

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 shall be implemented on the earliest practicable date after approval of any of the 2021-2023 collective bargaining agreements by the Minnesota Legislature, including interim approval by the Legislative Coordinating Commission - Sub-Committee on Employee Relations. These provisions shall remain in full force and effect until a final agreement between Minnesota State and MSCF on the 2021-2023 Master Agreement is approved and becomes effective in accordance with Minn. Stat. §3.855.

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

DocuSigned by:  
*Betsy Thompson* 9/16/2021 | 6:10:43 PM CDT  
F45FA6A2A2A54A8...  
Betsy Thompson  
Director of Labor Relations

DocuSigned by:  
*Matt Williams* 9/16/2021 | 11:07:23 AM CDT  
1A9FC8793FA74EB...  
Matt Williams  
MSCF President

DocuSigned by:  
*Eric M. Davis* 9/16/2021 | 2:56:58 PM CDT  
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Eric Davis  
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, and disability coverage equivalent to existing coverage, subject to the provisions of this Article.

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 a temporary full-time, an unlimited full-time or an unlimited part-time appointment with 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.

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- 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.** A faculty member who submits a resignation but has completed the academic year and is enrolled in the group insurance program continues that eligibility and the Employer contribution 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 Faculty.** A faculty member on a temporary appointment who is eligible to participate in the group insurance program continues that eligibility during the summer if notice has been received from the college president (provost) or designee by May 31 of each year that the faculty member will be re-hired in an insurance eligible position (at least six (6) credits or its equivalent) for the subsequent fall term.
- 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 the faculty member is either continuing on at the college for another year or has been hired at another college by May 31 of each year.

- G. **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.
- H. **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.
- I. **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 ~~(1)~~ 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) ~~(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 in addition to a health plan with a seven hundred and fifty dollar (\$750.00) or greater deductible through the spouse's employing organization, the spouse is not eligible to be a covered dependent for the purposes of this Article. If both spouses work for the State or another organization participating in the State's group insurance program, neither spouse may be covered as a dependent by the other, unless one spouse is not eligible for a full Employer contribution as defined in Section 3, Subd. 1.~~

~~Effective January 1, 2015, if When both spouses work for the State or another organization participating in the State's Employee gGroup 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).

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- 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 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.
- 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 is an eligible faculty member’s unmarried dependent grandchild who:
  - a. Is financially dependent upon the faculty member for principal support and maintenance and has resided with the faculty member continuously from birth, or
  - b. 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).
  - c. 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).
- D. **Disabled Child with a Disability.** A ~~disabled~~ 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 ~~disabled~~ 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.
- F. **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.

**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.** Faculty members shall be eligible to receive the full Employer contribution for health, dental and basic life coverage (s) in accordance with the following:

- A. **Unlimited and Temporary Full-time Faculty.** Unlimited full-time, unlimited part-time and temporary full-time faculty members covered by this Contract and whose total appointments are at least seventy-five percent (75%) of the full-time work assignment load for the academic year.
- B. **Temporary Part-time Faculty.**

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. Eligibility shall be in accordance with the following:

**A. Unlimited Faculty.**

1. Unlimited faculty members covered by this Contract and 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. Temporary Part-time Faculty.**

1. When a temporary part-time faculty member is assigned to at least six (6) credits but less than twelve (12) credits or credit equivalents in fall semester then the faculty member shall receive the partial Employer contribution for that semester.
2. When a temporary part-time faculty member is assigned to at least six (6) credits but less than twelve (12) credits or credit equivalents in spring semester then 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.**

1. 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.** A faculty member who submits a resignation but has completed the academic year and is enrolled in the group insurance program continues that eligibility 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.
- D. **Summer Coverage - Temporary Faculty.** A faculty member on a temporary appointment who is eligible for an Employer contribution continues to receive the Employer contribution during the summer if notice has been received from the college president (provost) or designee by May 31<sup>st</sup> of each year that the faculty member will be re-hired in an insurance eligible position (at least six (6) credits or its equivalent) for the subsequent fall term.
- E. **Summer Coverage - Probationary Faculty.** A faculty member who is on a probationary appointment who is eligible for an Employer contribution continues to receive the Employer contribution during the summer if the faculty member is either continuing on at the college for another year or has been hired at another college by May 31<sup>st</sup> of each year.
- F. **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.**

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- 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, ~~2019~~ 2021 will continue through December 31, ~~2019~~ 2021.

**Subd. 1. Contribution Formula -- Health Coverage.**

- A. **Faculty Member Coverage**. For faculty member health coverage for the ~~2020~~ 2022 and ~~2021~~ 2023 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 ~~2020~~ 2022 and ~~2021~~ 2023 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 an amount equal to the lesser of ninety percent (90%) of the faculty member premium of the State Dental Plan, or the actual faculty member premium of the dental plan chosen by the faculty member. However, for calendar years beginning January 1, 2019, the

minimum faculty member contribution shall be thirteen dollars and 50 cents (\$13.50) per month.

- B. **Dependent Coverage.** For dependent dental coverage, the Employer contributes an amount equal to the lesser of fifty percent (50%) of the dependent premium of the State Dental Plan, or the actual dependent premium of the dental plan chosen by the faculty member.

**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.** Effective July 1, 2017 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.

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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.**

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- A. **Initial Effective Date.** The initial effective date of coverage under the Group Insurance Program is the ~~thirty-fifth (35<sup>th</sup>)~~ **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. **Dental coverage will be offered during the 2023 plan year open enrollment.** Each year of the Contract, all faculty members shall have the option to complete a Health Assessment. 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, ~~2019~~ 2021, through December 31, ~~2019~~ 2021, health coverage under the SEGIP will continue at the level in effect on June 30, 2019. Effective January 1, ~~2020~~ 2022, 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.

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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 up to two (2) additional times during the plan year. 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 ~~2020~~ 2022 and ~~2021~~ 2023.**

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<del>2020</del> <b>2022 and 2021 2023</b> 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 drugs and preventive care (S/F)	\$250/\$500	\$400/\$800	\$750/\$1,500	\$1,500/\$3,000
Office visit copay/urgent care (copay waived for preventive services) <del>For 2020 1) Having taken health assessment and opted in for health coaching 2) Not having taken health assessment or not having opted in for health coaching. For 2021 the incentive is changed and the only available copay option is copay #2.</del>	<del>1) — \$30</del> \$35\$35	<del>1) — \$35</del> \$40\$40	<del>1) — \$65</del> \$70\$70	<del>1) — \$85</del> \$90\$90
In-Network Convenience Clinics and Online Care (deductible waived)	\$0	\$0	\$0	\$0
Emergency room copay	\$100 <del>not subject to Deductible</del>	\$400 <del>125 not subject to Deductible</del>	\$400 <del>150 not subject to Deductible</del>	<del>N/A — subject to Deductible and 25% Coinsurance to OOP maximum</del> \$350 <del>not subject to Deductible</del>
Facility copays • Per inpatient admission (waived for admission to Center of Excellence)  • Per outpatient surgery	\$100  \$60	\$200  \$120	\$500  \$250	<del>N/A — subject to Deductible and 25% Coinsurance to OOP maximum</del>  <del>N/A — subject to Deductible and 25% Coinsurance to OOP maximum</del>
Coinsurance for MRI/CT scan services	10%	15%	25%	<del>N/A — subject to Deductible and 30% Coinsurance to OOP maximum</del>
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	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55	Tier 1: \$18 Tier 2: \$30 Tier 3: \$55	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

- B. ~~Incentive Office Visit Copayments.~~ ~~In 2020, the level of the office visit copayment applicable to a faculty member and dependents is based upon whether the faculty member has completed the on-line Health Assessment during open enrollment and has agreed to opt in for health coaching.~~

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~~In 2021, Employees will receive a seventy dollar (\$70.00) first-dollar credit to their individual deductible (regardless of whether the employee is enrolled in single or family coverage), conditional upon completion of qualifying activities in the State-of-Wellbeing program by the deadline.-(The seventy dollar (\$70.00) employee individual deductible credit replaces the copayment reduction.)~~

- 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 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.
- D. **Services not requiring authorization by a primary care physician within the primary care.**
1. **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. **Outpatient emergency and urgicenter services within the service area.** The emergency room copay applies to all outpatient emergency visits that do not result in hospital admission within twenty-four (24) hours. The urgicenter copay is the same as the primary care clinic office visit copay.
  3. **Emergency and urgently needed care outside the service area.** Professional services of a physician, emergency room treatment, and inpatient hospital services are covered at eighty percent (80%) of the first two thousand dollars (\$2,000.00) of the charges incurred per insurance year, and one-hundred percent (100%) thereafter. The maximum eligible out-of-pocket expense per individual per year for this benefit is four hundred dollars (\$400.00). This benefit is not available when the member's condition permits the member to receive care within the network of the plan in which the individual is enrolled.
  4. **Ambulance.** The deductible and coinsurance for services not subject to copays applies.
- E. **Prescription drugs.**
1. **Copayments and annual out-of-pocket maximums.**

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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.
- 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.
- G. **Individuals whose permanent residence and principal work location are outside the State of Minnesota and outside of the service areas of the health plans participating in Advantage.** If these individuals use the plan administrator’s national preferred provider organization in their area, services will be covered at Benefit Level Two. If a national preferred provider is not available in their area, services will be covered at Benefit Level Two through any other provider available in their area. If the national preferred provider organization is available but not used, benefits will be paid at the POS level described in paragraph “I” below. All terms and conditions outlined in the Summary of Benefits will apply.
- H. **Children living with an ex-spouse outside the service area of the faculty member’s plan administrator.** Covered children living with former spouses outside the service area

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of the faculty member's plan administrator, and enrolled under this provision as of December 31, 2003, will be covered at Benefit Level Two benefits. If available, services must be provided by providers in the plan administrator's national preferred provider organization. If the national preferred provider organization is available but not used, benefits will be paid at the POS level described in paragraph "I" below.

- I. **Individuals whose permanent residence is outside the State of Minnesota and outside the service areas of the health plans participating in Advantage.** (This category includes employees temporarily residing outside Minnesota on temporary assignment or paid leave (including sabbatical leaves) and all dependent children (including college students) and spouses living out of area.) The point of service (POS) benefit described below is available to these individuals. All terms and conditions outlined in the Summary of Benefits apply. This benefit is not available for services received within the service areas of the health plans participating in Advantage.

1. **Deductible.** There is a three hundred fifty dollar (\$350.00) annual deductible per person, with a maximum deductible per family per year of seven hundred dollars (\$700.00).
2. **Coinsurance.** After the deductible is satisfied, seventy percent (70%) coverage up to the plan out-of-pocket maximum designated below.

- J. **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.

- K. **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 ~~2020~~ 2022 insurance year shall be negotiated in accordance with the following procedures:

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- A. At least twelve (12) weeks prior to the open enrollment period for the ~~2020~~ 2022 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 ~~2019~~ 2020 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, ~~and~~ 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

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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 ~~limited short-term~~ 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) Health promotion incentives. The Joint Labor-Management Committee on Health Plans shall develop a program that provides incentives for faculty members who participate in a health promotion program. The health promotion program shall emphasize the adoption and maintenance of healthier lifestyle behaviors and shall encourage wiser usage of the health care system.
- 5) 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.

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

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**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.

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

**Subd. 1. Coverage Options.** Eligible faculty members may select coverage under any one of the dental plans offered by the Employer, including health maintenance organization plans, the State Dental Plan, or other dental plans. Coverage offered through health maintenance organization plans is subject to change during the life of this Agreement upon action of the health maintenance organization and approval of the Employer after consultation with the Joint Labor/Management Committee on Health Plans. However, actuarial reductions in the level of HMO coverage effective during the term of this Agreement, including increases in copayments, require approval of the Joint Labor/Management Committee on Health Plans. Coverage offered through the State Dental Plan is determined by Section 8. Subd. 2.

**Subd. 2. 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.

<b>Service</b>	<b>In-Network</b>	<b>Out-of-Network</b>
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 dollar (\$2,000.00) 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.

## **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

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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 fifteen percent (15%) 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 fifteen percent (15%) 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.

### **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. **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.

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- D. **Vision Coverage.** A fully employee paid vision benefit will be available beginning January 1, 2021 subject to the agreement by the subcommittee of the Joint Labor Management Insurance Committee to the benefit set determined through the state's Request for Proposal (RFP) process.
- E. **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).