

MSCF  
COPY

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
STATE OF MINNESOTA  
BY AND THROUGH  
MINNESOTA STATE COLLEGES AND UNIVERSITIES  
AND  
MINNESOTA STATE COLLEGE FACULTY

The parties hereby agree to the attached provisions defining group insurance coverage for employees covered by the collective bargaining agreement between the State of Minnesota and the Minnesota State College Faculty ("MSCF"). These provisions will become effective on January 1, 2026, and shall remain in full force and effect until December 31, 2027, or until a final agreement between Minnesota State and MSCF on the 2025-2027 Master Agreement is approved and becomes effective in accordance with Minn. Stats. §§ 43A.06, Subd. 1(c); 43A.18, Subd. 1.

The Employer shall provide the Union notice of the implementation date of the attached provisions at least fourteen (14) calendar days in advance of such implementation.

The parties agree that this MOU will be effective on the date on which all parties have signed below.

FOR THE EMPLOYER

FOR THE UNION

 09/24/2025  
Betsy Thompson (Sep 24, 2025 13:06:52 CDT)

Kevin Lindstrom 09/24/2025  
Kevin Lindstrom (Sep 24, 2025 12:44:53 CDT)

Betsy Thompson Date  
Director of Labor Relations

Kevin Lindstrom Date  
President

 09/24/2025  
Eric Davis Date  
Vice Chancellor for Labor Relations



## ARTICLE 19 INSURANCE

**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 coverage equivalent to existing coverage, 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 faculty members 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.

**Section 2. Eligibility for Group Participation.** This section describes eligibility to participate in the group insurance program.

**Subd. 1. Faculty Members -- Basic Eligibility.** A faculty member may participate in the group insurance program if the faculty member:

A. Holds one of the following:

1. An appointment to an unlimited full-time position;
2. An appointment to a fixed-term full-time position;
3. An appointment to an unlimited part-time position with an annual guarantee of at least twelve (12) semester credits or its equivalent; or
4. An appointment to a fixed-term part-time position with an annual guarantee of at least twelve (12) semester credits or its equivalent; or

B. Holds a temporary part-time appointment and meets the following conditions:

1. Initial qualification requires an appointment at one (1) institution totaling at least six (6) credits per semester over two (2) consecutive academic year semesters. Such eligibility starts at the beginning of the second semester.
2. Once qualified, the faculty member remains qualified for each semester in which the faculty member's appointment at one (1) institution equals at least six (6) credits.
3. When the faculty member's semester appointment drops below six (6) credits, insurance eligibility will cancel for that semester, but will be reinstated when the semester appointment at one (1) institution returns to at least six (6) credits.

4. Once a break in service (defined as no assignments for one (1) full academic year) occurs (excluding summer session) initial qualification in Subd. 1B.1. above must be re-met.

**Subd. 2. Faculty Members -- Special Eligibility.** The following faculty members are also eligible to participate in the group insurance program:

- A. **Faculty members with a work related injury/disability.** A faculty member who was off the state payroll due to a work related injury or work related disability may continue to participate in the group insurance program as long as such a faculty member receives workers' compensation payments or while the workers' compensation claim is pending.
- B. **Totally disabled faculty members.** Consistent with M.S. 62A.148, certain totally disabled faculty members may continue to participate in the group insurance program.
- C. **Separated faculty members.** Pursuant to M.S. 43A.27, Subd. 3a(1), a faculty member who separates from State service and who, at the time of separation has five (5) or more years of allowable pension service, is not eligible for regular (non-disability) Medicare coverage, and meets the age or length of service requirements of TRA or MSRS [thirty (30) years of service, no age limit; or fifty-five (55) years of age, not less than three (3) years of service; or Rule of Ninety (90)] and is entitled at the time of retirement to immediately receive a retirement benefit under M.S. 354B or an annuity under a retirement program, may continue to participate in the health and dental coverages offered through the group insurance program. Pension service includes service from K-12, Joint Vocational, or Intermediate Districts.
  - a. Consistent with M.S. 43A.27, Subd. 3a(2), a separated faculty member who separates from State service and who, at the time of separation is at least fifty (50) years of age and has at least fifteen (15) years of State service may continue to participate in the health and dental coverage(s) offered through the group insurance program at the faculty member's own expense. A spouse of a deceased retired faculty member may continue health and dental coverage(s) through the group insurance program provided the spouse was dependent under the retired member's coverage at the time of the retiree's death and continues to make the required premium payments. Retiree coverage must be coordinated with Medicare.
- D. **Summer Coverage - Unlimited Faculty After Resignation.** An unlimited faculty member who is enrolled in the group insurance program and submits notice of resignation effective following the faculty member's completion of the academic year continues that eligibility to participate in the group insurance program through the summer. This paragraph shall not apply to those faculty members who retire; however, faculty members who elect early retirement continue to be provided with the provisions of Article 16, Sections 3, 4, or 5. This paragraph does not change current practice relative to the provisions of Article 16, Sections 3, 4, or 5, if eligible.

- E. **Summer Coverage - Temporary Part-Time Faculty**. A faculty member on a temporary part-time appointment (including temporary part-time converted to temporary full-time per Article 20, Section 5, Subd. 1) who is eligible to participate in the group insurance program continues that eligibility during the summer if:
1. The faculty member has received written notice from the president (or the president's designee) of the employing college by May 31<sup>st</sup> of the current year that the same college intends to re-hire the faculty member into either:
    - a) an insurance-eligible (i.e., at least six [6] credits or the equivalent) temporary part-time faculty position for the subsequent fall term, or
    - b) a fixed-term faculty position starting the subsequent academic year, or
    - c) a probationary faculty position starting the subsequent academic year.
  2. the faculty member has received and delivered to the president (or president's designee) of the employing college, by May 31<sup>st</sup> of the current year, written notice from the president (or president's designee) of another Minnesota State college that the other college intends to hire the faculty member into either:
    - a) an insurance-eligible (i.e., at least six [6] credits or the equivalent) temporary part-time faculty position for the subsequent fall term, or
    - b) a fixed-term faculty position starting the subsequent academic year, or
    - c) a probationary faculty position, starting the subsequent academic year.
- F. **Summer Coverage - Probationary Faculty**. A faculty member who is on a probationary appointment who is eligible to participate in the group insurance program continues that eligibility during the summer if:
1. the faculty member's probationary appointment will be continuing at the college the following academic year; or
  2. the faculty member's probationary appointment at the employing college will be ending by non-renewal at the close of the current academic year, and the faculty member has received written notice from the college president (or the president's designee) by May 31<sup>st</sup> of the current year that the same college intends to re-hire the faculty member into either a fixed-term faculty position or an insurance-eligible (i.e., at least six [6] credits or the equivalent) temporary faculty position at the college for the subsequent fall term; or
  3. the faculty member's probationary appointment at the employing college will be ending by non-renewal at the close of the current academic year, and the faculty member has

received and delivered to the college president (or president's designee), by May 31<sup>st</sup> of the current year, written notice from the college president (or president's designee) of another Minnesota State college that other college intends to hire the faculty member into a probationary faculty position, starting the subsequent academic year.

G. **Summer Coverage – Fixed-Term Faculty.** A faculty member on a fixed-term appointment who is eligible to participate in the group insurance program continues that eligibility during the summer if:

1. the faculty member's current fixed-term appointment will be continuing at the college for the subsequent fall term, or
2. the faculty member has received written notice from the president (or the president's designee) of the employing college by May 31<sup>st</sup> of the current year that the same college intends to re-hire the faculty member into either:
  - a) an insurance-eligible (i.e., at least six [6] credits or the equivalent) temporary part-time faculty position for the subsequent fall term, or
  - b) a different fixed-term faculty position starting the subsequent academic year, or
  - c) a probationary faculty position starting the subsequent academic year, or
3. the faculty member received and delivered to the president (or president's designee) of the employing college, by May 31<sup>st</sup> of the current year, written notice from the president (or president's designee) of another Minnesota State college that the other college intends to hire the faculty member into either:
  - a) an insurance eligible (i.e., at least six (6) credits or the equivalent) temporary part-time faculty position for the subsequent fall term, or
  - b) a fixed-term faculty position starting the subsequent academic year, or
  - c) a probationary faculty position starting the subsequent academic year.

H. **Sabbatical Leave.** A faculty member eligible to participate in the group insurance program immediately prior to taking a sabbatical leave continues that eligibility during the sabbatical leave.

I. **Faculty Members on Layoff.** An unlimited faculty member who has been laid off, whose layoff option under Article 22, Section 8 is Option A, and who was eligible to participate in the group insurance program immediately prior to being placed on layoff continues that eligibility during the recall period.

- J. **Faculty Members on Unpaid Leave of Absence.** A faculty member who is eligible to participate in the group insurance program immediately prior to taking an unpaid leave of absence continues that eligibility during the unpaid leave of absence at the faculty member's own expense.

**Subd. 3. Dependents.** Eligible dependents for the purposes of this Article are as follows:

- A. **Spouse.** The spouse of an eligible faculty member (if legally married under Minnesota law). For the purposes of health insurance coverage, if that spouse works full-time for an organization employing more than one hundred (100) people and:
- (1) elects to receive either credits or cash in place of health insurance or health coverage or towards some other benefit in place of health insurance, then they are not eligible for the comparable coverage or insurance under this Article; or
  - (2) is enrolled in a high deductible medical insurance plan (as defined by the IRS) that includes a contribution to a health savings account (HSA) through their employing organization, then they are not eligible for medical coverage under this Article.

When both spouses work for the State or another organization participating in the State Employee Group Insurance Program, a spouse may be covered as a dependent by the other but when covered as a dependent they may not carry their own coverage (members may only be covered once).

B. **Children.**

- a. **Health and Dental Coverage:** A dependent child is an eligible faculty member's child to age twenty-six (26).
- b. **Dependent Child:** A "dependent child" includes a faculty member's (1) biological child, (2) child legally adopted by or placed for adoption with the faculty member, (3) stepchild, ~~and~~ (4) foster child, (5) child by legal guardianship, and (6) child by placement to faculty member, who is a relative of the child, as established by court judgment, order or decree. ~~who has been placed with the faculty member by an authorized placement agency or by a judgment, decree, or other court order.~~ For a stepchild to be considered a dependent child, the faculty member must be legally married to the child's legal parent or legal guardian. ~~A faculty member (or the faculty member'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 faculty member or the faculty member's spouse by an authorized placement agency or by judgment, decree or other court order. For a child by legal guardianship or placement to be considered by a dependent child under this plan, the child's legal relationship with the faculty member must be established by a court judgment, decree or other court order. A dependent child is generally eligible

to age 26, unless the child's status as a dependent child ceases at an earlier date, such as the expiration of a court order or decree.

- c. **Coverage Under Only One Plan:** For purposes of (a) and (b) above, if the faculty member's adult child (age 18 to 26) works for the State or another organization participating in the State's group insurance program, the child may not be covered as a dependent by the faculty member unless the child is not eligible for a full Employer Contribution as defined in Section 3, Subd. 1.

Effective January 1, 2015 for purposes of (a) and (b) above, if the faculty member's adult child (age 18 to 26) works for the State or another organization participating in the State's group insurance program, the child may be covered as a dependent by the faculty member.

- C. **Grandchildren.** ~~A dependent grandchild of a faculty member, up to age twenty-five (25), is an eligible faculty member's unmarried dependent grandchild who:~~

- a. ~~Is-is~~ financially dependent upon the faculty member for principal support and maintenance and has resided with the faculty member continuously from birth, ~~or.~~

~~b. A grandchild of a faculty member is also an eligible dependent if the grandchild is claimed as a tax dependent on the employee's tax return. Resides with the faculty member and is dependent upon the faculty member for principal support and maintenance and is the child of the faculty member's unmarried child (the parent) to age nineteen (19).~~

~~e-b.~~ If a grandchild is legally adopted or placed in the legal custody of the grandparent, the grandchild is covered as a dependent child under Section 2, Subd. 3 (B)(b) or (4??).

- D. **Child with a Disability.** A dependent child with a disability is an eligible faculty member's child or grandchild regardless of marital status, who was covered and then disabled prior to the limiting age or any other limiting term required for dependent coverage and who continues to be incapable of self-sustaining employment by reason of developmental disability, mental illness or disorder, or physical disability, and is chiefly dependent upon the faculty member for support and maintenance, provided proof of such incapacity and dependency must be furnished to the health carrier by the faculty member or enrollee within thirty-one (31) days of the child's attainment of the limiting age or any other limiting term required for dependent coverage. The dependent with a disability is eligible to continue coverage as long as the disabled dependent continues to be disabled and dependent, unless coverage terminates under the contract.

- E. **Qualified Medical Child Support Order.** A child who would otherwise meet the eligibility requirements and is required to be covered by a Qualified Medical Child Support Order (QMCSO) is considered an eligible dependent.

- E. **Child Coverage Limited to Coverage Under One Faculty member.** If both spouses work for the State or another organization participating in the State's group insurance

program, either spouse, but not both, may cover the eligible dependent children or grandchildren. This restriction also applies to two divorced, legally separated, or unmarried faculty members who share legal responsibility for their eligible dependent children or grandchildren. A member in the State's Group Insurance benefits may only be covered once, by one (1) parent or guardian.

**Subd. 4. Continuation Coverage.** Consistent with state and federal laws, certain faculty members, former faculty members, dependents, and former dependents may continue group health, dental, and/or life coverage at their own expense for a fixed length of time. As of the date of this Agreement, state and federal laws allow certain group coverage to be continued if they would otherwise terminate due to:

- A. termination of employment (except for gross misconduct);
- B. layoff;
- C. reduction of hours to an ineligible status;
- D. dependent child becoming ineligible due to change in age, student status, marital status, or financial support (in the case of a foster child or stepchild);
- E. death of faculty member;
- F. divorce, legal separation; or
- G. a covered faculty member's enrollment in Medicare.

**Section 3. Eligibility for Employer Contribution.** This section describes eligibility for Employer contribution toward the cost of coverage.

**Subd. 1. Full Employer Contribution.** A faculty member shall be eligible to receive the full Employer contribution for health, dental and basic life coverage(s) if the faculty member:

- A. Holds one of the following:
  - 1. An appointment to an unlimited full-time position;
  - 2. An appointment to a fixed-term full-time position;
  - 3. An appointment to an unlimited part-time position, the annual guarantee of which, alone or when combined with other assignments worked by the faculty member at the same or another Minnesota State college during the academic year, is at least seventy-five percent (75%) of the full-time work assignment load for the academic year; or

- B. Holds an appointment to a fixed-term part-time position and meets one (1) of the conditions below for the associated contribution benefit:
1. When a faculty member holds an appointment to a fixed-term part-time position which, alone or when combined with other assignments worked by the faculty member at the same or another Minnesota State college during fall semester, results in the faculty member's being assigned twelve (12) or more credits or credit equivalents fall semester, then the faculty member shall receive the full Employer contribution for that semester;
  2. When a faculty member holds an appointment to a fixed-term part-time position which, alone or when combined with other assignments worked by the faculty member at the same or another Minnesota State college during spring semester, results in the faculty member's being assigned twelve (12) or more credits or credit equivalents spring semester, then the faculty member shall receive the full Employer contribution for that semester;
- C. Holds a temporary part-time appointment and meets one (1) of the conditions below for the associated contribution benefit:
1. When a temporary part-time faculty member is assigned to twelve (12) or more credits or credit equivalents in fall semester then the faculty member shall receive the full Employer contribution for that semester.
  2. When a temporary part-time faculty member is assigned for twelve (12) or more credits or credit equivalents in spring semester then the faculty member shall receive the full Employer contribution for that semester.
  3. If a temporary part-time faculty member is eligible for insurance coverage during the summer, the level of the Employer contribution (full or partial) shall be the same as the temporary part-time faculty member received during the immediately preceding spring semester. However, if the aggregate number of credits assigned to the temporary part-time faculty member for the academic year (fall and spring semesters) is twenty-four (24) or more the faculty member shall receive the full Employer contribution for insurance during the summer regardless of the level received during the immediately preceding spring semester.

**Subd. 2. Partial Employer Contribution.** Faculty members who are eligible for the partial Employer contribution for health, dental and basic life coverage (s) shall receive the full Employer contribution for basic life coverage, and at the faculty member's option, the partial contribution for health and dental coverage(s). The partial Employer contribution for health and dental coverage(s) is fifty percent (50%) of the full cost. The following will receive the partial Employer contribution:

**A. Faculty with Unlimited Part-Time Appointments.**

1. Faculty holding unlimited part-time appointments whose total appointments are at least six (6) credits per semester but less than seventy-five percent (75%) of the full-time work assignment load for the academic year.

**B. Faculty with Temporary Part-Time Appointments.**

1. Faculty members holding temporary part-time appointment(s) who meet the basic-eligibility criteria in Article 19, Section 2, Subd. 1.B and who are assigned to at least six (6) credits but less than twelve (12) credits or credit equivalents in fall semester shall receive the partial Employer contribution for that semester.
2. Faculty members holding temporary part-time appointment(s) who meet the basic-eligibility criteria in Article 19, Section 2, Subd. 1.B and who are assigned to at least six (6) credits but less than twelve (12) credits or credit equivalents in spring semester shall receive the partial Employer contribution for that semester.

**C. Fixed-Term Part-Time Faculty.**

1. When a fixed-term part-time faculty member is assigned to fewer than twelve (12) credits or credit equivalents in fall semester, the faculty member shall receive the partial Employer contribution for that semester.
2. When a fixed-term part-time faculty member is assigned to fewer than twelve (12) credits or credit equivalents in spring semester, the faculty member shall receive the partial Employer contribution for that semester.

**Subd. 3.** The following faculty members also receive an Employer contribution:

**A. Faculty Members on Layoff.**

- a. An unlimited faculty member who receives a full Employer contribution, who has three (3) or more years of continuous service, who has been laid off, and whose layoff option under Article 22, Section 8 is Option A, remains eligible for the full Employer contribution and all other benefits provided under Article 19 for twelve (12) months in accordance with Article 22, Section 8, Option A, Subd. 6, Group Insurance.
2. An unlimited full-time faculty member who receives a full Employer contribution, who has three (3) or more years of continuous service, who has been laid off, and who selects Option B under Article 22, Section 8, shall receive into their HCSP account an amount equivalent to the employer-paid portion of one (1) year of health, dental, and basic life insurance in accordance with Article 22, Section 8, Option B, Subd. 3, Contribution to Health Care Savings Plan (HCSP).

- B. **Work Related Injury/Disability.** A faculty member who receives an Employer contribution and who is off the state payroll due to a work related injury or a work related disability remains eligible as long as such a faculty member receives workers' compensation payments. If such faculty member ceases to receive workers' compensation payments for the injury or disability and is granted a disability leave under Article 15, Section 4 the faculty member shall be eligible during that leave.
- C. **Summer Coverage - Unlimited Faculty After Resignation.** An unlimited faculty member who is enrolled in the group insurance program and who submits notice of resignation effective following the faculty member's completion of the academic year continues to receive the Employer contribution through the summer at the same level of Employer contribution as the faculty member was receiving immediately prior to the end of spring semester. This paragraph shall not apply to those faculty members who retire; however, faculty members who elect early retirement continue to be provided with the provisions of Article 16, Sections 3, 4, or 5. This paragraph does not change current practice relative to the provisions of Article 16, Sections 3, 4, or 5, if eligible.
- D. **Summer Coverage - Temporary Part-Time Faculty.** A faculty member on a temporary part-time appointment (including temporary part-time converted to temporary full-time per Article 20, Section 5, Subd. 1) who is eligible for an Employer contribution and who is eligible to participate in the group insurance program during the summer under the terms of Article 19, Section 2, Subd. 2.E, above, continues to receive the Employer contribution during the summer at the same level of Employer contribution as the faculty member was receiving immediately prior to the end of spring semester.
- E. **Summer Coverage - Probationary Faculty.** A faculty member on a probationary appointment who is eligible for an Employer contribution and who is eligible to participate in the group insurance program during the summer under the terms of Article 19, Section 2, Subd. 2.F, above, continues to receive the Employer contribution during the summer at the same level of Employer contribution as the faculty member was receiving immediately prior to the end of spring semester.
- F. **Summer Coverage – Fixed-Term Faculty.** A faculty member on a fixed-term appointment who is eligible for the Employer contribution and who is eligible to participate in the group insurance program during the summer under the terms of Article 19, Section 2, Subd. 2.G, above, continues to receive the Employer contribution during the summer at the same level of Employer contribution as the faculty member was receiving immediately prior to the end of the Spring semester, subject to the following exception:

If the aggregate number of credits assigned to the fixed-term part-time faculty member for the academic year (fall and spring semesters), from the fixed-term part-time appointment alone or when combined with other assignments worked by the faculty member at the same or another Minnesota State college, is twenty-four (24) or more, the faculty member shall receive the full Employer contribution for insurance during the summer regardless of the level received during the immediately preceding spring semester.

- G. **Sabbatical Leave.** A faculty member eligible for an Employer contribution immediately prior to taking a sabbatical leave continues to receive the Employer contribution during the sabbatical leave.

**Subd. 4. Maintaining Eligibility for Employer Contribution.**

- A. **General.** A faculty member who receives a full or partial Employer contribution maintains that eligibility as long as the faculty member meets the Employer contribution eligibility requirements, and appears on a state payroll for at least one full working day during each payroll period. This requirement does not apply to faculty members who receive an Employer contribution while on layoff or who are off state payroll due to a work-related injury or disability as described above.
- B. **Unpaid Leave of Absence.** If a faculty member is on an unpaid leave of absence, then leave cannot be used for the purpose of maintaining eligibility for an Employer contribution by keeping the faculty member on a state payroll for one working day per pay period. For a faculty member returning from an approved unpaid leave of absence of less than a full academic year, the Employer contribution shall resume immediately following the end of the last semester of the leave.
- C. **Academic Year Employment.** If a faculty member is employed on the basis of an academic year and such employment contemplates absences from the state payroll during the summer months, the faculty member shall nonetheless remain eligible for an Employer contribution, provided that the faculty member appears on the regular payroll for at least one (1) working day in the payroll period immediately preceding such absences, except as noted in Subd.4.B. above.
- D. **FMLA Leave.** A faculty member who is on an approved FMLA leave maintains eligibility for an Employer contribution.

~~Section 4. Amount of Employer Contribution. The Employer contribution amounts and rules in effect on June 30, 2023 will continue through December 31, 2023.~~

~~**Subd. 1. Contribution Formula — Health Coverage.**~~

- ~~A. **Faculty Member Coverage.** For faculty member health coverage for the 2024 and 2025 plan years, the Employer contributes an amount equal to ninety five percent (95%) of the faculty member only premium of the Minnesota Advantage Health Plan (Advantage).~~
- ~~B. **Dependent Coverage.** For dependent health coverage for the 2024 and 2025 plan years, the Employer contributes an amount equal to eighty five percent (85%) of the dependent premium of the Minnesota Advantage Health Plan (Advantage).~~

~~**Subd. 2. Contribution Formula — Dental Coverage.**~~

~~A. **Faculty Member Coverage.** For faculty member dental coverage, the Employer contributes seventy percent (70%) of the employee premium of the dental plan.~~

~~B. **Dependent Coverage.** For dependent dental coverage, the Employer contributes fifty percent (50%) of the dependent premium of the dental plan.~~

~~**Subd. 3. Contribution Formula—Basic Life Coverage.** For faculty member basic life coverage and accidental death and dismemberment coverage, the Employer contributes one hundred percent (100%) of the cost.~~

### Section 5. Coverage Changes and Effective Dates.

#### Subd. 1. When Coverage May Be Chosen.

~~A. **Newly Hired Faculty Members.** All faculty members hired to an insurance eligible position must make their elections by their initial effective date of coverage as defined in this Article, Section 5, Subd. 3. Insurance eligible faculty members will automatically be enrolled in basic life coverage. If faculty members eligible for a full Employer contribution do not choose a health plan administrator and a primary care clinic by their initial effective date, 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 faculty member's residence at the beginning of the insurance year. If a faculty member does not choose a health plan administrator and a 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.~~

~~B. **Eligibility Changes.** A faculty member who becomes eligible for a full Employer contribution must make the faculty member's benefit elections within thirty (30) calendar days of becoming eligible. If a faculty member does not choose a health plan administrator and a primary care clinic within this thirty (30) day timeframe, the faculty member 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 faculty member's residence at the beginning of the insurance year.~~

~~If a faculty member who becomes eligible for a partial Employer contribution chooses to enroll in insurance, the faculty member must do so within thirty (30) days of becoming eligible or during open enrollment.~~

~~A faculty member may change the faculty member's health or dental plan if the faculty member changes to a new permanent work or residence location and the faculty member's current plan is no longer available. If the faculty member has family coverage and if the new residence location is outside of the current plan's service area, the faculty member~~

~~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. A faculty member 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 the faculty member's 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.~~

~~A faculty member 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.~~

- ~~C. **Waiving Medical Coverage.** Faculty members may choose to waive medical coverage. If a faculty member is eligible for the full employer contribution and desires to waive medical coverage, the faculty member must submit a Waiver of Medical Coverage form and provide proof of other coverage by the end of the faculty member's enrollment period. If a faculty member does not submit the form and proof by the end of the faculty member's enrollment period, the faculty member will be enrolled in medical coverage, with the next opportunity to waive coverage during Open Enrollment or upon a permitted Qualified Life Event. If a faculty member waives medical coverage, the faculty member can elect it again during the next Open Enrollment or midyear upon a permitted Qualified Life Event.~~

~~**Subd. 2. When Coverage May be Changed or Canceled.**~~

- ~~A. **Changes Due to a Life Event.** After the initial enrollment period and outside of any open enrollment period, a faculty member may elect to change health or dental coverage (including adding or canceling coverage) and any applicable faculty member contributions in the following situations (as long as allowed under the applicable provisions, regulations, and rules of the federal and state law in effect at the beginning of the plan year):~~
- ~~B. The request to change coverage must be consistent with a change in status that qualifies as a life event, and does not include changing health or dental plans, which may only be done under the terms of Section 5A. above. Any election to add coverage must be made within thirty (30) days following the event, and any election to cancel coverage must be made within sixty (60) days following the event. (A faculty member and a retired faculty member may add dependent health or dental coverage following the birth of a child or dependent grandchild, or following the adoption of a child, without regard to the thirty (30) day limit.) These life events (for both faculty members and retirees) are:~~
- ~~1. A change in legal marital status, including marriage, death of a spouse, divorce, legal separation and annulment.~~
  - ~~2. A change in number of dependents, including birth, death, adoption, and placement for adoption.~~
  - ~~3. A change in employment status of the faculty member, or the faculty member's or retiree's spouse, or dependent, including termination or commencement of~~

employment, a strike or lockout, a commencement of or return from an unpaid leave of absence, a change in worksite, and a change in working conditions (including changing between Part-time and full-time or hourly and salary) of the faculty member, the faculty member's or retiree's spouse, or dependent which results in a change in the benefits they receive under a cafeteria plan or a health or dental plan.

4. ~~A dependent ceasing to satisfy eligibility requirements for coverage due to attainment of age, or otherwise no longer meets the eligibility requirements under Section 2, Subd. 3.~~
5. ~~A change in the place of residence of the faculty member, retiree or their spouse or dependent that is not in the health plan service administrator's service area.~~
6. ~~Significant cost or coverage changes (including coverage curtailment and the addition of a benefit package).~~
7. ~~Family Medical Leave Act (FMLA) leave.~~
8. ~~Judgments, decrees or orders.~~
9. ~~A change in coverage of a spouse or dependent under another Employer's plan.~~
10. ~~Open enrollment under the plan of another Employer.~~
11. ~~Health Insurance Portability and Accountability Act (HIPAA) special enrollment rights for new dependents and in the case of loss of other insurance coverage.~~
12. ~~A COBRA qualifying event.~~
13. ~~Loss of coverage under the group health plan of a governmental or education institution (a State's children's health insurance program, medical care program of an Indian tribal government, State health benefits risk pool, or foreign government group health plan).~~
14. ~~Entitlement to Medicare or Medicaid.~~
15. ~~Any other situations in which the group health or dental plan is required by the applicable federal or state law to allow a change in coverage.~~

~~C. **Canceling Dependent Coverage During Open Enrollment.** In addition to the above situations, dependent health or dependent dental coverage may also be cancelled for any reason during the open enrollment period that applies to each type of plan (as long as allowed under the applicable provisions, regulations and rules of the federal and state law in effect at the beginning of the plan year).~~

~~D. **Canceling Faculty Member Coverage.** A part-time faculty member may also cancel faculty member coverage within sixty (60) days of when one of the life events set forth above occurs.~~

~~E. **Effective Date of Benefit Termination.** Medical, dental and life coverage termination will take effect on the first of the month following the loss of eligible faculty member or dependent status. Disability benefit coverage terminations will take effect on the day following loss of eligible faculty member status.~~

**Subd. 3. Effective Date of Coverage.**

~~A. **Initial Effective Date.** The initial effective date of coverage under the Group Insurance Program is the thirtieth (30<sup>th</sup>) day following the faculty member's first day of employment.~~

~~re-hire, or reinstatement with the State. The initial effective date of coverage for a faculty member whose eligibility has changed is the date of the change. A faculty member must be actively at work on the initial effective date of coverage, except that a faculty member who is on paid leave on the date State-paid life insurance benefits increase is also entitled to the increased life insurance coverage. In no event shall a faculty member's dependent's coverage become effective before the faculty member's coverage.~~

~~If a faculty member is not actively at work due to faculty member or dependent health status or medical disability, medical and dental coverage will still take effect. (Life and disability coverage will be delayed until the faculty member returns to work.)~~

**B. Delay in Coverage Effective Date.**

1. ~~**Basic Life.** If a faculty member is not actively at work on the initial effective date of coverage, coverage will be effective on the first day of the faculty member's return to work. The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, a faculty member is on an unpaid leave of absence or layoff.~~

2. ~~**Medical and Dental.** If a faculty member is not actively at work on the initial effective date of coverage due to a reason other than hospitalization or medical disability of the faculty member or dependent, medical and dental coverage will be effective on the first day of the faculty member's return to work.~~

~~The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, a faculty member is on an unpaid leave of absence or layoff.~~

3. ~~**Optional Life and Disability Coverage.** In order for coverage to become effective, the faculty member must be in active payroll status and not using sick leave on the first day following approval by the insurance company. If it is an open enrollment period, coverage may be applied for but will not become effective until the first day of the faculty member's return to work.~~

**Subd. 4. Open Enrollment.**

A. ~~**Frequency and Duration.** There shall be an open enrollment period for health coverage in each year of this Contract and for dental coverage in the first year of this Contract. Open enrollment periods shall last a minimum of fourteen (14) calendar days in each year of the Contract. Open enrollment changes become effective on January 1 of each year of this Contract. Subject to a timely contract settlement, the Employer shall make open enrollment materials available to faculty members at least fourteen (14) days prior to the start of the open enrollment period.~~

~~B. **Eligibility to Participate.** A faculty member eligible to participate in the State Employee Group Insurance Program, as described in Section 2, Subd. 1 and Subd. 2, may participate in open enrollment. In addition, a person in the following categories may, as allowed in Section 5, Subd. 4A. above, make certain changes: (1) a former faculty member or dependent on continuation coverage, as described in Section 2, Subd. 4, may change plans or add coverage for health and/or dental plans on the same basis as active faculty members; and (2) an early retiree, prior to becoming eligible for Medicare, may change health and/or dental plans as agreed to for active faculty members, but may not add dependent coverage.~~

~~C. **Materials for Faculty Member Choice.** Each year prior to open enrollment, the Appointing Authority will give eligible faculty members the information necessary to make open enrollment selections. Faculty members will be provided a statement of their current coverage each year of the Contract.~~

~~**Subd. 5. Coverage Selection Prior to Retirement.** A faculty member who retires and is eligible to continue insurance coverage as a retiree may change their health or dental plan during the sixty (60) calendar day period immediately preceding the date of retirement. The faculty member may not add dependent coverage during this period. The change takes effect on the first day of the month following the date of retirement.~~

#### **Section 6. Basic Coverage. (Faculty Member and Family Health Coverage)**

~~**Subd. 1. Minnesota Advantage Health Plan (Advantage).** The health coverage portion of the State Employee Group Insurance Program is provided through the Minnesota Advantage Health Plan (Advantage), a self-insured health plan offering four (4) Benefit Level options. Provider networks and claim administration are provided by multiple plan administrators. Coverage offered through Advantage is determined by Section 6, Subd. 2.~~

~~**Subd. 2. Coverage Under the Minnesota Advantage Health Plan.** From July 1, 2023, through December 31, 2023, health coverage under the SEGIP will continue at the level in effect on June 30, 2023. Effective January 1, 2024, Advantage will cover eligible services subject to the copayments, deductibles and coinsurance coverage limits stated. Services provided through Advantage are subject to the managed care procedures and principles, including standards of medical necessity and appropriate practice, of the plan administrators. Coverage details are provided in the Advantage Summary of Benefits.~~

~~A. **Benefit Options.** Faculty members must elect a plan administrator and primary care clinic. Those elections will determine the Benefit Level through Advantage. Enrolled dependents must elect a primary care clinic that is available through the plan administrator chosen by the faculty member.~~

- ~~1. **Plan Administrator.** Faculty members must elect a plan administrator during their initial enrollment in Advantage and may change their plan administrator election only during the annual open enrollment and when permitted under Section 5. Dependents must be enrolled through the same plan administrator as the faculty member.~~

- ~~2. **Benefit Level.** The primary care clinics available through each plan administrator are assigned a Benefit Level. The Benefit Levels are outlined in the benefit chart below. Primary care clinics may be in different Benefit Levels for different plan administrators. Family members may be enrolled in clinics that are in different Benefits Levels. Faculty members and their dependents may change to clinics in different Benefit Levels during the annual open enrollment. Faculty members and their dependents may also elect to move to a clinic in a different Benefit Level within the same plan administrator by calling their plan administrator, with changes typically effective the following day. Unless the individual has a referral from their primary care clinic, there are no benefits for services received from providers in Benefit Levels that are different from that of the primary care clinic in which the individual has enrolled.~~
- ~~3. **Primary Care Clinic.** Faculty members and each of their covered dependents must individually elect a primary care clinic within the network of providers offered by the plan administrator chosen by the faculty member. Faculty members and their dependents may elect to change clinics within their clinic's Benefit Level as often as the plan administrator permits and as outlined above.~~
- ~~4. **Advantage Benefit Chart for Services Incurred During Plan Year 2024 and 2025.**~~

Tentative Agreement  
June 27, 2025

2024 and 2025 Benefit Provision	Benefit Level 1 The member pays:	Benefit Level 2 The member pays:	Benefit Level 3 The member pays:	Benefit Level 4 The member pays:
Deductible for all services except <del>drugs and preventive care (S/F)</del>	\$250/\$500	\$400/\$800	\$750/\$1,500	\$1,500/\$3,000
Office visit copay/urgent care (copay waived for preventive services)	\$35	\$40	\$70	\$90
Mental health office visit copay	\$0 not subject to the Deductible	\$0 not subject to the Deductible	\$50	\$70
In-Network Convenience Clinics and Online Care (deductible waived)	\$0	\$0	\$0	\$0
Emergency room copay	\$100 not subject to Deductible	\$125 not subject to Deductible	\$150 not subject to Deductible	\$250 not subject to Deductible
Facility copays • Per inpatient admission (waived for admission to Center of Excellence)  • Per outpatient surgery	\$100  \$60	\$200  \$120	\$500  \$250	N/A subject to Deductible and 25% Coinsurance to OOP maximum  N/A subject to Deductible and 25% Coinsurance to OOP maximum
Coinsurance for MRI/CT scan services	10%	15%	25%	N/A subject to Deductible and 30% Coinsurance to OOP maximum
Coinsurance for services NOT subject to copays	5% (95% coverage after payment of deductible)	5% (95% coverage after payment of deductible)	20% (80% coverage after payment of deductible)	25% for all services to OOP maximum after deductible
Coinsurance for lab, pathology and x ray (not included as part of preventive care and not subject to office visit or facility copayments)	10% (90% coverage after payment of deductible)	10% (90% coverage after payment of deductible)	20% (80% coverage after payment of deductible)	25% for all services to OOP maximum after deductible
Coinsurance for durable medical equipment	20% (80% coverage after payment of 20% coinsurance)	20% (80% coverage after payment of 20% coinsurance)	20% (80% coverage after payment of 20% coinsurance)	25% for all services to OOP maximum after deductible
Copay for three tier prescription drug plan	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55			
Maximum drug out-of-pocket limit (S/F)	\$1,050/\$2,100	\$1,050/\$2,100	\$1,050/\$2,100	\$1,050/\$2,100
Maximum non drug out-of-pocket limit (S/F)	\$1,700/\$3,400	\$1,700/\$3,400	\$2,400/\$4,800	\$3,600/\$7,200

**C. Incentive:**

Employees will receive a seventy dollar (\$70.00) 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 well-being program by the deadline. The well-being incentive will sunset after 2024.

**D. Service Area:**

The Minnesota Advantage Health Plan service area shall be comprised of all Minnesota counties as well as border communities, with the specific boundaries initially established by MMB and any changes thereafter agreed to by the JLM.

~~E. Services received from, or authorized by, a primary care physician within the primary care clinic. Under Advantage, the health care services outlined in the benefits charts above shall be received from, or authorized by a primary care physician within the primary care clinic. Preventive care, as outlined in the Summary of Benefits, is covered at one hundred percent (100%) for services received from or authorized by the primary care clinic. The primary care clinic shall be selected from approved clinics in accordance with the Advantage administrative procedures. Unless otherwise specified in Section 6, Subd. 2, services not received from, or authorized by, a primary care physician within the primary care clinic may not be covered. Unless the individual has a referral from their primary care clinic, there are no benefits for services received from providers in Benefit Levels that are different from that of the primary care clinic in which the individual has enrolled.~~

~~F. In Area services not requiring referral from a primary care physician within the primary care.~~

- ~~1. Routine Eye Exams. Limited to one (1) routine examination per year for which no copay applies. Eye injury or illness at an in-network provider will be covered as an office visit based on the benefit level in which the individual is enrolled.~~
- ~~2. Emergency services and urgent care. The emergency room copay applies to all outpatient emergency visits that do not result in hospital admission within twenty four (24) hours.~~
- ~~3. Obstetrics and Gynecological Care. The deductible and coinsurance for services not subject to copays applies.~~
- ~~4. Mental Health Care and Substance Use Disorder Treatment.~~
- ~~5. Chiropractic Care.~~

For all services listed above apart from urgent care and emergency care, a provider must be in-network with the member's plan administrator for the service to be covered.

~~F. Prescription drugs.~~

~~1. Copayments and annual out-of-pocket maximums.~~

For the first and second year of the Contract:

- ~~• Tier 1 co-payment: Eighteen dollar (\$18.00) copayment per prescription or refill for a Tier 1 drug dispensed in a thirty day (30) supply.~~

- ~~**Tier 2 co-payment:** Thirty dollar (\$30.00) copayment per prescription or refill for a Tier 2 drug dispensed in a thirty (30) day supply.~~
  - ~~**Tier 3 co-payment:** Fifty five dollar (\$55.00) copayment per prescription or refill for a Tier 3 drug dispensed in a thirty (30) day supply.~~
  - ~~**Out of pocket maximum:** There is an annual maximum eligible out of pocket expense limit for prescription drugs of one thousand and fifty dollars (\$1,050.00) per person or two thousand one hundred dollars (\$2,100.00) per family.~~
2. ~~**Insulin.** Insulin will be treated as a prescription drug subject to a separate copay for each type prescribed.~~
3. ~~**Brand Name Drugs.** If the subscriber chooses a brand name drug when a bioequivalent generic drug is available, the subscriber is required to pay the standard copayment plus the difference between the cost of the brand name drug and the generic. Amounts above the pay that an individual elects to pay for a brand name instead of a generic drug will not be credited toward the out of pocket maximum.~~
- G. ~~**Special Service Networks.** The following services must be received from special service network providers in order to be covered. All terms and conditions outlined in the Summary of Benefits apply.~~
- 1. ~~Mental health services— inpatient or outpatient.~~
  - 2. ~~Chemical dependency services— inpatient and outpatient.~~
  - 3. ~~Chiropractic services.~~
  - 4. ~~Transplant coverage.~~
  - 5. ~~Cardiac services.~~
  - 6. ~~Home infusion therapy.~~
  - 7. ~~Hospice.~~
  - 8. ~~Fertility services.~~
- H. ~~**Individuals whose permanent residence and principal work location are outside the State of Minnesota and outside of the Advantage Plan's service area.** If these individuals use a provider within the plan administrator's national network, services will be covered at Benefit Level Two. If a national network provider is not available in their area, services will be covered at Benefit Level Two through any other provider available in their area. If a national network provider is available but not used, benefits will be covered at Benefit Level Three. All terms and conditions outlined in the Summary of Benefits will apply.~~
- I. ~~**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, services must be received from 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.~~

~~J. **Health Care Services Received Outside the Minnesota Advantage Health Plan's Service Area.**~~

~~For covered services received by employees, former employees, and dependents outside of the Advantage service area, all care that is received within the national network of the member's plan administrator will be covered at Benefit Level Three, with a separate out-of-area deductible. Urgent care and emergency care will be covered at Benefit Level Three whether or not the providers are within the member's plan administrator's national network. All other out-of-area care must be received within the given plan administrator's national network to be covered by the plan. Referrals are not required for care received outside of the Advantage Plan's service area.~~

~~K. **Lifetime maximums and non-prescription out-of-pocket maximums.** Coverage under Advantage is not subject to a per person lifetime maximum.~~

~~In the first and second years of the Contract, coverage under Advantage is subject to a plan year, non-prescription drug, out-of-pocket maximum of one thousand seven hundred dollars (\$1,700.00) per person or three thousand four hundred dollars (\$3,400.00) per family for members whose primary care clinic is in Cost Level 1 or Cost Level 2; two thousand four hundred dollars (\$2,400.00) per person or four thousand eight hundred dollars (\$4,800.00) per family for members whose primary care clinic is in Cost Level 3; and three thousand six hundred dollars (\$3,600.00) per person or seven thousand two hundred dollars (\$7,200.00) per family for members whose primary care clinic is in Cost Level 4.~~

~~L. **In-Network Convenience Clinics and Online Care.** Services received at in-network convenience clinics and online care are not subject to a copayment in each year of the Contract. First dollar deductibles are waived for convenience clinic and online care visits. (Note that prescriptions received as a result of a visit are subject to the drug copayment and out-of-pocket maximums described above.)~~

~~**Subd. 3. Benefit Level Two Health Care Network Determination.** Issues regarding the health care networks for the 2024 insurance year shall be negotiated in accordance with the following procedures:~~

- ~~A. At least twelve (12) weeks prior to the open enrollment period for the 2024 insurance year the Employer shall meet and confer with the Joint Labor/Management Committee on Health Plans in an attempt to reach agreement on the Benefit Level Two health care networks.~~
- ~~B. If no agreement is reached within five (5) working days, the Employer and the Joint Labor/Management Committee on behalf of all of the exclusive representatives shall submit a list of providers/provider groups in dispute to a mutually agreed upon neutral expert in health care delivery systems for final and binding resolution. The only~~

~~providers/provider groups that may be submitted for resolution by this process are those for which, since the list for the 2023 insurance year was established, Benefit Level Two access has changed, or those that are intended to address specific problems caused by a reduction in Benefit Level Two access.~~

~~C. Absent agreement on a neutral expert, the parties shall select an arbitrator from a list of five (5) arbitrators supplied by the Bureau of Mediation Services. The parties shall flip a coin to determine who strikes first. One half (1/2) of the fees and expenses of the neutral shall be paid by the Employer and one half (1/2) by the Exclusive Representatives. The parties shall select a neutral within five (5) working days after no agreement is reached, and a hearing shall be held within fourteen (14) working days of the selection of the neutral.~~

~~D. The decision of the neutral shall be issued within two (2) working days after the hearing.~~

~~**Subd. 4. Coordination with Workers' Compensation.** When a faculty member has incurred an on-the-job injury or an on-the-job disability and has filed a claim for workers' compensation, medical costs connected with the injury or disability shall be paid by the faculty member's health plan, pursuant to M.S. 176.191, Subdivision 3.~~

~~**Subd. 5. Health Promotion and Health Education.** Both parties to this Agreement recognize the value and importance of health promotion and health education programs. Such programs can assist faculty members and their dependents to maintain and enhance their health, and to make appropriate use of the health care system. To work toward these goals:~~

~~1) **Develop programs:**~~

~~a) **Policy.** The Employer will develop and implement health promotion, health education programs, and other programs mutually agreed upon with the Joint Labor-Management Committee on Health Plans, subject to the availability of resources. Each Appointing Authority will develop a health promotion and health education program consistent with the Minnesota Management & Budget policy. Upon request of any exclusive representative in an agency, the Appointing Authority shall jointly meet and confer with the exclusive representative(s) and may include other interested exclusive representatives. Agenda items shall include but are not limited to smoking cessation, weight loss, stress management, health education/self care, and education on related benefits provided through the health plan administrators serving state employees.~~

~~b) **Pilot Programs.** The Employer may develop voluntary pilot programs to test the acceptability of various risk management programs, programs that seek to control costs, programs that streamline the delivery of services, or that enhance services to members. Incentives for participation in such programs may include improvements to the benefits outlined in the Article. Implementation of such pilot programs is subject to the review and approval of the Joint Labor-Management Committee on Health Plans.~~

- ~~2) **Health plan specification.** The Employer will require health plans participating in the group insurance program to develop and implement health promotion and health education programs for State faculty members and their dependents.~~
- ~~3) **Faculty member participation.** The Employer will assist faculty members' participation in health promotion and health education programs. Health promotion and health education programs that have been endorsed by the Employer (Minnesota Management & Budget) will be considered to be non-assigned job-related training pursuant to Administrative Procedure 21. Approval for this training is at the discretion of the Appointing Authority and is contingent upon meeting staffing needs in the faculty member's absence and the availability of funds. Faculty members are eligible for release time, tuition reimbursement, or a pro-rata combination of both. Faculty members may be reimbursed for up to one hundred percent (100%) of tuition or registration costs upon successful completion of the program. Faculty members may be granted release time, including the travel time, in lieu of reimbursement.~~
- ~~4) **Post Retirement Health Care Benefit.** Faculty members who separate on or after January 1, 2008, from State service and who, at the time of separation are insurance eligible to either a) an annuity under a State retirement program, or b) receive a retirement benefit under M.S. 354B shall be entitled to a contribution of two hundred fifty dollars (\$250.00) to the Minnesota State Retirement System (MSRS) Health Care Savings Plan. Faculty members who have a HCSP waiver on file shall receive a two hundred fifty dollar (\$250.00) cash payment. If the faculty member separates due to death, the two hundred fifty dollars (\$250.00) is paid in cash, not to the HCSP. A faculty member who becomes totally and permanently disabled on or after January 1, 2008, who received a State disability benefit, and is eligible for a deferred annuity under a State retirement program is also eligible for the two hundred fifty dollar (\$250.00) contribution to the MSRS Health Care Savings Plan. Faculty members are eligible for this benefit only once.~~

~~**Subd. 6. Temporary plan changes due to a state or national emergency.**~~

- ~~1) SEGIP and the unions recognize that certain natural disasters and other major emergencies may disrupt or seriously threaten to disrupt the State of Minnesota at a time when employees are especially needed to provide services. If the State or a federal government agency declares a state of emergency or otherwise invokes emergency authority by declaration, rules, regulations, or similar official statements, the terms of the programs administered by SEGIP may be changed for the period of the declared emergency, and for up to a thirty (30) day run-out period.~~
- ~~2) These changes may include changes to programs administered by SEGIP, including but not limited to, benefit design, enrollment and eligibility, billing, and administration as well as waiver of out-of-network restrictions, changes to out of pocket costs, extension of time frames for enrollment and billing, and other protocols reasonably required to provide members with access to benefits.~~

3) ~~These changes must be agreed to by both SEGIP and the Joint Labor Management Committee. Nothing in this provision prohibits SEGIP from making changes authorized or required under another authority including, but not limited to a state or federal law, regulation, order, or rule without union agreement.~~

**Section 7. Faculty Member Life Coverage.**

**Subd. 1. Basic Life and Accidental Death and Dismemberment Coverage.** ~~The Employer agrees to provide and pay for the following term life coverage and accidental death and dismemberment coverage for all faculty members eligible for an Employer contribution, as described in Section 3. Any premium paid by the State in excess of fifty thousand dollars (\$50,000.00) coverage is subject to a tax liability in accord with Internal Revenue Service regulations. A faculty member may decline coverage in excess of fifty thousand dollars (\$50,000.00) by filing a waiver in accord with Minnesota Management and Budget procedures. The basic life insurance policy will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.~~

<del>Faculty Member's</del> <del>Annual Base Salary</del>	<del>Group</del> <del>Insurance Coverage</del>	<del>Life</del> <del>and Dismemberment</del> <del>Principal Sum</del>
<del>\$ 0—\$20,000</del>	<del>\$30,000</del>	<del>\$30,000</del>
<del>\$20,001—\$30,000</del>	<del>\$40,000</del>	<del>\$40,000</del>
<del>\$30,001—\$40,000</del>	<del>\$50,000</del>	<del>\$50,000</del>
<del>\$40,001—\$50,000</del>	<del>\$60,000</del>	<del>\$60,000</del>
<del>\$50,001—\$60,000</del>	<del>\$70,000</del>	<del>\$70,000</del>
<del>Over \$60,000</del>	<del>\$75,000</del>	<del>\$75,000</del>

**Subd. 2. Extended Benefits.** ~~A faculty member who becomes totally disabled before age 70 shall be eligible for the extended benefit provisions of the life insurance policy until age 70. Faculty members who were disabled prior to July 1, 1983 and who have continuously received benefits shall continue to receive such benefits under the terms of the policy in effect prior to July 1, 1983.~~

**Subd. 3. 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 benefit levels.~~

**Section 8. Faculty Member and Family Dental Coverage.**

**Subd. 1. Coverage Under the State Dental Plan.** ~~The State Dental Plan will provide the following coverage:~~

~~A. **Copayments.** Effective January 1, 2020, the State Dental Plan will cover allowable charges for the following services subject to the copayments and coverage limits stated. Higher out-of-pocket costs apply to services obtained from dental care providers not in the State Dental Plan network. Services provided through the State Dental Plan are subject to the State Dental Plan's managed care procedures and principles, including standards of dental necessity and appropriate practice. The plan shall cover general cleaning two (2) times per plan year and special cleanings (root or deep cleaning) as prescribed by the dentist.~~

<u>Service</u>	<u>In-Network</u>	<u>Out-of-Network</u>
Diagnostic/Preventive	100%	50% after deductible
Fillings	80% after deductible	50% after deductible
Endodontics	80% after deductible	50% after deductible
Periodontics	80% after deductible	50% after deductible
Oral Surgery	80% after deductible	50% after deductible
Crowns	80% after deductible	50% after deductible
Implants	80% after deductible	50% after deductible
Prosthetics	80% after deductible	50% after deductible
Prosthetic Repairs	80% after deductible	50% after deductible
Orthodontics	80% after deductible	50% after deductible

~~B. **Deductible.** An annual deductible of fifty dollars (\$50.00) per person and one hundred fifty dollars (\$150.00) per family applies to State Dental Plan non-preventive services received from in-network providers. An annual deductible of one hundred twenty five dollars (\$125.00) per person applies to State Dental Plan services received from out-of-network providers. The deductible must be satisfied before coverage begins.~~

~~C. **Annual maximums.** State Dental Plan coverage is subject to a two thousand and two hundred dollar (\$2,200.00) annual maximum benefit payable (excluding orthodontia and preventive services) per person. "Annual" means per insurance year.~~

~~D. **Orthodontia lifetime maximum.** Orthodontia benefits are subject to a three thousand dollar (\$3,000.00) lifetime maximum benefit. If a faculty member elects dental benefits on their own policy, dollars spent when the employee was a dependent of another policyholder shall not be applied toward the new policy's lifetime maximum.~~

**Section 9. Optional Coverage.**

**Subd. 1. Life Coverage.**

~~A. **Faculty member.** A faculty member may purchase up to five hundred thousand dollars (\$500,000.00) additional life insurance, in increments established by the Employer, subject to satisfactory evidence of insurability. A new faculty member may purchase up to two (2) times annual salary in optional faculty member life coverage by their initial effective date of coverage as defined in this Article, Section 5, Subd. 3, without evidence of insurability.~~

~~A faculty member may only be covered on one state sponsored life coverage policy. A retired faculty member who returns to state service with optional employee life coverage in place or who has already received a paid-up benefit is not eligible for optional employee life coverage. A faculty member who becomes eligible for insurance may purchase up to two (2) times annual salary in optional faculty member life coverage without evidence of insurability within thirty (30) days of the initial effective date as defined in this Article.~~

- ~~B. **Spouse.** A faculty member may purchase up to five hundred thousand dollars (\$500,000.00) life insurance coverage for the faculty member's spouse in increments established by the Employer, subject to satisfactory evidence of insurability. An individual may only be covered on one state sponsored life coverage policy. A retired faculty member who returns to state service with optional spouse life coverage in place or who has already received a paid-up benefit is not eligible for optional spouse life coverage. A new faculty member may purchase either five thousand dollars (\$5,000.00) or ten thousand dollars (\$10,000.00) in optional spouse life coverage by their initial effective date of coverage as defined in this Article, Section 5, Subd. 3, without evidence of insurability. A faculty member who becomes eligible for insurance may purchase either five thousand dollars (\$5,000.00) or ten thousand dollars (\$10,000.00) in optional spouse coverage without evidence of insurability within thirty (30) days of the initial effective date as defined in this Article.~~
- ~~C. **Children/Grandchildren.** A faculty member may purchase life insurance in the amount of ten thousand dollars (\$10,000.00) as a package for all eligible children/grandchildren (as defined in Section 2, Subd. 3, of this Article). An individual may only be covered on one policy, by one employee participating in the State Employee Group Insurance Program. For a new faculty member, child/grandchild coverage requires evidence of insurability if application is made after the initial effective date of coverage as defined in this Article, Section 5, Subd. 3. A faculty member who becomes eligible for insurance may purchase child/grandchild coverage without evidence of insurability if application is made within thirty (30) days of the initial effective date as defined in this Article. Child/grandchild coverage commences immediately from the moment of live birth up to age twenty-six (26).~~
- ~~D. **Accelerated Life.** The additional faculty member, spouse and child life insurance policies will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.~~
- ~~E. **Waiver of Premium.** In the event a faculty member becomes totally disabled before age seventy (70), there shall be a waiver of premium for all life insurance coverage that the faculty member had at the time of disability.~~
- ~~F. **Paid Up Life Policy.** At age sixty five (65) or the date of retirement, a faculty member who has carried optional faculty member life insurance for the five (5) consecutive years immediately preceding the date of the faculty member's retirement or age sixty five (65), whichever is later, shall receive a post-retirement paid-up life insurance policy in an~~

~~amount equal to twenty percent (20%) of the smallest amount of optional faculty member life insurance in force during that five (5) year period. The faculty member's post-retirement death benefit shall be effective as of the date of the faculty member's retirement or the faculty member age sixty five (65), whichever is later. Faculty members who retire prior to age sixty five (65) must be immediately eligible to receive a state retirement annuity and must continue their optional faculty member life insurance to age sixty five (65) in order to remain eligible for the faculty member post-retirement death benefit.~~

~~A faculty member who has carried optional spouse life insurance for the five (5) consecutive years immediately preceding the date of the faculty member's retirement or spouse age sixty five (65), whichever is later, shall receive a post-retirement paid up life insurance policy in an amount equal to twenty percent (20%) of the smallest amount of optional spouse life insurance in force during that five (5) year period. The spouse post-retirement death benefit shall be effective as of the date of the faculty member's retirement or spouse age sixty five (65), whichever is later. The faculty member must continue the full amount of optional spouse life insurance to the date of the faculty member's retirement or spouse age sixty five (65), whichever is later, in order to remain eligible for the spouse post-retirement death benefit.~~

~~Each policy remains separate and distinct, and amounts may not be combined for the purpose of increasing the amount of a single policy.~~

~~G. **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.~~

### ~~Subd. 2. Disability Coverage.~~

~~A. **Short term Disability Coverage.** A faculty member may purchase short-term disability coverage that provides benefits of from three hundred dollars (\$300.00) to five thousand dollars (\$5,000.00) per month, up to two thirds (2/3) of a faculty member's salary, for up to one hundred eighty (180) days during total disability due to a non-occupational accident or a non-occupational sickness. Benefits are paid from the first day of a disabling injury or from the eighth day of a disabling sickness. For a new faculty member coverage applied for the initial effective date of coverage as defined in Section 5, Subd. 3. of this Article does not require evidence of insurability. For a faculty member who becomes eligible for insurance, coverage applied for within thirty (30) days of the initial effective date does not require evidence of insurability. A faculty member who is insurance eligible and moves from a temporary position to an unlimited position will be allowed to enroll in short term disability coverage within thirty (30) days of the event without providing evidence of insurability. A short-term disability open enrollment will be offered every five (5) years.~~

- ~~B. Long-Term Disability Coverage.— New faculty members may enroll in long-term disability insurance by their initial effective date of coverage. Faculty members who become eligible for insurance may enroll in long-term disability insurance within thirty (30) days of their initial effective date as defined in this Article, Section 5, Subd 3. A faculty member who is insurance eligible and moves from a temporary position to an unlimited position will be allowed to enroll in long-term disability coverage within thirty (30) days of the event without providing evidence of insurability. The terms are the same as for faculty members who wish to add/increase coverage during the annual open enrollment. During open enrollment only, a faculty member may purchase long-term disability coverage that provides benefits of from three hundred dollars (\$300.00) to seven thousand dollars (\$7,000.00) per month, based on the faculty member's salary, commencing on the 181st calendar day of total disability, and not subject to evidence of insurability but with a limited term pre-existing condition exclusion. Faculty members should be aware that other wage replacement benefits, as described in the certificate of coverage (i.e., Social Security Disability, Minnesota State Retirement Disability, etc.), may result in a reduction of the monthly benefit levels purchased. In any event, the minimum is the greater of three hundred dollars (\$300.00) or fifteen (15) percent of the amount purchased. The minimum benefit will not be reduced by any other wage replacement benefit. In the event that the faculty member becomes totally disabled before age seventy (70), the premiums on this benefit shall be waived. When an eligible faculty member has elected to take the state's long term disability, the faculty member shall pay the entire premium via payroll deduction.~~
- ~~C. 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.~~
- ~~D. Accidental Death and Dismemberment Coverage.— A faculty member may purchase accidental death and dismemberment coverage that provides principal sum benefits in amounts ranging from five thousand dollars (\$5,000.00) to two hundred thousand dollars (\$200,000.00). Payment is made only for accidental bodily injury or death and may vary, depending upon the extent of dismemberment. A faculty member may also purchase from five thousand dollars (\$5,000.00) to twenty five thousand dollars (\$25,000.00) in coverage for the faculty member's spouse, but not in excess of the amount carried by the faculty member.~~
- ~~E. Vision Coverage.— Under the life of this agreement, an optional and fully employee-paid vision benefit will be available pursuant to contract parameters with the State's vision vendor.~~
- ~~F. Continuation of Optional Coverage During Unpaid Leave or Layoff.— A faculty member who takes an unpaid leave of absence or who is laid off may discontinue premium payments on optional policies during the period of leave or layoff. If the faculty member~~

~~returns within one (1) year, the faculty member shall be permitted to pick up all optional coverage held prior to the leave or layoff. For purposes of reinstating such optional coverage, the following limitations shall be applicable.~~

~~For the first twenty four (24) months of long term disability coverage after such a period of leave or layoff during which long term disability coverage was discontinued, any such disability coverage shall exclude coverage for pre-existing conditions. For disability purposes, a pre-existing condition is defined as any disability that is caused by, or results from, any injury, sickness or pregnancy that occurred, was diagnosed, or for which medical care was received during the period of leave or layoff. In addition, any pre-existing condition limitations that would have been in effect under the policy but for the discontinuance of coverage shall continue to apply as provided in the policy.~~

~~The limitations set forth above do not apply to leaves that qualify under the Family Medical Leave Act (FMLA).~~

**APPENDIX H**  
**Insurance Addendum**

Insurance benefit provisions in effect plan years 2026 and 2027 for all State of Minnesota labor agreements and compensation plans.

**Section 1. Amount of Employer Contribution.** The Employer Contribution amounts and rules in effect on June 30, 2025 will continue through December 31, 2025.

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

1. **Employee Coverage.** For employee health coverage for the 2026 and 2027 plan years, the Employer contributes an amount equal to ninety-five percent (95%) of the employee-only premium of the Minnesota Advantage Health Plan (Advantage).
2. **Dependent Coverage.** For dependent health coverage for the 2026 and 2027 plan years, the Employer contributes an amount equal to eighty-five percent (85%) of the dependent premium of Advantage.

**B. Contribution Formula - Dental Coverage.**

1. **Employee Coverage.** For employee dental coverage, the Employer contributes seventy percent (70%) of the employee premium of the dental plan.
2. **Dependent Coverage.** For dependent dental coverage, the Employer contributes fifty percent (50%) of the dependent premium of the dental plan.

**C. Contribution Formula - Basic Life Coverage.** For employee basic life coverage and accidental death and dismemberment coverage, the Employer contributes one-hundred percent (100%) of the cost.

**Section 2. 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 Insurance Addendum, Section 2C. 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.

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.

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.

3. **Waiving Medical Coverage.** Employees may choose to waive medical coverage. If an employee is eligible for the full employer contribution and desires to waive medical coverage, the employee must submit a Waiver of Medical Coverage form and provide proof of other coverage by the end of the employee's enrollment period. If an employee does not submit the form and proof by the end of the employee's enrollment period, the employee will be enrolled in medical coverage, with the next opportunity to waive coverage during Open Enrollment or upon a permitted Qualified Life Event. If an employee waives medical coverage, the employee can elect it again during the next Open Enrollment or midyear upon a permitted Qualified Life Event.

#### **B. When Coverage May be Changed or Cancelled.**

1. **Changes Due to a Life Event.** After the initial enrollment period and outside of any open enrollment period, an employee may elect to change health or dental coverage (including adding or canceling coverage) and any applicable employee contributions in the following

situations (as long as allowed under the applicable provisions, regulations, and rules of the federal and state law in effect at the beginning of the plan year).

The request to change coverage must be consistent with a change in status that qualifies as a life event, and does not include changing health or dental plans, which may only be done under the terms of Section 2A above. Any election to add coverage must be made within thirty (30) days following the event, and any election to cancel coverage must be made within sixty (60) days following the event. (An employee and a retired employee may add dependent health or dental coverage following the birth of a child or dependent grandchild, or following the adoption of a child, without regard to the thirty (30) day limit.) These life events (for both employees and retirees) are:

- a. A change in legal marital status, including marriage, death of a spouse, divorce, legal separation and annulment.
- b. A change in number of dependents, including birth, death, adoption, and placement for adoption.
- c. A change in employment status of the employee, or the employee's or retiree's spouse or dependent, including termination or commencement of employment, a strike or lockout, a commencement of or return from an unpaid leave of absence, a change in worksite, and a change in working conditions (including changing between part-time and full-time or hourly and salary) of the employee, the employee's or retiree's spouse or dependent which results in a change in the benefits they receive under a cafeteria plan or a health or dental plan.
- d. A dependent ceasing to satisfy eligibility requirements for coverage due to attainment of age or otherwise no longer meets the eligibility requirements under Section 2C of the Insurance Article (IFO and MSUAASF: Section B3; MSCF: Section 2, subd. 3).
- e. A change in the place of residence of the employee, retiree or their spouse or dependent that is not in the health plan service administrator's service area.
- f. Significant cost or coverage changes (including coverage curtailment and the addition of a benefit package).
- g. Family Medical Leave Act (FMLA) leave.
- h. Judgments, decrees or orders.
- i. A change in coverage of a spouse or dependent under another Employer's plan.
- j. Open enrollment under the plan of another Employer.

- k. Health Insurance Portability and Accountability Act (HIPAA) special enrollment rights for new dependents and in the case of loss of other insurance coverage.
  - l. A COBRA-qualifying event.
  - m. Loss of coverage under the group health plan of a governmental or educational institution (a State's children's health insurance program, medical care program of an Indian tribal government, State health benefits risk pool, or foreign government group health plan).
  - n. Entitlement to Medicare or Medicaid.
  - o. Any other situations in which the group health or dental plan is required by the applicable federal or state law to allow a change in coverage.
2. Canceling Dependent Coverage During Open Enrollment. In addition to the above situations, dependent health or dependent dental coverage may also be cancelled for any reason during the open enrollment period that applies to each type of plan (as long as allowed under the applicable provisions, regulations and rules of the federal and state law in effect at the beginning of the plan year).
3. Canceling Employee Coverage. A part-time employee may also cancel employee coverage within sixty (60) days of when one of the life events set forth above occurs.
4. Effective Date of Benefit Termination. Medical, dental and life coverage termination will take effect on the first of the month following the loss of eligible employee or dependent status. Disability benefit coverage terminations will take effect on the day following loss of eligible employee status.

C. Effective Date of Coverage.

1. Initial Effective Date. The initial effective date of coverage under the Group Insurance Program is the thirtieth (30<sup>th</sup>) day following the employee's first day of employment, re-hire, or reinstatement with the State. The initial effective date of coverage for an employee whose eligibility has changed is the date of the change. An employee must be actively at work on the initial effective date of coverage, except that an employee who is on paid leave on the date State-paid life insurance benefits increase is also entitled to the increased life insurance coverage. In no event shall an employee's dependent's coverage become effective before the employee's coverage.

If an employee is not actively at work due to employee or dependent health status or medical disability, medical and dental coverage will still take effect. (Life and disability coverage will be delayed until the employee returns to work.)

2. Delays in Coverage Effective Date.

a. **Basic Life.** If an employee is not actively at work on the initial effective date of coverage, coverage will be effective on the first day of the employee's return to work. The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, an employee is on an unpaid leave of absence or layoff.

b. **Medical and Dental.** If an employee is not actively at work on the initial effective date of coverage due to a reason other than hospitalization or medical disability of the employee or dependent, medical and dental coverage will be effective on the first day of the employee's return to work.

The effective date of a change in coverage is not delayed in the event that, on the date the coverage change would be effective, an employee is on an unpaid leave of absence or layoff.

c. **Optional Life and Disability Coverages.** In order for coverage to become effective, the employee must be in active payroll status and not using sick leave on the first day following approval by the insurance company. If it is an open enrollment period, coverage may be applied for but will not become effective until the first day of the employee's return to work.

#### D. Open Enrollment.

1. **Frequency and Duration.** There shall be an open enrollment period for health and dental coverage in 2025 and 2026. Open enrollment periods shall last a minimum of fourteen (14) calendar days. Open enrollment changes become effective on January 1 in 2026 and 2027. Subject to a timely contract settlement, the Employer shall make open enrollment materials available to employees at least fourteen (14) days prior to the start of the open enrollment period.

2. **Eligibility to Participate.** An employee eligible to participate in the State Employee Group Insurance Program, as described in Sections 2A and 2B of the Insurance Article (IFO and MSUAASF: Section B1 and B2; MSCF: Section 2, subd. 1 and Section 2, subd. 2), may participate in open enrollment. In addition, a person in the following categories may, as allowed in section 2D1 of the Insurance Addendum above, make certain changes: (1) a former employee or dependent on continuation coverage, as described in Section 2D of the Insurance Article (IFO and MSUAASF: Section B4; MSCF: Section 2, subd. 4), may change plans or add coverage for health and/or dental plans on the same basis as active employees; and (2) an early retiree, prior to becoming eligible for Medicare, may change health and/or dental plans as agreed to for active employees, but may not add dependent coverage.

3. **Materials for Employee Choice.** Each year prior to open enrollment, the Appointing Authority will give eligible employees the information necessary to make open enrollment

selections. Employees will be provided a statement of their current coverage each year of the contract.

- E. Coverage Selection Prior to Retirement. An employee who retires and is eligible to continue insurance coverage as a retiree may change their health or dental plan during the sixty (60) calendar day period immediately preceding the date of retirement. The employee may not add dependent coverage during this period. The change takes effect on the first day of the month following the date of retirement.

### Section 3. Basic Coverages.

#### A. Employee and Family Health Coverage.

1. Minnesota Advantage Health Plan (Advantage). The health coverage portion of the State Employee Group Insurance Program is provided through the Minnesota Advantage Health Plan (Advantage), a self-insured health plan offering four (4) Benefit Level options. Provider networks and claim administration are provided by multiple plan administrators. Coverage offered through Advantage is determined by Section 3A2 of the Insurance Addendum.
2. Coverage Under the Minnesota Advantage Health Plan. From July 1, 2025 through December 31, 2025, health coverage under the SEGIP will continue at the level in effect on June 30, 2025. Effective January 1, 2026, Advantage will cover eligible services subject to the copayments, deductibles and coinsurance coverage limits stated. Services provided through Advantage are subject to the managed care procedures and principles, including standards of medical necessity and appropriate practice, of the plan administrators. Coverage details are provided in the Advantage Summary of Benefits.
  - a. Benefit Options. Employees must elect a plan administrator and primary care clinic. Those elections will determine the Benefit Level through Advantage. Enrolled dependents must elect a primary care clinic that is available through the plan administrator chosen by the employee.
    - 1) Plan Administrator. Employees must elect a plan administrator during their initial enrollment in Advantage and may change their plan administrator election only during the annual open enrollment and when permitted under Section 2 of the Insurance Addendum. Dependents must be enrolled through the same plan administrator as the employee.
    - 2) Benefit Level. The primary care clinics available through each plan administrator are assigned a Benefit Level. The Benefit Levels are outlined in the benefit chart below. Primary care clinics may be in different Benefit Levels for different plan administrators. Family members may be enrolled in clinics that are in different Benefits Levels. Employees and their dependents may change to clinics in different Benefit Levels during the annual open enrollment. Employees and their dependents

may also elect to move to a clinic in a different Benefit Level within the same plan administrator by calling their plan administrator, with changes typically effective the following day. Unless the individual has a referral from their primary care clinic, there are no benefits for services received from providers in Benefit Levels that are different from that of the primary care clinic in which the individual has enrolled.

3) **Primary Care Clinic.** Employees and each of their covered dependents must individually elect a primary care clinic within the network of providers offered by the plan administrator chosen by the employee. Employees and their dependents may elect to change clinics within their clinic's Benefit Level as often as the plan administrator permits and as outlined above.

4) **Advantage Benefit Chart for Services Incurred During Plan Years 2026 and 2027.**

<u>2026 and 2027 Benefit Provision</u>	<u>Benefit Level 1 Member pays:</u>	<u>Benefit Level 2 Member pays:</u>	<u>Benefit Level 3 Member pays:</u>	<u>Benefit Level 4 Member pays:</u>
<b><u>MEDICAL SERVICES</u></b>				
<b><u>Deductible</u></b> <i>Single/Family</i>	<u>\$250/\$500</u>	<u>\$400/\$800</u>	<u>\$750/\$1,500</u>	<u>\$1,500/\$3,000</u>
<b><u>Copays for office visit and urgent care</u></b> <i>No cost-sharing for preventive services</i>	<u>\$35</u>	<u>\$40</u>	<u>\$70</u>	<u>\$90</u>
<b><u>Copays for mental health office visits</u></b> <i>Deductible does not apply for levels 1 and 2</i>	<u>\$0</u>	<u>\$0</u>	<u>\$40</u>	<u>\$60</u>
<b><u>Convenience clinics and online care</u></b> <i>Deductible does not apply</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Copays for emergency room visit</u></b> <i>Deductible does not apply</i>	<u>\$100</u>	<u>\$125</u>	<u>\$150</u>	<u>\$350</u>
<b><u>Inpatient admission</u></b> <i>Deductible applies first Costs waived for admission to Center of Excellence</i>	<u>\$100 copay</u>	<u>\$200 copay</u>	<u>\$500 copay</u>	<u>25% coinsurance</u>
<b><u>Outpatient surgery</u></b> <i>Deductible applies first</i>	<u>\$60 copay</u>	<u>\$120 copay</u>	<u>\$250 copay</u>	<u>25% coinsurance</u>
<b><u>Coinsurance for MRI/CT scan services</u></b> <i>Deductible applies first</i>	<u>10%</u>	<u>15%</u>	<u>25%</u>	<u>30%</u>
<b><u>Coinsurance for services NOT subject to copays</u></b> <i>Deductible applies first</i>	<u>5%</u>	<u>5%</u>	<u>20%</u>	<u>25%</u>
<b><u>Coinsurance for lab, pathology and X-ray</u></b> not included as part of preventive care and not subject to office visit or facility copayments <i>Deductible applies first</i>	<u>10%</u>	<u>10%</u>	<u>20%</u>	<u>25%</u>
<b><u>Coinsurance for durable medical equipment</u></b> <i>Deductible applies first</i>	<u>20%</u>	<u>20%</u>	<u>20%</u>	<u>25%</u>
<b><u>Maximum non-Rx out-of-pocket limit</u></b> <i>Single/Family</i>	<u>\$1,700/\$3,400</u>	<u>\$1,700/\$3,400</u>	<u>\$2,400/\$4,800</u>	<u>\$3,600/\$7,200</u>

<u>2026 and 2027 Benefit Provision</u>	<u>Benefit Level 1</u> <u>Member pays:</u>	<u>Benefit Level 2</u> <u>Member pays:</u>	<u>Benefit Level 3</u> <u>Member pays:</u>	<u>Benefit Level 4</u> <u>Member pays:</u>
<b><u>PRESCRIPTION DRUGS (Rx)</u></b>				
<b><u>Copays for Rx</u></b> <i>No deductible</i>	<u>Tier 1: \$18</u> <u>Tier 2: \$30</u> <u>Tier 3: \$55</u>			
<b><u>Maximum Rx out-of-pocket limit</u></b> <i>Single/Family</i>	<u>\$1,050/\$2,100</u>	<u>\$1,050/\$2,100</u>	<u>\$1,050/\$2,100</u>	<u>\$1,050/\$2,100</u>

b. **Service Area.** The Minnesota Advantage Health Plan service area shall be comprised of all Minnesota counties as well as border communities, with the specific boundaries initially established by MMB and any changes thereafter mutually agreed to by the JLM.

c. **Services Received From, or Authorized By, a Primary Care Physician within the Primary Care Clinic.** Under Advantage, the health care services outlined in the benefits charts above shall be received from, or authorized by a primary care physician within the primary care clinic. Preventive care, as outlined in the Summary of Benefits, is covered at one hundred (100) percent for services received from or authorized by the primary care clinic. The primary care clinic shall be selected from approved clinics in accordance with the Advantage administrative procedures. Unless otherwise specified in 3A2 of the Insurance Addendum, services not received from, or authorized by, a primary care physician within the primary care clinic may not be covered. Unless the individual has a referral from their primary care clinic, there are no benefits for services received from providers in Benefit Levels that are different from that of the primary care clinic in which the individual has enrolled.

d. **In-Area Services Not Requiring Referral from a Primary Care Physician Within the Primary Care Clinic.**

1) **Routine Eye Exams.** Limited to one (1) routine examination per year for which no copay applies. Eye injury or illness at an in-network provider will be covered as an office visit based on the benefit level in which the individual is enrolled.

2) **Emergency Services and Urgent Care.** The emergency room copay applies to all outpatient emergency visits that do not result in hospital admission within twenty-four (24) hours.

3) **Obstetrics and Gynecological Care.** The deductible and coinsurance for services not subject to copays applies.

4) **Mental Health Care and Substance Use Disorder Treatment.**

5) **Chiropractic Care.**

For all services listed above apart from urgent care and emergency care, a provider must be in-network with the member's plan administrator for the service to be covered.

**e. Prescription Drugs.**

**1) Copayments and Annual Out-of-Pocket Maximums.**

For the first and second year of the contract:

Tier 1 Copayment: Eighteen dollar (\$18) copayment per prescription or refill for a Tier 1 drug dispensed in a thirty (30) day supply.

Tier 2 Copayment: Thirty dollar (\$30) copayment per prescription or refill for a Tier 2 drug dispensed in a thirty (30) day supply.

Tier 3 Copayment: Fifty-five dollar (\$55) copayment per prescription or refill for a Tier 3 drug dispensed in a thirty (30) day supply.

Out of Pocket Maximum: There is an annual maximum eligible out-of-pocket expense limit for prescription drugs of one thousand and fifty dollars (\$1,050) per person or two thousand one hundred dollars (\$2,100) per family.

**2) Insulin.** Insulin will be treated as a prescription drug subject to a separate copay for each type prescribed.

**3) Brand Name Drugs.** If the subscriber chooses a brand name drug when a bioequivalent generic drug is available, the subscriber is required to pay the standard copayment plus the difference between the cost of the brand name drug and the generic. Amounts above the copay that an individual elects to pay for a brand name instead of a generic drug will not be credited toward the out-of-pocket maximum.

**f. Special Service Networks.** The following services must be received from special service network providers in order to be covered. All terms and conditions outlined in the Summary of Benefits apply.

- 1) Mental health services – inpatient or outpatient.
- 2) Chemical dependency services – inpatient and outpatient.
- 3) Chiropractic services.
- 4) Transplant coverage.
- 5) Cardiac services.
- 6) Home infusion therapy.
- 7) Hospice.

8) Fertility services.

g. Individuals whose permanent residence and principal work location are outside the State of Minnesota and outside of the Advantage Plan's service area. If these individuals use a provider within the plan administrator's national network, services will be covered at Benefit Level Two. If a national network provider is not available in their area, services will be covered at Benefit Level Two through any other provider available in their area. If a national network provider is available but not used, benefits will be covered at Benefit Level Three. All terms and conditions outlined in the Summary of Benefits will apply.

h. Health Care Services Received Outside the Minnesota Advantage Health Plan's Service Area. For covered services received by employees, former employees, and dependents outside of the Advantage service area, all care that is received within the national network of the member's plan administrator will be covered at Benefit Level Three, with a separate out-of-area deductible. Urgent care and emergency care will be covered at Benefit Level Three whether or not the providers are within the member's plan administrator's national network. All other out-of-area care must be received within the given plan administrator's national network to be covered by the plan. Referrals are not required for care received outside of the Advantage Plan's service area.

i. Lifetime maximums and non-prescription out-of-pocket maximums. Coverage under Advantage is not subject to a per person lifetime maximum.

In the first and second years of the contract, coverage under Advantage is subject to a plan year, non-prescription drug, out-of-pocket maximum of one thousand seven hundred dollars (\$1,700) per person or three thousand four hundred dollars (\$3,400) per family for members whose primary care clinic is in Cost Level 1 or Cost Level 2; two thousand four hundred dollars (\$2,400) per person or four thousand eight hundred dollars (\$4,800) per family for members whose primary care clinic is in Cost Level 3; and three thousand six hundred dollars (\$3,600) per person or seven thousand two hundred dollars (\$7,200) per family for members whose primary care clinic is in Cost Level 4.

j. In-Network Convenience Clinics and Online Care. Services received at in-network convenience clinics and online care are not subject to a copayment in each year of the Agreement. First dollar deductibles are waived for convenience clinic and online care visits. (Note that prescriptions received as a result of a visit are subject to the drug copayment and out-of-pocket maximums described above at 3A2e of the Insurance Addendum.)

3. Benefit Level Two Health Care Network Determination. Issues regarding the health care networks for the 2026 insurance year shall be negotiated in accordance with the following procedures:

- a. At least twelve (12) weeks prior to the open enrollment period for the 2026 insurance year the Employer shall meet and confer with the Joint Labor/Management Committee on Health Plans in an attempt to reach agreement on the Benefit Level Two health care networks.
- b. If no agreement is reached within five (5) working days, the Employer and the Joint Labor/Management Committee on behalf of all of the exclusive representatives shall submit a list of providers/provider groups in dispute to a mutually agreed upon neutral expert in health care delivery systems for final and binding resolution. The only providers/provider groups that may be submitted for resolution by this process are those for which, since the list for the 2025 insurance year was established, Benefit Level Two access has changed, or those that are intended to address specific problems caused by a reduction in Benefit Level Two access.

Absent agreement on a neutral expert, the parties shall select an arbitrator from a list of five (5) arbitrators supplied by the Bureau of Mediation Services. The parties shall flip a coin to determine who strikes first. One-half (1/2) of the fees and expenses of the neutral shall be paid by the Employer and one-half (1/2) by the Exclusive Representatives. The parties shall select a neutral within five (5) working days after no agreement is reached, and a hearing shall be held within fourteen (14) working days of the selection of the neutral.

- c. The decision of the neutral shall be issued within two (2) working days after the hearing.
4. **Coordination with Workers' Compensation.** When an employee has incurred an on-the-job injury or an on-the-job disability and has filed a claim for workers' compensation, medical costs connected with the injury or disability shall be paid by the employee's health plan, pursuant to M.S. 176.191, Subdivision 3.
  5. **Health Promotion and Health Education.** Both parties to this Agreement recognize the value and importance of health promotion and health education programs. Such programs can assist employees and their dependents to maintain and enhance their health, and to make appropriate use of the health care system. To work toward these goals:
    - a. **Develop Programs.**
      - 1) **Policy.** The Employer will develop and implement health promotion, health education programs, and other programs mutually agreed upon with the Joint Labor Management Committee on Health Plans, subject to the availability of resources. Each Appointing Authority will develop a health promotion and health education program consistent with the Minnesota Management and Budget policy. Upon request of any exclusive representative in an agency, the Appointing Authority shall jointly meet and confer with the exclusive representative(s) and

may include other interested exclusive representatives. Agenda items shall include but are not limited to smoking cessation, weight loss, stress management, health education/self-care, and education on related benefits provided through the health plan administrators serving state employees.

- 2) **Pilot Programs.** The Employer may develop voluntary pilot programs to test the acceptability of various risk management programs, programs that seek to control costs, programs that streamline the delivery of services, or that enhance services to members. Incentives for participation in such programs may include improvements to the benefits outlined in the Insurance Article and/or Insurance Addendum. Implementation of such pilot programs is subject to the review and approval of the Joint Labor-Management Committee on Health Plans.
- b. **Health Plan Specification.** The Employer will require health plans participating in the Group Insurance Program to develop and implement health promotion and health education programs for State employees and their dependents.
- c. **Employee Participation.** The Employer will assist employees' participation in health promotion and health education programs. Health promotion and health education programs that have been endorsed by the Employer (Minnesota Management and Budget) will be considered to be non-assigned job-related training pursuant to Administrative Procedure 21. Approval for this training is at the discretion of the Appointing Authority and is contingent upon meeting staffing needs in the employee's absence and the availability of funds. Employees are eligible for release time, tuition reimbursement, or a pro rata combination of both. Employees may be reimbursed for up to one hundred (100) percent of tuition or registration costs upon successful completion of the program. Employees may be granted release time, including the travel time, in lieu of reimbursement.
6. **Post Retirement Health Care Benefit.** Employees who separate from State service and who, at the time of separation are insurance eligible and entitled to immediately receive an annuity under a State retirement program, shall be entitled to a contribution of two hundred fifty dollars (\$250) to the Minnesota State Retirement System's (MSRS) Health Care Savings Plan. Employees who have a HCSP waiver on file shall receive a two hundred fifty dollars (\$250) cash payment. If the employee separates due to death, the two hundred fifty dollars (\$250) is paid in cash, not to the HCSP. An employee who becomes totally and permanently disabled on or after January 1, 2008, who receives a State disability benefit, and is eligible for a deferred annuity under a State retirement program is also eligible for the two hundred fifty dollar (\$250) contribution to the MSRS Health Care Savings Plan. Employees are eligible for this benefit only once.
7. **Temporary plan changes due to a state or national emergency.**

SEGIP and the unions recognize that certain natural disasters and other major emergencies may disrupt or seriously threaten to disrupt the State of Minnesota at a time when

employees are especially needed to provide services. If the State or a federal government agency declares a state of emergency or otherwise invokes emergency authority by declaration, rules, regulations or similar official statements, the terms of the programs administered by SEGIP may be changed for the period of the declared emergency and for up to a 30 day run-out period.

These changes may include changes to programs administered by SEGIP including but not limited to, benefit design, enrollment and eligibility, billing, and administration as well as waiver of out-of-network restrictions, changes to out of pocket costs, extension of time frames for enrollment and billing, and other protocols reasonably required to provide Members with access to benefits.

These changes must be agreed to by both SEGIP and the Joint Labor Management Committee. Nothing in this provision prohibits SEGIP from making changes authorized or required under another authority including but not limited to a state or federal law, regulation, order, or rule without union agreement.

**B. Employee Life Coverage.**

- 1. Basic Life and Accidental Death and Dismemberment Coverage.** The Employer agrees to provide and pay for the following term life coverage and accidental death and dismemberment coverage for all employees eligible for an Employer Contribution, as described in Section 3 of the Insurance Article (IFO, MSUAASE, and MSCF: Section C). Any premium paid by the State in excess of fifty thousand dollars (\$50,000) coverage is subject to a tax liability in accord with Internal Revenue Service regulations. An employee may decline coverage in excess of fifty thousand dollars (\$50,000) by filing a waiver in accord with Minnesota Management and Budget procedures. The basic life insurance policy will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.

<u>Employee's Annual Base Salary</u>	<u>Group Life Insurance Coverage</u>	<u>Accidental Death and Dismemberment Principal Sum</u>
<u>\$0 - \$20,000</u>	<u>\$30,000</u>	<u>\$30,000</u>
<u>\$20,001 - \$30,000</u>	<u>\$40,000</u>	<u>\$40,000</u>
<u>\$30,001 - \$40,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
<u>\$40,001 - \$50,000</u>	<u>\$60,000</u>	<u>\$60,000</u>
<u>\$50,001 - \$60,000</u>	<u>\$70,000</u>	<u>\$70,000</u>
<u>\$60,001 - \$70,000</u>	<u>\$80,000</u>	<u>\$80,000</u>
<u>\$70,001 - \$80,000</u>	<u>\$90,000</u>	<u>\$90,000</u>
<u>\$80,001 - \$90,000</u>	<u>\$100,000</u>	<u>\$100,000</u>
<u>\$90,001 - \$100,000</u>	<u>\$110,000</u>	<u>\$110,000</u>
<u>\$100,001 - \$110,000</u>	<u>\$120,000</u>	<u>\$120,000</u>
<u>\$110,001 - \$120,000</u>	<u>\$130,000</u>	<u>\$130,000</u>

<u>Employee's Annual Base Salary</u>	<u>Group Life Insurance Coverage</u>	<u>Accidental Death and Dismemberment Principal Sum</u>
\$120,001 - \$130,000	\$140,000	\$140,000
\$130,001 - \$140,000	\$150,000	\$150,000
\$140,001 - \$150,000	\$160,000	\$160,000
\$150,001 - \$160,000	\$170,000	\$170,000
\$160,001 - \$170,000	\$180,000	\$180,000
\$170,001 - \$180,000	\$190,000	\$190,000
Over \$180,000	\$200,000	\$200,000

2. **Extended Benefits.** An employee who becomes totally disabled before age 70 shall be eligible for the extended benefit provisions of the life insurance policy until age 70. Employees who were disabled prior to July 1, 1983 and who have continuously received benefits shall continue to receive such benefits under the terms of the policy in effect prior to July 1, 1983.

**Section 4. Optional Coverages.**

**A. Employee and Family Dental Coverage.**

1. **Coverage Under the State Dental Plan.** The State Dental Plan will provide the following coverage:

- a. **Copayments.** The State Dental Plan will cover allowable charges for the following services subject to the copayments and coverage limits stated. Higher out-of-pocket costs may apply to services obtained from dental care providers not in the State Dental Plan network. Services provided are subject to the dental plan administrators' managed care procedures and principles, including standards of dental necessity and appropriate practice. The plan shall cover general cleaning two (2) times per plan year and special cleanings (root or deep cleaning) as prescribed by the dentist. National Network benefits apply for members who see a dental provider outside of Minnesota that is in their dental plan administrator's national network but not the State Dental Plan network.

<u>Service</u>	<u>State Dental Plan Network</u>	<u>National Network</u>	<u>Out-of-Network</u>
Diagnostic/Preventive	100%	100%	50% after deductible
Fillings	80% after deductible	60% after deductible	50% after deductible
Endodontics	80% after deductible	60% after deductible	50% after deductible
Periodontics	80% after deductible	60% after deductible	50% after deductible

<u>Service</u>	<u>State Dental Plan Network</u>	<u>National Network</u>	<u>Out-of-Network</u>
<u>Oral Surgery</u>	<u>80% after deductible</u>	<u>60% after deductible</u>	<u>50% after deductible</u>
<u>Crowns</u>	<u>80% after deductible</u>	<u>60% after deductible</u>	<u>50% after deductible</u>
<u>Implants</u>	<u>80% after deductible</u>	<u>60% after deductible</u>	<u>50% after deductible</u>
<u>Prosthetics</u>	<u>80% after deductible</u>	<u>60% after deductible</u>	<u>50% after deductible</u>
<u>Prosthetic Repairs</u>	<u>80% after deductible</u>	<u>60% after deductible</u>	<u>50% after deductible</u>
<u>Orthodontics</u>	<u>80% after deductible</u>	<u>60% after deductible</u>	<u>50% after deductible</u>

- b. **Deductible.** An annual deductible of fifty dollars (\$50) per person and one hundred fifty dollars (\$150) per family applies to State Dental Plan non-preventive services received from in-network providers. An annual deductible of one hundred dollars (\$100) per person and three hundred (\$300) per family applies to National Network non-preventive services received from national network providers outside the State Dental Plan network. An annual deductible of one hundred twenty-five dollars (\$125) per person applies to State Dental Plan services received from out of network providers. The deductible must be satisfied before coverage begins.
- c. **Annual Maximums.** State Dental Plan coverage is subject to a two thousand and two hundred dollar (\$2200) annual maximum benefit payable (excluding orthodontia and preventive services) per person. "Annual" means per insurance year.
- d. **Orthodontia Lifetime Maximum.** Orthodontia benefits are subject to a three thousand two hundred dollar (\$3,200) lifetime maximum benefit. If an employee elects dental benefits on their own policy, dollars spent when the employee was a dependent of another policyholder shall not be applied toward the new policy's lifetime maximum.

**B. Life Coverage.**

1. **Employee.** An employee may purchase up to five hundred thousand dollars (\$500,000) additional life insurance, in increments established by the Employer, subject to satisfactory evidence of insurability. A new employee may purchase up to two (2) times annual salary in optional employee life coverage by their initial effective date of coverage as defined in this Insurance Addendum, Section 2C without evidence of insurability. An individual may only be covered on one state sponsored life coverage policy. A retired employee who returns to state service with optional employee life coverage in place or who has already received a paid-up benefit are not eligible for optional employee life coverage. An employee who becomes eligible for insurance may purchase up to two (2) times annual

- salary in optional employee life coverage without evidence of insurability within thirty (30) days of the initial effective date as defined in this Insurance Addendum.
2. **Spouse.** An employee may purchase up to five hundred thousand dollars (\$500,000) life insurance coverage for their spouse in increments established by the Employer, subject to satisfactory evidence of insurability. An individual may only be covered on one state sponsored life coverage policy. A retired employee who returns to state services with optional spouse life coverage in place or who has already received a paid-up benefit is not eligible for optional spouse life coverage. A new employee may purchase either five thousand dollars (\$5,000) or ten thousand dollars (\$10,000) in optional spouse life coverage by their initial effective date of coverage as defined in this Insurance Addendum, Section 2C without evidence of insurability. An employee who becomes eligible for insurance may purchase either five thousand dollars (\$5,000) or ten thousand dollars (\$10,000) in optional spouse coverage without evidence of insurability within thirty (30) days of the initial effective date as defined in this Insurance Addendum.
  3. **Children/Grandchildren.** An employee may purchase life insurance in the amount of ten thousand dollars (\$10,000) as a package for all eligible children/grandchildren (as defined in Section 2C2 and 2C3 of the Insurance Article (IFO and MSUAASF: Section B3b and B3c; MSCF: Section 2, subd. 3B and Section 2, subd. 3C)). An individual may only be covered on one policy, by one employee participating in the State Employee Group Insurance Program. For a new employee, child/grandchild coverage requires evidence of insurability if application is made after the initial effective date of coverage as defined in this Insurance Addendum, Section 2C. An employee who becomes eligible for insurance may purchase child/grandchild coverage without evidence of insurability if application is made within thirty (30) days of the initial effective date as defined in this Insurance Addendum. Child/grandchild coverage commences immediately from the moment of live birth up to age twenty-six (26).
  4. **Accelerated Life.** The additional employee, spouse and child life insurance policies will include an accelerated benefits agreement providing for payment of benefits prior to death if the insured has a terminal condition.
  5. **Waiver of Premium.** In the event an employee becomes totally disabled before age seventy (70), there shall be a waiver of premium for all life insurance coverage that the employee had at the time of disability.
  6. **Paid Up Life Policy.** At age sixty-five (65) or the date of retirement, an employee who has carried optional employee life insurance for the five (5) consecutive years immediately preceding the date of the employee's retirement or age sixty-five (65), whichever is later, shall receive a post-retirement paid-up life insurance policy in an amount equal to twenty (20) percent of the smallest amount of optional employee life insurance in force during that five (5) year period. The employee's post-retirement death benefit shall be effective as of the date of the employee's retirement or the employee age sixty-five (65), whichever is later. Employees who retire prior to age sixty-five (65) must be immediately eligible to

receive a state retirement annuity and must continue their optional employee life insurance to age sixty-five (65) in order to remain eligible for the employee post-retirement death benefit.

An employee who has carried optional spouse life insurance for the five (5) consecutive years immediately preceding the date of the employee's retirement or spouse age sixty-five (65), whichever is later, shall receive a post-retirement paid-up life insurance policy in an amount equal to twenty (20) percent of the smallest amount of optional spouse life insurance in force during that five (5) year period. The spouse post-retirement death benefit shall be effective as of the date of the employee's retirement or spouse age sixty-five (65), whichever is later. The employee must continue the full amount of optional spouse life insurance to the date of the employee's retirement or spouse age sixty-five (65), whichever is later, in order to remain eligible for the spouse post-retirement death benefit.

Each policy remains separate and distinct, and amounts may not be combined for the purpose of increasing the amount of a single policy.

### C. Disability Coverage.

1. Short-Term Disability Coverage. An employee may purchase short-term disability coverage that provides benefits of from three hundred dollars (\$300) to five thousand dollars (\$5,000) per month, up to two-thirds (2/3) of an employee's salary, for up to one hundred eighty (180) days during total disability due to a non-occupational accident or a non-occupational sickness. Benefits are paid from the first day of a disabling injury or from the eighth day of a disabling sickness. For a new employee, coverage applied for by the initial effective date of coverage as defined in this Insurance Addendum, Section 2C does not require evidence of insurability. For an employee who becomes eligible for insurance, coverage applied for within thirty (30) days of the initial effective date does not require evidence of insurability. An employee who is insurance eligible and moves from a temporary position to a permanent position will be allowed to enroll in short-term disability coverage within thirty (30) days of the event without providing evidence of insurability. A short-term disability open enrollment will be offered every five years.
2. Long-Term Disability Coverage. New employees may enroll in long-term disability insurance by their initial effective date of coverage. Employees who become eligible for insurance may enroll in long-term disability insurance within thirty (30) days of their initial effective date as defined in this Insurance Addendum, Section 2C. An employee who is insurance eligible and moves from a temporary position to a permanent position will be allowed to enroll in long-term disability coverage within thirty (30) days of the event without providing evidence of insurability. The terms are the same as for employees who wish to add/increase during the annual open enrollment. During open enrollment only, an employee may purchase long-term disability coverage that provides benefits of from three hundred dollars (\$300) to seven thousand dollars (\$7,000) per month, based on the employee's salary, commencing on the 181st calendar day of total disability, and not subject to evidence of insurability but with a limited term pre-existing condition exclusion.

Employees should be aware that other wage replacement benefits, as described in the certificate of coverage (i.e., Social Security Disability, Minnesota State Retirement Disability, etc.), may result in a reduction of the monthly benefit levels purchased. In any event, the minimum is the greater of three hundred dollars (\$300) or fifteen (15) percent of the amount purchased. The minimum benefit will not be reduced by any other wage replacement benefit. In the event that the employee becomes totally disabled before age seventy (70), the premiums on this benefit shall be waived.

3. **Disability Coverage Subcommittee.** A subcommittee of the Joint Labor Management Committee on Health Plans (JLM) will be created to review disability plan options to conform with and complement the Minnesota Paid Leave Law. The JLM must agree to changes that modify or change the disability coverage provisions.

D. **Accidental Death and Dismemberment Coverage.** An employee may purchase accidental death and dismemberment coverage that provides principal sum benefits in amounts ranging from five thousand dollars (\$5,000) to two hundred thousand dollars (\$200,000). Payment is made only for accidental bodily injury or death and may vary, depending upon the extent of dismemberment. An employee may also purchase from five thousand dollars (\$5,000) to twenty-five thousand dollars (\$25,000) in coverage for their spouse, but not in excess of the amount carried by the employee.

E. **Vision Coverage.** Under the life of this agreement, an optional and fully employee-paid vision benefit will be available pursuant to contract parameters with the State's vision vendor.

F. **Voluntary Legal Services Coverage.** Under the life of this agreement, an optional and fully employee-paid legal services benefit will be available pursuant to contract parameters with the State's vendor for disability insurance.

G. **Continuation of Optional Coverages During Unpaid Leave or Layoff.** An employee who takes an unpaid leave of absence or who is laid off may discontinue premium payments on optional policies during the period of leave or layoff. If the employee returns within one (1) year, the employee shall be permitted to pick up all optionals held prior to the leave or layoff. For purposes of reinstating such optional coverages, the following limitations shall be applicable.

For the first twenty-four (24) months of long-term disability coverage after such a period of leave or layoff during which long-term disability coverage was discontinued, any such disability coverage shall exclude coverage for pre-existing conditions. For disability purposes, a pre-existing condition is defined as any disability which is caused by, or results from, any injury, sickness or pregnancy which occurred, was diagnosed, or for which medical care was received during the period of leave or layoff. In addition, any pre-existing condition limitations that would have been in effect under the policy but for the discontinuance of coverage shall continue to apply as provided in the policy.

The limitations set forth above do not apply to leaves that qualify under the Family Medical Leave Act (FMLA).