective date of this ordinance [Ord. No. _____], any current or former retirement eligible Unclassified employee or Other classified employee who is not otherwise included in a collective bargaining unit, who participated in the City's defined benefit pension plan or the City's defined contribution pension plan, retiring after the effective date of this ordinance who desires to participate in the city's group health insurance ~~or HMO~~ plan upon or after retirement may make a written election at any time at or after employment termination to participate in the city's group health insurance ~~or HMO~~ plan. Any retirement eligible Unclassified employee, or Other classified employee who is not otherwise included in a collective bargaining unit, who elects to participate in the city's health insurance ~~or HMO~~ plan upon or after retirement in accordance with this subsection (g), but thereafter discontinues or is discontinued from such coverage, or who elects not to participate in the city's group health insurance ~~or HMO~~ plan upon retirement, but thereafter desires to begin participation, may begin or resume coverage only at at any time after retirement. If the retiree can demonstrate continuous health insurance coverage with no lapses in coverage from the time of retirement until the date that the retiree applies to join or rejoin the city's health insurance plan, the retiree shall be eligible for the applicable city contribution toward that coverage. If the retiree cannot

demonstrate continuous unexpired health insurance coverage from the date of retirement until the date that the employee applies to join or rejoin the city's health insurance plan, the retiree may join or rejoin the city's plan at the retiree's sole expense.

- (h) City contribution toward retiree health coverage for employees hired on or after March 18, 2006. For employees hired on or after March 18, 2006 and who are eligible for a city contribution pursuant to subsection (g), and upon receipt of normal retirement benefits from a city retirement plan, they shall also receive a monthly payment toward the cost of continued participation in the city group health insurance or HMO plan in the initial amount of \$10.00 per year of creditable service, up to a maximum of \$250.00 per month until age 65; and \$5.00 per year of creditable service up to a maximum of \$125.00 per month thereafter. This benefit shall be paid every month that the retiree participates, without lapse of coverage, in a city group health insurance plan for the lifetime of the retired employee, and shall cease upon a lapse in health insurance coverage or the retired employee's death, whichever comes first. ~~Notwithstanding any other provision of this article II, any employee hired on or after xxxxx xx, 2006 [Ord. No. 2006-3505], except as otherwise provided below, shall be eligible for a city contribution toward the cost of continued health insurance coverage in accordance with this subsection (h). Any such employee shall be eligible for the benefit provided in this subsection (h) if the employee has made an election to continue to participate in the city's group health insurance or HMO plan prior to termination of city employment pursuant to subsection (f), above, and has not thereafter discontinued or been discontinued from such coverage; and if such employee participates in the defined contribution retirement system the employee must also satisfy the employment requirement in subsection (g), above. Any such eligible employee shall, upon receipt of normal retirement benefits from a city retirement plan, also receive a monthly payment toward the cost of continued participation in the city group health insurance or HMO plan in the initial amount of \$10.00 per year of creditable service, up to a maximum of \$250.00 per month until age 65; and \$5.00 per year of creditable service up to a maximum of \$125.00 per month thereafter. This benefit shall be paid during the lifetime of the retired employee, and shall cease upon the retired employee's death. Notwithstanding the foregoing, employees in classifications within the AFSCME, GSA and any other bargaining unit excluding the CWA bargaining unit, shall not be eligible for the benefit described in this subsection (h) unless and until a collective bargaining agreement is ratified that provides for such benefit.~~

(i)

Sec. 78-82. Health maintenance organization (HMO).

~~(a) *Member.* For all employees, the contribution of an HMO member to the costs of the benefits provided for in his/her agreement, shall be a specific amount as determined by the amount of funds available each year and approved by the city commission as part of the annual city budget.~~

~~(b) *City.*~~

~~(1) For employees hired before March 18, 2006, the contribution of the city on behalf of HMO members to the costs of the benefits as provided for in his/her agreement shall be a specific amount as determined by the amount of funds available each year and approved by the city commission as part of the annual city budget.~~

~~(2) The city shall continue to contribute at the same rate for members who are absent on authorized leave, sickness or military service and shall contribute at the same rate on behalf of retirants who elect to continue their agreements and pensioners who elect to become members of the plan. The board shall ascertain annually the total amount of contribution to be made by the city on behalf of members of this plan and shall certify such amount together with an estimate of administrative costs to the city manager for his review, recommendation and submission to the city commission for its approval and inclusion in the annual budget.~~

~~(c) *Medicare pensioners' contributions.* For employees hired before March 18, 2006, the contribution of those employees, retirants, pensioners and dependents age 65 and over, eligible for Medicare benefits and who are members of the plan provided for in the agreements of those employees, retirants, pensioners and dependants age 65 and over, eligible for Medicare benefits, to the costs of the benefits as provided for in his/her agreement, shall be a specific amount as determined by the amount of funds available each year and approved by the city commission as part of the annual budget, plus the same specific amount of the contribution for Medicare benefits; but in no event shall such total contribution exceed the contribution of members of the plan who are not eligible for Medicare benefits and have a similar agreement for individual membership or for a family basis.~~

~~(d) *City's contribution to Medicare pensioners.* For employees hired before March 18, 2006, the contribution of the city on behalf of the members of the plan age 65 and over and eligible for Medicare benefits to the costs of the benefits provided for in his/her agreement shall be a specific amount as determined by the amount of funds available each year and approved by the city commission as part of the annual city budget, plus the same specific amount of contribution for Medicare benefits; but in no event shall the total of such contribution by the city exceed the amount of contribution respectively for any other agreements under the plan which covers members only who are not eligible for Medicare benefits or which covers members and their families, none of whom are eligible for Medicare benefits.~~

- ~~(e) *Husband and wife or domestic partner members.* Whenever a husband and wife or domestic partners are both members of the plan, and either has an agreement with the plan providing for benefits on a family basis, and either is making contributions for the same, the other spouse or domestic partner shall not be required to contribute to the plan. Any members believing they qualify under this provision shall file a notice with the personnel director on a form prescribed by him. Such notice shall be signed by both husband and wife or by both domestic partners and shall indicate from which spouse's or domestic partner's pay contributions are to be deducted. Such notice shall become effective as of the first pay period following the date of the election, subject to review by the board, which shall disallow any election it finds to be improper. Thereafter contributions shall be made as provided in the notice, but there shall be no refund of any contributions made prior to the effective date of any notice.~~
- ~~(f) *Election by employees retiring before the effective date of this ordinance [Ord. No. _____] to continue participation in group health insurance following retirement.* Effective on and after the date this [Ord. No. 2006-3505] is adopted, aAny employee who retired prior to the effective date of this ordinance who intends to participate in the city's group health insurance or HMO plan upon retirement must have made a one-time, irrevocable written election, prior to termination of city employment, to continue to participate in the city's group health insurance or HMO plan upon retirement, in order to be eligible for such continued participation upon retirement. A retiree who timely makes such an election prior to termination of city employment shall be eligible for the applicable city contribution toward that coverage if coverage is maintained uninterrupted. Any employee who elects to continue under the city's health insurance or HMO plan upon retirement in accordance with this subsection (f), but thereafter discontinues or is discontinued from such coverage, may resume coverage only at the employee's expense, with no city contribution toward the cost of such coverage. Notwithstanding the foregoing, employees in classifications within the GSA and any other bargaining unit excluding the CWA and AFSCME bargaining units, shall not be required to make the above election unless and until a collective bargaining agreement is ratified that provides for such election.~~
- ~~(g) *Ten year service requirement.* Effective on the date this ordinance [Ord. No. 2006-3505] is adopted, any employee who previously elected or thereafter elects to participate in the defined contribution retirement system shall be required to have at least ten years of regular, full-time city employment before becoming eligible for retiree health benefits. Notwithstanding the preceding sentence, employees in classifications within a bargaining unit other than the CWA, AFSCME or GSA bargaining units shall not be required to meet the minimum employment requirement in this subsection (g), unless and until a collective bargaining agreement is ratified that provides for such requirement. Notwithstanding the first sentence of this subsection (g), any mayor, member of the city commission, city manager or city attorney who previously elected or~~

thereafter elects to participate in the defined contribution retirement system shall be required to have at least five years of city employment before becoming eligible for retiree health benefits.

- ~~(g) Election by employees retiring on or after the effective date of this ordinance to participate in the city's group health insurance following retirement. On and after the effective date of this ordinance [Ord. No. _____], any unclassified pension-eligible employee or former employee retiring after the effective date of this ordinance who desires to participate in the city's group health insurance or HMO plan upon or after retirement may make a one time, irrevocable written election at any time at or after employment termination, prior to termination of city employment, to continue to participate in the city's group health insurance or HMO plan upon retirement in order to be eligible for such continued participation upon retirement. Any pension-eligible employee who elects to participate continue under in the city's health insurance or HMO plan upon or after retirement in accordance with this subsection (g), but thereafter discontinues or is discontinued from such coverage, or who elects not to participate in the city's group health insurance or HMO plan upon retirement, but thereafter desires to begin participation, may begin or resume coverage only at the employee's expense, with no at any time after retirement. If the employee can demonstrate continuous health insurance coverage with no lapses in coverage from the time of retirement until the date that the retiree applies to join or rejoin the city's health insurance plan, the employee shall be eligible for the applicable city contribution toward that coverage. If the retiree cannot demonstrate continuous unexpired health insurance coverage from the date of retirement until the date that the employee applies to join or rejoin the city's health insurance plan, the retiree may join or rejoin the city's plan at the retiree's sole expense.~~
- ~~(h) City contribution toward retiree health coverage for employees hired on or after the effective date of this ordinance [Ord. No. 2006 3505], except as otherwise provided below, shall be eligible for a city contribution toward the cost of continued health insurance coverage in accordance with this subsection (h). Any such employee shall be eligible for the benefit provided in this subsection (h) if the employee has made an election to continue to participate in the city's group health insurance or HMO plan prior to termination of city employment pursuant to subsection (f), above, and has not thereafter discontinued or been discontinued from such coverage; and if such employee participates in the defined contribution retirement system the employee must also satisfy the employment requirement in subsection (g), above. Any such eligible employee shall, March 18, 2006 and who are eligible upon receipt of normal retirement benefits from a city retirement plan, they shall also receive a monthly payment toward the cost of continued participation in the city group health insurance or HMO plan in the initial amount of \$10.00 per year of creditable service, up to a maximum of \$250.00 per month until age 65; and \$5.00 per year of creditable service up to a maximum of \$125.00 per month thereafter. This benefit shall be paid during the lifetime of the retired employee, and shall cease upon the retired~~

~~employee's death. Notwithstanding the foregoing, employees in classifications within the AFSCME, GSA and any other bargaining unit excluding the CWA bargaining unit, shall not be eligible for the benefit described in this subsection (h) unless and until a collective bargaining agreement is ratified that provides for such benefit.~~

SECTION 2. REPEALER.

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 3. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity. portions of this ordinance.

SECTION 4. CODIFICATION.

It is the intention of the Mayor and City Commission of the City of Miami Beach, and it is hereby ordained that the provisions of this ordinance shall become and be made a part of the Miami Beach City Code. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

SECTION 5. EFFECTIVE DATE.

This Ordinance shall take effect on the _____ day of _____, 2021.

OR

This Ordinance shall take effect 10 days after enactment.

PASSED AND ADOPTED this ____ day of _____, 2021.

ATTEST:

Dan Gelber, Mayor

Rafael E. Granado, City Clerk

Underline denotes additions

~~Strikethrough~~ denotes deletions

~~Double Strikethrough~~ denotes deletions at Second Reading

(Sponsored by GONGORA)

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

4-29-21
Date

RTR