IMPACT OF PROPOSED HEALTH CARE CHANGES ON
CURRENT EMPLOYEES AND RETIREES OF ANNE ARUNDEL COUNTY

If passed, Bill 85-13 will affect the health care benefits offered to employees and retirees of Anne Arundel County in the following substantial ways:

- The bill eliminates the guarantee in the County Code that the county will pay 80% of retiree health care costs and gives the County Council the ability to change the percentage the county pays (i.e., the employer subsidy) for employees who retire after 1/1/2017 or for spouses or other dependents of any current or future retiree at any time.
- The only element subject to negotiation and collective bargaining will be the employer subsidy for existing employees; employees will not have the ability to negotiate health care plan design or the employer subsidy for retirees, spouses or dependents.
- Rather than paying a percentage of the premium for the insurance plan the employee or retiree is enrolled in, the county will pay only a set percentage of the lowest-cost health insurance plan. This dramatically increases costs for the 64% of employees enrolled in the more expensive insurance plans.
- The county will replace the current Blue Choice HMO, which pays 92% to 95% of the expected health care costs for an average employee, with a health insurance plan designed to pay only 85% of average expected costs.
- The bill allows the county to replace the Medicare Supplemental Wrap program with a cash payment. This would require retirees to find their own supplemental insurance, premiums of which can increase due to age or location.
- The employer subsidy for current employees retiring after 1/1/2017 will vary with years of service, beginning at 50% after 10 years of service. Current employees will be required to work 25 years to receive the 80% employer subsidy currently promised to all employees with five years of service.
- Employees hired after 1/1/2015 will receive a retirement employer subsidy of only 30% after 10 years of service and will be required to work 40 years to receive an 80% employer subsidy. Employees hired after 1/1/2014 who leave the county's employ before retirement age for a non-disability-related reason will not receive health care coverage upon retirement.

A survey was taken by 1,041 current employees and retirees between December 3 and December 11, 2013 to gauge the impact of changes being considered for inclusion in Bill 85-13. The 744 current employees who took the survey represent 20% of the 3,719 employees currently enrolled in the county's health insurance plan. The survey, which is located at www.AACHealthcare.com, estimated health care plan costs for 2014, 2015 and 2016 for employees and retirees based upon their specific circumstances and discussed elements under consideration in the bill.

Several elements discussed in the survey as potentially being included in Bill 85-13 were eliminated by the County Council:

- The Council elected not to decrease the employer subsidy for spouses eligible for health care elsewhere, which would have increased annual health insurance costs by about $3,000 per year for approximately 21% of employees
- The Council elected not to strip current vested employees of their rights to health insurance once they reach retirement age. However, current employees who want to leave before they

reach retirement age will need to retire before 7/1/2014 in order to receive an 80% employer subsidy. Current employees who leave after 7/1/2014 will receive an employer subsidy based on credited years of service which ranges between 30% after 5 years of service to 80% after 30 years of service. Employees hired after 1/1/2014 who leave before they reach retirement age for non-disability-related reasons will not receive health care benefits.

- The bill replaces language in the County Code that guarantees that the county will pay 80% of retiree health care costs with a statement that a county employee and retiree health benefits program "shall include insurance for medical care and prescription drugs". The Council voted to exclude a clause that created "a contractual obligation on the part of the County to provide retiree health insurance or a Medicare supplement to retirees and their eligible spouses, dependents, and survivors".

CONCLUSION: If Bill 85-13 passes, it will dramatically increase health care costs for the majority of county employees and retirees. Current and former employees, many of whom knowingly accepted lower pay in return for an excellent benefits package and the promise of a secure retirement, are infuriated by the proposed changes and a high percentage of current employees say they will quit before these changes go into effect. In addition, since the proposed benefits package for future employees is even weaker than for current employees, Anne Arundel County can expect to have a difficult time recruiting high-quality employees in the future if this bill passes.

KEY FINDINGS:

1. Employees and retirees are furious about changes being considered in Bill 85-13, with 36% of current employees claiming they will leave the County's employ before the changes go into effect if the bill passes. In the survey, 50.4% of all respondents said they were furious about the proposed changes, and 91.3% were either furious or unhappy.

How Do You Feel About The Changes Being Proposed?

	Current Employees	Pre-65 Retirees	65+ Retirees	Total
Number of Respondents	744	208	89	1041
Furious	49.5%	56.7%	43.8%	50.4%
Unhappy	42.3%	35.6%	41.6%	40.9%
Total Furious or Unhappy	91.8%	92.3%	85.4%	91.3%
Neutral	5.4%	2.9%	9.0%	5.2%
Positive	0.7%	0.5%	2.2%	0.8%
Thrilled	0.0%	0.0%	0.0%	0.0%
Other	2.1%	4.3%	3.4%	2.7%

Additionally, 36.4% of current employees said they were so upset by these proposed changes that they would leave the County's employ or join the DROP program before the bill goes into effect. Such a mass exodus would create major problems throughout the county.

Department	Number of Employee Respondents	% Furious	% Will Leave
Police	259	59.8%	39.0%
Fire	208	45.7%	35.1%
Detention	75	48.0%	34.7%
Public Works	80	43.8%	38.8%
Sheriffs	11	45.5%	27.3%
All Others	111	37.8%	33.3%
TOTAL	744	49.5%	36.4%
Police Officers	177	61.6%	37.9%
Firefighters	203	45.8%	35.0%
Detention Officers	61	49.2%	32.8%

Employees would plan to leave on the following schedule:

How Quickly Current Employees Plan to Leave

	Police Officers	Firefighters	All Others	Total Employees
Number of Employee Respondents	177	203	364	744
When will you plan to retire, join the DROP program or quit?				
Leave before 7/1/14	0.6%	0.5%	2.2%	1.3%
Leave before 1/1/15	1.1%	2.0%	5.2%	3.4%
Leave before 1/1/17	14.7%	7.9%	9.6%	10.3%
Join DROP before 1/1/15	6.8%	7.9%	0.0%	3.8%
Leave as soon as find a job	7.3%	9.4%	11.3%	9.8%
Other/Date unspecified	7.4%	7.3%	8.2%	7.8%
Total Planning to Leave	37.9%	35.0%	36.5%	36.4%

Since the survey included several elements that were not included in the final bill, these results somewhat overstate the degree of dissatisfaction of employees and retirees with the final bill. Excluding respondents who said the reduced county contributions for spousal coverage or the elimination of benefits for terminated vested employees were among their top five concerns, 32.0% of the remaining respondents said they would quit or join the DROP program before the bill goes into effect.

Employee Respondents	No. of Employee Respondents	% Furious	% Will Leave
All	744	49.5%	36.4%
Excluding Those Concerned About Reduced Spousal Coverage or Elimination of Benefits for Terminated Vested Employees	369	41.2%	32.0%

It is difficult to determine the cost to the county of so many valued employees leaving in a short period of time, but it would be astronomical. The County has invested at least $76,000 in training each Police Officer and Firefighter and as much as double this in training each Paramedic. If the County were to lose 32% of its current public safety personnel, training and recruitment costs could total over $40 million.

Appendix I shows the changes that current employees and retirees are most angry about. While the top concern of survey respondents is how much their health care costs would skyrocket, current and former employees are also furious about the following amendments to Bill 85-13 that County Executive Neuman asked the Council to pass:

- Removing the contractual obligation to provide retirees, their spouses and other dependents with health insurance or a Medicare supplement
- Giving the County Council the ability to change benefits at any time except for: (a) employer subsidies determined through collective bargaining; or (b) employer subsidies for retirees who retire before 1/1/2017. Employer subsidies for employees who retire after 1/1/2017 or for spouses or other dependents of any retiree could be changed by the County Council at any time.
- Stating that only the amount of the employer subsidy is subject to collective bargaining, not health insurance benefit options or plan design

In addition to answering specific questions, survey respondents were also allowed to explain why they were so upset about the changes proposed in Bill 85-13. A sampling of comments is included in Appendix II, and interested parties are encouraged to read all of the comments at www.AACBenefits.com.

2. <u>The proposed bill shifts so many costs onto employees that the average current employee will see their cost for health insurance more than double from $1,808 to $4,148 per year between 2014 and 2016</u>. Assuming health insurance costs continue to increase 6% per year, the amount paid by current employees will increase from $6.7 million in 2014 to $15.4 million in 2016 as county health care spending for current employees actually declines:

	Annual Current Employee Health Insurance Cost		
	2014	2015	2016
Est. Health Ins. Cost ($ million)	$55.5	$58.9	$62.4
Paid By County ($ million)	$48.8	$48.8	$47.0
Paid By Employee ($ million)	$ 6.7	$10.1	$15.4
Average Per Employee	$1,808	$2,708	$4,144
% of Avg. Employee Salary	3.2%	4.9%	7.4%

Appendix III shows projected health care costs for employees in 2014, 2015 and 2016 assuming that total health insurance costs increase by 6% per year. The 50% increase in employee costs projected for 2015 has already been agreed to by employees in contract negotiations. The substantial increase in 2016 costs is the result of basing the county's contribution on the lowest-cost HMO plan rather paying a percentage of the employee's actual plan costs.

The above table does not include the impact of the county moving from the current Blue Choice HMO plan that covers 92% to 95% of average expected health care costs to a less-expensive plan covering only 85% of expected costs. Reducing the benefit should result in a lower premium for employees enrolled in the HMO. However, since the employer subsidy will then be based on an even cheaper program, this move will likely further increase costs for the 64% of employees enrolled in one of the better plans.

3. <u>Current retirees under the age of 65 will also see their costs increase substantially</u>. The average health insurance payment of a current retiree under the age of 65 will increase by 82% from $3,275 per year in 2014 to $5,950 per year in 2016 as the percentage of their health care cost that the county pays drops from 80% to 67.6%. Current retirees over the age of 65 who are already enrolled in a Medicare Supplemental Wrap program are not expected to see a substantial increase in cost.

   The employer subsidy for health insurance of pre-65 retirees will be based upon the low-cost plan just as it is for employees. Bill 85-13 will impose several additional changes on retirees:

   - Bill 85-13 allows the Medicare Supplemental Wrap program to be replaced with a cash payment to retirees. A cash payment would require retirees to find their own insurance, the cost of which could increase based upon age or geographic location. In addition, a cash payment could have tax implications for retirees, including potentially eliminating a deduction of up to $3,000 per year that public safety retirees can take by deducting their health insurance premiums on a pre-tax basis from their pension fund payments. Alternatively, the county could create a health reimbursement account or contract with another entity to provide a Navigator program to post-65 retirees.
   - The bill changes the employer subsidy for retiree health care for future retirees. Instead of paying 80% of health care costs for retirees with 5 or more years of service, the bill requires a minimum of 10 years of service and introduces a sliding employer subsidy scale. For employees who are not eligible to retire with a normal or early retirement date before 1/1/2017 and who retire after 1/1/2017, the county will pay 50% of their retiree health care costs after 10 years of service and 80% after 25 years of service.

4. <u>Both employees and retirees recognize that unfunded retiree health care benefits are an important problem, and most are willing to accept some changes to their benefit package in order to ensure the county can continue to pay benefits throughout their lifetime.</u>

Are you willing to consider some changes to your health care benefits?

	Current Employees	Retirees	Total
Number of Respondents	722	287	1009
Yes	53.9%	40.1%	50.0%
No	17.5%	34.8%	22.4%
Don’t Know	28.7%	25.1%	27.7%

One change that most employees would support, for example, is to change the vesting period from five years to ten years. Not surprisingly, public safety personnel who current vest after 20 years are more open to longer vesting times than non-public safety personnel.

Highest Reasonable Vesting Period

	All Employees		Public Safety	Non-Public Safety
Number of Respondents	584		436	148
5 years	14.7%		12.6%	21.0%
10 years	43.6%		40.8%	52.0%
15 years	13.4%		11.7%	18.2%
20 years	27.4%		34.0%	8.1%
25 years	0.9%		0.9%	0.7%
Total	100.0%		100.0%	100.0%

5. In addition to the very substantial benefit cuts being proposed for current employees and retirees, Bill 85-13 proposes additional benefit cuts for employees hired after 1/1/2015. Anne Arundel County has a reputation for paying its employees less than they could make in surrounding jurisdictions or in the private sector, but the county has been able to recruit a good workforce despite this because of the generosity of its benefit package. If Bill 85-13 is passed, this will no longer be true and it is likely to become extremely difficult in the future to recruit the top-quality employees the county needs to fulfill its services to the citizens of Anne Arundel County.

Joanna Conti
January 2, 2014

APPENDIX I

IMPACT OF BILL 85-13 ON HEALTH CARE COSTS

Current Employees

In 2014, the county is paying 90% of CIGNA OAPIN and Blue Choice HMO premiums and 80% of the CF Triple Option premiums for current employees. During the negotiations for the latest contracts, the percentages the county will pay were reduced to 85% of CIGNA OAPIN and BlueChoice HMO and 75% of CF Triple Option.

Instead of paying a certain percentage of health insurance premiums, Bill 85-13 proposes that in the future the county will calculate the amount it will pay in an employer subsidy on the cheapest health insurance plan (currently BlueChoice HMO).

This changes increases health insurance costs dramatically for the 64% of employees insured with CIGNA or the Triple Option program. Assuming health care costs increase 6% per year, the employer subsidy remains at 85% for 2016, and excluding any impact of moving to an 85% actuarial value plan the following charts compare the estimated annual employee cost for their health care premium in 2016 to what it is currently:

Annual Cost of Individual Coverage							
	2014 Plan		2015 Current Contract		2016 Proposed		
Plan	County	Employee	County	Employee	County	Employee	% Increase vs. 2014
CIGNA OAPIN	$6,567	$730	$6,575	$1,160	$6,110	$2,089	+186%
BlueChoice HMO	$5,758	$640	$5,764	$1,017	$6,110	$1,078	+69%
CF Triple Option	$6,963	$1,741	$6,919	$2,306	$6,110	$3,669	+111%

Annual Cost of Coverage for Parent with Children							
	2014 Plan		2015 Current Contract		2016 Proposed		
Plan	County	Employee	County	Employee	County	Employee	% Increase vs. 2014
CIGNA OAPIN	$11,801	$1,311	$11,814	$2,085	$10,916	$3,817	+191%
BlueChoice HMO	$10,287	$1,143	$10,298	$1,817	$10,916	$1,926	+69%
CF Triple Option	$12,427	$3,107	$12,350	$4,117	$10,916	$6,538	+111%

Annual Cost of Coverage for Husband & Wife							
	2014 Plan		2015 Current Contract		2016 Proposed		
Plan	County	Employee	County	Employee	County	Employee	% Increase vs. 2014
CIGNA OAPIN	$14,036	$1,560	$14,051	$2,480	$13,020	$4,503	+189%
BlueChoice HMO	$12,269	$1,363	$12,283	$2,168	$13,020	$2,298	+69%
CF Triple Option	$14,829	$3,707	$14,736	$4,912	$13,020	$7,807	+111%

Annual Cost of Family Coverage							
	2014 Plan		2015 Current Contract		2016 Proposed		
Plan	County	Employee	County	Employee	County	Employee	% Increase vs. 2014
CIGNA OAPIN	$18,141	$2,016	$18,162	$3,205	$16,855	$5,793	+187%
BlueChoice HMO	$15,883	$1,765	$15,901	$2,806	$16,855	$2,974	+69%
CF Triple Option	$19,202	$4,801	$19,082	$6,361	$16,855	$10,114	+111%

These charts most likely understate the impact of basing the employer subsidy on the lowest-cost plan. When the county changes its lowest-cost plan from the current BlueChoice HMO to one with an 85% actuarial value, this will likely further decrease the cost of the low-cost plan and, thus, the employer subsidy provided to enrollees of the higher-cost plans.

Retirees Less Than 65 Years Old

General County Employees: Under the current benefits plan, non-public safety employees who have retired after at least five years of service generally become eligible for a pension and inclusion in the county's health care program on their 60th birthday. At that point, the county starts paying 80% of their retirement health care costs under the current program.

Public Safety Employees: Under the current benefits plan, public safety employees who have retired with at least twenty years of service generally become eligible for a pension and inclusion in the county's retiree health care program immediately. Alternatively, public safety employees who have at least five years of service are eligible for a pension and inclusion in the county's retiree health care program once they reach 50 years old. At that point, the county starts paying 80% of their retirement health care costs under the current program.

Existing Retirees, Those Who Retire Soon & Those Eligible to Retire Before 1/1/17: The employer subsidy for all current and former employees who retire before 1/1/2017 will be 80% of the lowest-cost plan. In addition, employees who are eligible to retire with a normal or early retirement date before 1/1/2017 who wish to continue to work for the County after that date will receive an employer subsidy of 80% of the lowest-cost plan.

Current Employees: Under Bill 85-13, employees will have to work for 10 years to earn retiree health care benefits and the share of health care costs that the county will pay to current employees upon retirement will vary according to years of service as shown below.

Proposed % of Least Expensive Health Care Plan Costs County Will Pay

Years of Service	10-14 Years	15-19 Years	20-24 Years	25+ Years
% of Least Expensive Plan County Will Pay	50%	60%	70%	80%

Because Bill 85-13 both reduces the percentage of coverage that the county will pay for retirees with less than 25 years service and bases the county's contribution on the least-expensive HMO plan, costs for some retirees will increase dramatically. Assuming health costs increase 6% per year, this is what retirees under the age of 65 are going to be expected to pay for health insurance annually in 2016:

Estimated 2016 Annual Employee Health Insurance Costs for Pre-65 Retirees on an Individual Plan						
	Current Plan	Proposed for Pre-1/2017 Retirees	Proposed for Post-1/2017 Retirees – Annual Employee Cost Based On Years of Service			
Years of Service	5+	5+	10-14	15-19	20-24	25+
CIGNA OAPIN	$1,640	$2,448	$4,605	$3,886	$3,167	$2,448
BlueChoice HMO (not available to retirees outside the tri-state area)	$1,438	$1,438	$3,594	$2,875	$2,157	$1,438
CF Triple Option	$1,956	$4,028	$6,185	$5,446	$4,747	$4,028

Estimated 2016 Annual Employee Health Insurance Costs for Parent & Children of Pre-65 Retirees						
	Current Plan	Proposed for Pre-1/2017 Retirees	Proposed for Post-1/2017 Retirees – Annual Employee Cost Based On Years of Service			
Years of Service	5+	5+	10-14	15-19	20-24	25+
CIGNA OAPIN	$2,947	$4,459	$8,312	$7,027	$5,743	$4,459
BlueChoice HMO (not available to retirees outside the tri-state area)	$2,569	$2,569	$6,421	$5,137	$3,853	$2,569
CF Triple Option	$3,491	$7,180	$11,033	$9,749	$8,464	$7,180

Estimated 2016 Annual Employee Health Insurance Costs for Pre-65 Retirees and Their Spouse						
	Current Plan	Proposed for Pre-1/2017 Retirees	Proposed for Post-1/2017 Retirees – Annual Employee Cost Based On Years of Service			
Years of Service	5+	5+	10-14	15-19	20-24	25+
CIGNA OAPIN	$3,505	$5,269	$9,864	$8,332	$6,800	$5,269
BlueChoice HMO (not available to retirees outside the tri-state area)	$3,064	$3,064	$7,659	$6,127	$4,595	$3,064
CF Triple Option	$4,165	$8,573	$13,168	$11,637	$10,105	$8,573

Estimated 2016 Annual Employee Health Insurance Costs for Pre-65 Retirees on a Family Plan						
	Current Plan	Proposed for Pre-1/2017 Retirees	Proposed for Post-1/2017 Retirees – Annual Employee Cost Based On Years of Service			
Years of Service	5+	5+	10-14	15-19	20-24	25+
CIGNA OAPIN	$4,530	$6,785	$12,734	$10,751	$8,768	$6,785
BlueChoice HMO (not available to retirees outside the tri-state area)	$3,966	$3,966	$9,915	$7,932	$5,949	$3,966
CF Triple Option	$5,394	$11,106	$17,055	$15,072	$13,089	$11,106

Retirees 65 Years Old and Older

Under the current benefits plan, the County provides a Medicare Supplemental Wrap program for retirees once they become eligible for Medicare (typically at age 65). Retirees are required to enroll in and pay the costs for Medicare Parts A and B.

Under the current benefits plan, once non-public safety employees have worked for the county for 5 years or public safety employees have worked for 20 years, the county will pay 80% of the costs of the Medicare Supplemental Wrap program.

Under Bill 85-13, the County will pay 80% of the cost of a Medicare Supplemental Wrap program for these groups of current employees: (a) employees who retire before 1/1/2017; (b) employees who join the DROP program by 1/1/2015; or (c) employees who are eligible for normal or early retirement by 1/1/2017 and who continue to work for the county. For employees who do not fall into one of these groups, the share of the Medicare Supplemental Wrap program that the county will pay will be based on years of service starting 1/1/2015:

Years of Service	10-14 Years	15-19 Years	20-24 Years	25+ Years
% County Will Pay	50%	60%	70%	80%

Assuming costs increase 6% per year, the cost to retirees of the Medicare Supplemental Wrap program will be as follows in 2016:

Estimated 2016 Annual Employee Cost for Medicare Supplemental Wrap Program						
	Current Plan	Proposed for Pre-1/2017 Retirees	Proposed for Post-1/2017 Retirees -- Annual Employee Cost Based On Years of Service			
Years of Service	5+	5+	10-14	15-19	20-24	25+
Individual	$1,445	$1,445	$3,612	$2,890	$2,167	$1,445
Individual & Spouse	$2,890	$2,890	$7,225	$5,780	$4,335	$2,890

This legislation allows the County to replace the Supplemental Wrap program with a payment to retirees. The County would calculate the subsidy by applying the above percentages to the costs of a Medigap Plan F program plus a payment for prescription drug coverage, the amount of which would be determined by the County's Personnel Officer. If this occurs, retirees would need to contract for their own supplemental insurance, costs of which may increase with age and geographic location.

REDUCED RETIREE EMPLOYER SUBSIDY FOR EMPLOYEES HIRED AFTER 1/1/2015

Retiree health care costs will be even higher for new employees hired after January, 2015, who will need to work for 40 years to receive an employer subsidy of 80% of their retiree health care costs:

Employer Subsidy for Current vs. Future Employees

Years of Service	10-14 Years	15-19 Years	20-24 Years	25 - 29 Years	30 – 39 Years	40+ Years
Current Employees	50%	60%	70%	80%	80%	80%
Employees Hired After 1/1/2015	50%	60%	60%	70%	75%	80%

APPENDIX II

SELECTED COMMENTS FROM THE SURVEY

Browse all comments at http://www.AACBenefits.com

I feel like it's been a bait & switch, so to speak. When I was hired by this county, it was under a good healthcare plan. Over the years, the county has been chipping away at our benefits. Now, with over 15 years in, the county wants increase my healthcare costs drastically, which will eat away the meager raise I FINALLY got, after being denied raises & merit increases for several years. Then, unless I retire before 2017, I'm screwed even more.

The cost increase is ridiculous. Our cost goes up while the county's costs go down. The increase should be split equally. The fact that healthcare changed is not our fault and we should not endure 100% of the extra cost.

20% of the cheapest plan will have a dramatic impact to access of care as many primary care providers do not accept HMO coverage and specialty providers as well. This is increase of nearly $150 a month on retirees is a stab in the back for a dedicated career for the citizens of AACO, especially for retirees with chronic conditions.

In return for my continued wish to stay on until fully vested, the new system will almost triple my annual dues for healthcare while providing less coverage. Quite frankly, I feel shafted.

I have a special needs son, who requires very expensive medical needs from Johns Hopkins hospital. I will not be able to afford the increase the county is proposing to my current plan. I will have to switch to an HMO and this will jeopardize the care he will receive from Hopkins. The county's lack of planning over the years with health care cost, should not constitute an emergency on my part. Every person has kicked this can down the road, now you attempting to correct it on the employees backs again....

First I live on my retirement period. Second I am unable to find work due to my medical condition, as a result of on the job injuries, the medical insurance is critical to my wife's and my retirement. By increasing my costs (Double) I must now consider selling my home and buying a much smaller home to afford to live. I live off of $48,000 per year from the retirement prior to taxes. After this change because of the county screw up I must now bear the cost of approximately $4000 more a year in medical insurance. HOW?????? WHO PAYS for the heart operation I am looking at.

One of the reasons I kept working for the county when I could have gone elsewhere for greater pay was the heath care and retirement benefits. If I knew they were going to hose me after I did my time I would have left after 5 years

I was promised and EARNED the benefits I get. I made life decisions based on these promises; decisions that at this point in my life I CANNOT change. I have very few options at this point and the County is changing the rules in the middle of the game. I am THANKFUL for my benefits and I would like to keep them. One of the worst parts of this is the uncertainty. This is truly unfair and those that have retired should NOT be effected by this bill at all; either by cost or quality of benefits.

When I made the decision to come to work for AA county, I was told these would be my and my families benefits. I could have taken a job with another county with higher pay but choose AACO. Had this been brought up previously, I could have made other choices and other plans during my career while working for AACo. To make the changes after you are retired and are no longer able to work as I once did, its devastating. This would cause a hardship. If they want to change the benefits, it should be for the folks coming on board not the people who are retired or the employees who are close to retiring.
I am retired due to a duty-related disability. If these proposed changes took effect, it would provide a significant financial burdon on my family with the inability to pay my mortgage and current medical bills. Years after my disabilty retirement, I still require treatment for my injuries sustained while serving the citizens of Anne Arundel County. The increase in these costs would effect my family drastically.

I served the citizens of aa county as a police officer for 24 years. I risked my life for the safety of others. I worked all hours, all types of weather conditions, missed Christmas mornings, birthdays, etc. While I never expected to get rich as a police officer, the trade off was good benefits during employment, and good retirement benefits. I feel as if the county and politicians that i served are not making good on their promises. I was always proud to be an aa co police officer. However, am glad that I survived my tour of duty and have retired. The old saying is you get what you pay for. I worry for the citizens and for my former police partners that aa county will no longer attract and retain the best and brightest police officers if these changes to our health care are realized.

I will not be able to pay my bills. I will end up working another job to support my family.

I put my life on the line and was injured several times in the line of duty. I now have several medical issues related to my employment and the county is trying to cut my insurance. I also signed a contract with the county when I retired. The county should honor that contract. With what the county is proposing I will not be able to afford it on a fixed income.

Future health benefits were an incentive to take a job as a police officer. Knowing that I'd be damaging my body both externally and internally for 20 plus years of service was a sacrifice I was willing to make knowing that the payoff would include a pension and quality healthcare for my family. These changes are about more than money, they are hurtful and a demonstration of how little we as individuals are thought of by people that we have elected into government. I sacrifice a lot for this job and I will continue to do so. I know that the stress alone has taken years off my life. But this is the worst part. This complete lack of understanding and disrespect by people that are supposed to have our best interests in mind and not look at us just as leaches to the county budget. I love my job and in 12 years on I've never thought "Is this really worth it." But now I wonder...

We have worked hard and for less pay than the private sector to have good benefits. Now the county wants to strip all our benefits because politicians didn't save or spend the county funds properly.

Our yearly cost is going up way to high and the retirement benefits are awful. No incentive to stay with the county

We are so behind surrounding jurisdictions on the pay scale. The upcoming pay raises will just be wiped out by the increase in health insurance. They act like they are doing us a favor with the pay increase just to take it away with the insurance increase.

Changing the coverage terms for existing employees is wrong. They should fund the obligations they made to us and then change the program to meet future needs for future employees.

When I began searching which police department to join after exiting the military. One of the main reasons I chose A.A. CO. was the benefits package. Very good insurance and decent pension. So I fulfill my obligation to the county with 24 years of service as a police officer. which by the way ended, with me being injured on the job. After multiple surgeries I now live with constant and debilitating pain thanks to my police career. And for the county to attempt to change those Heath care benefits I was promised, is wrong on so many levels. I fulfilled my obligation to the county they should be required to fulfill theirs to me and my family. This is the ultimate bait and switch, entice officers to come and work for AA Co. with the promise of good health care benefits for our families. Then 24 years later decide they want to change those benefits which were promised years ago. I choose to work here based on those benefits promised. I completed my obligation to receive those benefits during retirement. Now the county says sorry I know we promised you those things but we have miss managed or health care plan for years so we are not going to honor our promise to you.

As a single mother who survives pay check to pay check as it is, the changes that have already occurred with my insurance have impacted me financially. Now it's only going to get worse. This may force me to either find a part time job in addition to this one or find another full time position. If our salaries increase with these changes, I would be fine with it. Haven't seen that happen and don't expect it too.

Anne Arundel County is no Detroit and it never will be. We work for one of the richest counties in this country. I get furious when I hear comparisons by our elected officials.

Through my entire work history, the FOP negotiated away raises and instead took health care benefits on the back end in retirement. This always included the spouse. Now, those negotiations in the past have been thrown out because of a lack of planning on the part of the politicians in the county dating back to 1976 when I came on. My earning capacity is significantly lower now that I am up in age and I am facing the spousal penalty. I have Blue Choice and it is far superior to what my wifes plan. This means a lot to me because of her ovarian cancer in 2006. This means a change in her doctors, her treatment centers and a different hospital. If you are going to change it, dont do it for those that have all ready retired. We were promised these benefits through negotiation over a period of decades. The spouse was ALWAYS included in the retiree health benefit at the retirees rate.

My recollection is that we often turned down raises in favor of better benefits. This is a stab in the back and negates 26 years of collective begging with the county.

The pay scales in the County have not even begun to keep up with industry standards. As a non represented employee, I have had no financial relief for 5 years and multiple years of furlough. All costs have gone up and my current paycheck is smaller than it was 5 years ago, largely due to insurance premium increases. The added costs and increases described are vastly greater than any pay increase I can expect and leave me living paycheck to paycheck without any ability to save more for retirement costs as benefits continue to be reduced. The increased costs give me no hope of having the quality of medical care that I expect and have been promised. participating in an HMO is not an option. I have doctors I have been seeing for over 20 years that are critical to my health, and the only way I can receive any coverage is through Triple Choice. Adding thousands of dollars of premium increases over the next several years alone is financially devastating. The employees should not be the scape goat for The County's failure to properly budget and fund the plans we were promised.

This will have the potential to drive away good employees either through forced retirement in order to protect their benefits (for those retirement eligible) or force those who do not have much time invested with the county but are "Certified Correctional Officers" to leave for what may be better salary or better benefits.

I fail to understand why the county's cost for health insurance goes up by approximately $1000 in 2016 yet my cost will more then triple.

Totally unethical, unconsiderate, unrealistic and despicable action/intentions. You can not take from an employee what the employee was promised at the time of hiring. The county salary is the lowest in all other jurisdiction in MD, because the county claims to have the best benefits. It is totally unreasonable to pay the lowest salary and take away the promised benefits as a reason why the county pay less than other jurisdictions. It is totally a demoralizing decision and goes towards reducing to a great extent the chances of the county attracting and retaining high caliber employees!!!!

When I took the job with AA County 9 years ago, it was based on benefits, not salary. After almost FIVE years of no pay raises or COLA's, this is just another slap in the FACE…When you combine the proposed decrease in benefits along with the LOW pay, you have no choice but to start looking for a better situation

I took the job with the County, knowing that I could make more money in the private sector, in fact I was able to get Food Stamps, because my pay was so low, I elected not to accept the Food Stamps. The reason I accepted the County job was based on my future retirement benefits and health insurance. I was given the impression that the health insurance and retirement benefits were tied together, and would be honored. Apparently doing the Honorable thing is something of the past.

My health care plan coverage while I was employed was not negotiable. I had a choice of plans and the agreement was that the County pays 80%, and I pay 20%, even after I am vested and retired. There was no other option and this was an agreement that was determined by the County, not in negotiations that had an expiration date! If the County renegs on our agreement, now that I am retired, I GUARANTEE YOU there will be a lawsuit.

The promises made to current employees and retirees should be upheld. The county is not in an fiscal crisis to justify such outrageous changes

The only reason I took a lower paying job with the county was for the benefits. Over the course of the eleven years that I have worked for the county they have continued to lie, and steal from employees. In one breath county officials say they know we are not making enough, and in the next breath they are shaking us down, and stealing the benefits we accepted county employment for. County employees went several years without a raise, and all the while our health insurance was increasing. Now we get a couple of meager raises, and low and behold more health insurance increases , but this time we are getting parabolic increases.

I'm looking at a significant increase in annual costs for health insurance for myself, spouse, and children. For my tenure and rank I am already grossly underpaid in comparison to surrounding jurisdictions. This further economic blow would increase my liklihood to retire as soon as possible to find employment elsewhere.

Understood the cost will go up over the years, but in a 2 year period to over double the cost of the insurance per household is unfair. How can you expect an employee who only makes 40k a year to pay a quarter of that salary for their healthcare? Obviously he HMO will be the more widely used plan if this goes into affect, but in the fire department many of the employer live out of state and will be forced to use a n open plan due to no facilities in their state having a MD ID number to accept their insurance.

I'm disgusted with the continued attack of the county's public safety workers by the elected officials. We risk our lives day in and day out for the benefit of the citizens of this county, and the council continues to make it harder and harder for good employees to stay in service to our citizens. I'm halfway through my career, having invested 10 years of my life in service to this county, and now they want to go back on the agreement to provide fair medical coverage for me and my family? … I accepted this job first and foremost to serve the citizens in the best way that I was able to, by working as a Firefighter Paramedic. In my tenure, I have positively impacted the lives of hundreds of citizens of this county. I agreed to take the position in this county based on the fair and equitable compensation and benefit package that was offered. That offer was by no means lucrative or a means of getting rich, but it was fair. Every year the council takes more and more from us, and it is quickly reaching a point where our firefighter and police officers are no longer able to stay employed here because the pay and benefits are dropping to unacceptable levels. How many of our public safety officers qualify for public assistance, food stamps, and other government subsidies because the compensation they receive is so low? When will we decide that this is unacceptable?? I will not vote for any member of the council that supports this bill, and I will encourage all others to do the same.

By the year 2016 I will be paying a quarter of my yearly income for health benefits.

I risk my life for the citizens of AACo. Offering help to those in need no matter what the emergency. As a firefighter I am exposed to chemicals, hazardous atmospheres and diseases that may not have been discovered yet along with those that have. I make enough money to get by. These proposed increases in cost and decrease in benefits sicken me. My family deserves better. I deserve better than what's proposed. We deserve the same care that I give to the citizens of AACo. I am a person, not a number on a sheet of paper.

Retired /disabled county firefighter, not sure how I will even live.

My wages now are so low that I have to work another full time job to make ends meet, if I will have to pay more for health care there is no point in working for the county anymore. I will look elsewhere!

APPENDIX III

CONCERNS ABOUT CHANGES BEING PROPOSED IN BILL 85-13

Which of the proposed changes are you most upset about (pick no more than 5)?

Proposed Change Being Considered (who would potentially be affected)	Current Employees	Retirees	Total	Inclusion in Final Version of the Bill
Number of Respondents	744	297	1041	
How much my insurance costs will increase (all employees & retirees)	70.0%	63.0%	68.0%	Some employees will see their costs increase less than calculated in the survey; many will see their costs increase more
Giving up the right to negotiate health care plan design through collective bargaining (all employees & retirees)	57.8%	62.0%	59.0%	Included. The only element subject to collective bargaining will be the employer subsidy for existing employees
Removing the County's contractual obligation to offer health care to employees who retire after 1/1/2017 or to the spouses and dependents of employees who retire at any time (current employees not eligible to retire before 1/1/2017; all spouses & dependents)	58.7%	29.3%	50.3%	85-13 replaces the section of the County Code stating the county will pay 80% of retiree health care costs with language stating only that the county will provide medical care & prescription drug coverage to employees and retirees. 85-13 allows the Council to reduce employer subsidies for employees who retire after 1/1/2017 or for spouses or other dependents of any retiree at any time. Language stating the county has a contractual obligation to provide health care coverage to retirees, spouses, dependents and survivors was stripped from the bill.
Basing the county's health care contribution on the lowest-cost plan (all employees & retirees)	38.6%	54.5%	43.1%	Included. Changing the low-cost plan from the current HMO to an 85% actuarial value plan increases even further the differential employees & retirees on better plans will have to pay
Reduced county contributions for spousal coverage if the spouse is eligible for health insurance through their job, regardless of the comparability of benefits (all employees & retirees)	40.2%	35.4%	38.8%	Eliminated for spouses of current employees and retirees, but maintained for survivors
Option to replace the Medicare Supplemental Wrap program with a payment based on the cost of a Medigap Part F Plan plus the cost of prescription drug coverage as calculated by the Personnel Officer (all retirees 65+ years)	22.8%	52.2%	31.2%	Included
Changing the lowest-cost plan from the current HMO plan to a plan that covers an average of 85% of expected costs (all employees & pre-65 retirees)	29.0%	27.9%	28.7%	Included

Which of the proposed changes are you most upset about (pick no more than 5)? (continued)

Proposed Change Being Considered (who would potentially be affected)	Current Employees	Retirees	Total	Inclusion in Final Version of the Bill
Basing the county's retiree health care contributions on a sliding scale, paying only 50% of costs after 10 years of service (employees retiring after 1/1/2017)	21.8%	10.1%	18.4%	Included
Terminated vested employees who leave the county after 1/1/2015 and before they reach retirement age will not receive retiree health care benefits (employees leaving after 1/1/2015)	14.8%	4.7%	11.9%	Eliminated for current employees but included for new employees. Current employees who want to leave before qualifying for retirement have to quit by 7/1/2014 to receive an 80% retirement employer subsidy. After that, their employer subsidy will range from 30% with 5 years of service to 80% with 30 years
Requiring employees to work 10 years to earn health care retirement benefits (employees who retire after 1/1/2017)	8.5%	3.7%	7.1%	Included