

Ordinance

Ordinance No. 61.....

OF THE
CITY OF ATLANTIC CITY, N.J.

Date 6-16-04
Date to Mayor 7-29-04

Approved as to Form and Legality on Basis of Facts Set Forth

Factual contents certified to by

Irving B. Jacoby
Deputy City Solicitor /s/ ~~Beverly Graham-Foy~~ Irving B. Jacoby

Benjamin R. Fitzgerald
Business Administrator /s/ Benjamin R. Fitzgerald

Prepared by the City Solicitor's Office

Council Member ROBINSON Presents the following Ordinance:

AN ORDINANCE ADOPTING THE CITY OF ATLANTIC CITY RETIREMENT BENEFITS PROGRAM JUNE 1, 2004.

WHEREAS, the City of Atlantic City wishes to adopt a retirement benefits program; and

WHEREAS, the contents of the program are outlined in the attached document entitled, "City of Atlantic City Retirement Benefits Program June 1, 2004";

NOW, THEREFORE, BE IT ORDAINED that the City of Atlantic City adopts the attached Retirement Benefits Program; and

BE IT FURTHER ORDAINED that the City Clerk is hereby requested to send a certified copy of this ordinance and attachment to the Director of the Division of Pension and Benefits; and

BE IT FURTHER ORDAINED that any Ordinance or parts of any Ordinance inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency; and

BE IT FURTHER ORDAINED that this Ordinance shall take effect immediately upon its final passage and publication as provided by law.

dle June 16, 2004 02:41:55 PM ORDRET/COUNCIL/06-16-04

DO NOT USE SPACE BELOW THIS LINE

RECORD OF COUNCIL VOTE ON FINAL PASSAGE													
COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	MOT.	SEC.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	MOT.	SEC.
CLARK	/						MASON	/					
JONES	/						ROBINSON	/				/	
MANCUSO	/						ROSARIO	/					
MARSH	/					/	SMALL	/					
CALLAWAY, PRESIDENT								/					
X-Indicates Vote NV-Not Voting AB-Absent MOT-Motion SEC-Second													

Adopted on first reading at a meeting of the Council of the City of Atlantic City, N.J., on June 16, 2004.....
 Adopted on second and final reading after hearing on July 28, 2004.....

Approved By [Signature] Date 7-29-04 Reconsidered _____ Over _____
 Mayor By Council _____ Ride _____ Aye _____ Nay _____

This is a Certified True copy of the Original Ordinance on file in the City Clerk's Office.

[Signature]
City Clerk

**FRANK J.
SIRACUSA
AND SON**

30 SO. NEW YORK AVENUE
ATLANTIC CITY, NEW JERSEY 08401
Phone: (609) 344-7175

**CITY OF ATLANTIC CITY
RETIREMENT BENEFITS PROGRAM**
(Rev. July 21, 2004) + *FWS* 

The City of Atlantic City has expanded the Medical and Rx (but not Dental or Vision) components of its Health Benefits Program to provide lifetime coverage to those eligible employees who are covered by Collective Bargaining Agreements other than Superior Officers Association, and who have contracted for Retirement Benefits inclusion, and to eligible, unclassified, exempt and confidential employees.

Horizon Blue Cross has amended its existing HMO Blue contract to include a second category of covered persons who are designated as Retirees. To be eligible for enrollment into this category, the retiring employee must meet all of the following criteria on or after January 1 of 2004:

- (A) Retired on a Disability pension or have attained at least twenty-five years of service credits in a state or locally administered Retirement system, which must include ten years of service with the City or have completed at least fifteen years of service with the City and reached age 62 years or older without regard to additional service credit; and
- (B) Have been employed by the City working an average of at least thirty-five hours per week during the last two years prior to retirement; and
- (C) Be enrolled in Medicare A+B for Medical and the broadest Rx option (when and if available), if eligible for Medicare enrollment. But if Medicare B eligibility is delayed until its next open enrollment following retirement, Benefits covered thereunder will remain covered by the City's Retiree program until retiree has become eligible for enrollment into Medicare B.

Employees hired by the City on or after January 1 of 2004 must be continuously employed by the City for a period of no less than fifteen years and be over age of 62 years following that date to be eligible for Retirement Benefits.

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The City currently offers its employees four options for Medical coverage. Retiring employees who are covered by alternative Medical plans sponsored by the City must transfer to the City's HMO Blue Plan at the date of retirement in order to be eligible for Retirement Benefits. Alternatively, retiring employees and their spouses who are Medicare-eligible must enroll into a new program known as "Medicare Blue". This program has been customized for the City by Blue Cross to provide Benefits that are essentially the same as HMO Blue. The enclosed Exhibit has been prepared by Blue Cross staff to illustrate the differences between the HMO Blue and Medicare Blue.

It is anticipated that various Prescription plans will be offered by Medicare, either as part of Medicare A or B or as a free-standing program. Once the Rx plans are available the City will select the Rx plan or plans deemed most cost-effective; the contribution percentages will be as outlined below, and the Rx premiums will be adjusted to reflect the reductions resulting from the selected plan or plans.

Retiring employees and their spouses that are not yet Medicare-eligible at time of retirement must enroll into HMO Blue, and then each person must enroll into Medicare Blue during the three month period prior to the date that each person becomes Medicare-eligible. Retiring employees and/or their spouses ineligible for Medicare at retirement shall enroll in and remain covered by HMO Blue until eligible for Medicare.

The share of Benefits costs to be borne by the Retiree shall be the following percentages of monthly HMO Blue rates or Medicare Blue rates promulgated for the City as of March 1 of each year:

- | | |
|--|-----|
| A) Employees retiring on or before
January 1 of 2005 | 5% |
| B) Employees retiring January 2 of
2005 through January 1 of 2006 | 15% |
| C) Employees retiring on or after
January 2 of 2006 | 25% |

An employee who announces an intention to retire on or before January 1 of 2005 and receive benefits under Chapter 128, but whose retirement is delayed at request of the City for a period up to October 1 of 2005 shall have 95% of the cost of Benefits paid by the City, provided the employee's service is extended with the specific consent of the administration and approval of the governing body.

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Dependents of a covered Retiree who were covered by the City's Benefits Plan at least one year prior to date of employees retirement date shall be eligible for continued coverage, subject to HMO Blue or Medicare Blue eligibility rules, as long as the retiring employee remains covered under the City's Benefits Plan. Termination of coverage for the employee will serve to terminate coverage for dependents. But in the event of death of the Retiree, the enrolled spouse may remain covered in the City's plans by contributing 67% of the applicable monthly rates.

Dependent children of a retiring employee who becomes Medicare-eligible and enrolls in Medicare Blue shall remain covered by HMO Blue on a single or parent/child basis as applicable, until they are no longer eligible for coverage.

If a Retiree covered by the City's Benefits Plan establishes permanent residence outside of New Jersey into a state or geographical area not having medical providers contracted to HMO Blue or Medicare Blue, the Retiree may purchase Medical/Rx coverage in the newly domiciled area, and the City shall contribute by check payable to Retiree an amount equal to its share of the costs it would have paid to HMO Blue or Medicare Blue. Reimbursement procedures must be in compliance with NJ Pension regulations.

The City will invoice the Retiree once monthly for the Retiree's share of costs; payment in good funds must be received at the location of the payer designated by the City no later than twenty days thereafter. Payments received after 20th of month due may, at the option of the City, be returned and coverage may be terminated without obligation to reinstate. Non-payment by the Retiree shall serve as notice to the City that coverage is to be terminated.

A retiring employee who is the spouse of a covered active employee of the City shall receive Benefits following retirement as the dependent of the active employee. Upon the subsequent retirement of the active employee, the couple shall become eligible for Retirement Benefits on a "Family" or "Husband/Wife" basis, and the applicable percentage of premium cost shall be determined by the retirement date of first retiring spouse.

It is the responsibility of the Retiree to notify the City upon attaining eligibility for Medicare and to purchase Medicare B, and to enroll into Medicare Blue, and to remain covered by Medicare A+B in order to be eligible to continue coverage in Medicare Blue. The City assumes no responsibility for retroactive premium crediting beyond one monthly billing.

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Retirees and their Dependents enrolled in the City's Benefits Plan who become re-employed elsewhere and are thereby eligible for equal or better Medical/Rx Benefits under a new employer's Plan may either become enrolled in the new employer's Plan or may remain covered by the City's Plan.

- (A) If the Retiree selects the new employer's Plan and subsequently loses eligibility for coverage thereunder, the Retiree and his previously covered dependents may re-enroll into the City's Plan by giving thirty days advance notice to the City and provide evidence of continuous Med/Rx coverage during the period not in the City's Plan.
- (B) If the Retiree who is eligible for a new employer's Plan opts to remain in the City's Plan and receives an Opt-Out stipend from the new employer, the Retiree shall instruct the new employer to remit the stipend to the City, and the Retiree will no longer be required to contribute to the cost of the City's Plan, provided the amount of stipend exceeds the amount of contribution.
- (C) In either case the procedures outlined above are at all times subject to the rules of eligibility and acceptability promulgated by the insurer.

Any revisions or changes published by Horizon Blue Cross that affect all participants in its HMO Blue and Medicare Blue contracts will apply to the City's programs. And the wording in the City's collective bargaining agreements relating to "no change in Benefits" and the like shall be inapplicable in relation to changes in policy form made by Horizon Blue Cross for its HMO Blue and Medicare Blue contracts.

Any terms or conditions set forth in this program that are ruled to be in violation of state statutes or regulations or if a court of competent jurisdiction deems that the Benefits provided herein must be expanded or altered in any way, this Agreement shall be re-negotiated with the applicable collective bargaining units.

The City retains its right to replace its HMO Blue program at any time with an alternative plan providing equal Benefits. Nothing contained in the Retirement Benefits program shall impair this right. Notices of change shall be given to retirees in accordance with statute.

Prior to enrollment inquiries may be directed to the City's Risk Manager. Once enrolled appeals must be directed to the City Business Administrator whose decision shall be consistent with terms of the applicable collective bargaining agreement and state statutes, and thereafter shall be final on all matters pertaining to the Program.

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**CITY OF ATLANTIC CITY
RETIREMENT BENEFITS PROGRAM
June 1, 2004
MONTHLY COSTS TO RETIREES**

RATES GUARANTEED UNTIL FEB. 28, 2005

UPON ENROLLMENT INTO
HMO BLUE
NOT MEDICARE ELIGIBLE):

	<u>Med Rates</u>	<u>Rx Rates*</u>	<u>Total</u>	<u>Rtee @ 5%</u>
(A) Single	\$ 352.90	\$ 108.33	\$ 461.23	\$ 23.06
(B) Fam+HW	878.19	247.64	1125.83	56.29
(C) Rtee/Child	596.73	144.63	741.36	37.08

UPON ENROLLMENT INTO
MEDICARE BLUE
(MEDICARE ELIGIBLE):

	<u>Med Rates</u>	<u>Rx Rates*</u>	<u>Total</u>	<u>Rtee @ 5%</u>
(A) Each Person	\$ 60.65	\$ 108.33	\$ 168.98	\$ 8.45
(B) One Spouse Medi Blue One Spouse HMO Blue	\$413.55	\$ 247.64	\$ 661.19	33.06
(C) Each Dep. Child	\$352.90	\$ 108.33	\$ 461.23	23.06

*Rx Rates Equal To NJSHP

SUPP-A

**CITY OF ATLANTIC CITY
HORIZON MEDICARE BLUE PLAN
(FOR RETIREE + SPOUSE MEDICARE ELIGIBLE)**

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PHONE: (609) 344-7175
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SERVICES + SUPPLIES	IN NETWORK (Offered By HMO Blue)	OUT OF NETWORK (Not Offered By HMO Blue)
Annual Deductible	N/A	\$1,000
Out of Pocket Maximum	N/A	\$2,000
Hospitalization (Inpatient & Outpatient) ♦ Semiprivate room (Private if medically necessary) ♦ Nursing Services ♦ Inpatient physician and surgical services ♦ Medication and medical supplies ♦ Laboratory tests ♦ X-Rays and other radiology services ♦ Blood ♦ Special care units ♦ Rehabilitation services ♦ Meals ♦ Emergency room	100% coverage for unlimited days as medically necessary. ER: \$50 copayment waived if admitted HMO BLUE = \$25 Co-Pay	80% of allowance after deductible for unlimited days as medically necessary. ER: \$50 copayment waived if admitted
Physician Services ♦ Primary care office visits including: - Routine physical exams - Immunizations	\$0 copay per visit (includes all services).	80% of allowance after deductible
Specialty Care ♦ Specialist office visits ♦ Gynecology office visits including Pap smears ♦ X-Ray ♦ Laboratory Services ♦ Mammography	\$0 copay per visit (includes all services)	80% of allowance after deductible for medically necessary services.
Vision Care ♦ Annual eye exam	HMO BLUE = No Coverage \$0 copay per visit	80% of allowance after deductible
♦ Vision hardware (eyeglasses or contact lenses)	HMO BLUE = No Coverage	\$100 every two years
Hearing Tests ♦ Annual Tes. ♦ Hearing Aids	HMO BLUE = No Coverage \$0 copay per visit \$750 reimbursement for hearing aids every three years.	Not covered
Skilled Nursing Facility	100% coverage (100 days per benefit period) as medically necessary. Day visit limit combined both in and out of network.	80% of allowance after deductible (100 days per benefit period) as medically necessary. Day visit limit combined both in and out of network.
Home Health Care	100% coverage Unlimited, as long as medically necessary.	80% of allowance after deductible Unlimited, as long as medically necessary.
Mental Health ♦ Inpatient ♦ Outpatient	Inpatient: 100% (190 day lifetime limit applies). Day limit combined both in and out of network. HMO BLUE = \$0 Co-Pay Outpatient: \$25 copay	Inpatient/Outpatient: 80% of allowance after deductible (190 day inpatient lifetime limit applies). Day limit combined both in and out of network.
Podiatry	Covered at 100% after \$0 copayment for medically necessary services.	80% of allowance after deductible for medically necessary services.
Chiropractic Care for manual manipulation of spine to correct subluxation	100% after \$0 copayment.	80% of allowance after deductible
Durable Medical Equipment	100% when preauthorized by PCP and Plan.	80% of allowance after deductible when preauthorized by PCP and Plan.
Physical and Occupational Therapy	\$0 copay when preauthorized by PCP and Plan.	80% of allowance after deductible when preauthorized by PCP and Plan.
Dental Care	Discounts Available	
Prescription Drug at a participating pharmacy		Medicare Mandated Drugs only
CareWise	Members may call a registered nurse counselor to ask questions about their health or medical treatment programs, 24 hours a day	

- ♦ Copay and deductible amounts do not apply to Out-of-Network out of pocket maximum.
- ♦ Referrals to participating providers are required for In-Network benefit level.
- ♦ Prior authorization is required for some services Out-of-Network. A member is liable for a non-authorization fee when he/she fails to obtain the required authorization for certain services rendered Out-of-Network. The fee is 50% of the allowed amount per incident. The fee is capped at \$1,000 and does not apply to the deductible and out of pocket maximum.

Horizon Medicare Blue is a managed care plan with a Medicare+Choice contract. Horizon Medicare Blue is issued by Horizon Healthcare of New Jersey, Inc., a subsidiary of Horizon Blue Cross Blue Shield of New Jersey, independent licensees of the Blue Cross and Blue Shield Association.