IN THE MATTER OF THE ARBITRATION

BETWEEN

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PERKINS COIE LLP

TACOMA POLICE UNION, LOCAL 6 and CITY OF TACOMA	INTEREST ARBITRATION OPINION AND AWARD

PERC Case No. 20867-I-07-0489

ARBITRATION PANEL

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Steve Shake, Local 6 Partisan Member
Michael J. Smith, City Partisan Member

April 21, 2008

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4. Karen Short, Management Analyst I
5. Ryan Lane, Patrol Sergeant
6. Terry Krause, Detective
7. Richard McCrea, Assistant Chief of Police
8. Alice Massara, Employee Relations Coordinator
9. Michael Brock, Labor Negotiator
10. Anya King, Research Analyst, Aitchison & Vick

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I. BACKGROUND

The City of Tacoma is located in Pierce County, Washington on the southern end of Puget Sound, in an area 32 miles southwest of Seattle and 31 miles northeast of Olympia, Washington. The City has a 2007 population of just over 200,000, and is the third largest city in Washington State. Only Seattle and Spokane are larger. The City is home to the seventh largest container port in the United States.

Tacoma is a Charter city, operating under a Council-Manager form of government. The City Council consists of an elected Mayor and eight elected Council Members. The City Manager oversees day-to-day operations and works with City departments to carry out policies adopted by the City Council. The City provides a wide range of municipal services. General governmental activities are funded by the General Fund, which has four primary sources of revenue: property taxes (23%), sales taxes (23%), utility taxes (20%), and business taxes (19%). These four sources provide 85% of the General Fund. Other revenue sources are licenses and permits, fines and penalties, intergovernmental revenue, and miscellaneous.

The Tacoma Police Department ("TPD") is headed by Chief of Police Don Ramsdell. The Department is divided into three bureaus, each of which has specialized sub-units: Investigations, Operations, and Administrative Services. Each bureau is commanded by an Assistant Chief. The Operations Bureau is the

largest one and is responsible for most of the law enforcement services provided by the City. The Department's 2007-08 operating budget was $125,188,922, of which salaries and related personnel benefits represented approximately 66.3%. Salaries are 50.26% of the budget and benefits are 16.04%.

Four hundred and sixteen (416) employees work in the Department. The majority of the commissioned employees are represented in one of two bargaining units. One bargaining unit is composed of positions in police management and is represented by Local #26. The bargaining unit involved in this interest arbitration is composed of all commissioned officers through the rank of sergeant and is represented by the Tacoma Police Union, Local 6 ("Union" or "Local 6"). The bargaining unit consists of 237 patrol officers, 43 sergeants, and 57 detectives. CX10 at 8.[1]

At the time the parties started bargaining over a new CBA, the City had been benefitting from a strong economy which had generated increased sales and utility taxes. The City had been benefitting from a large, stable military presence and overall strong job growth. The unemployment rate for the Tacoma metropolitan area in 2006 was 5.2%, down .8% from 2005. The assessed value of real property in Tacoma had been rising, from $15.7 billion in 2005 to $18.6 billion in 2006.

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[1] Exhibits are referenced by number as Union ("UX-___") or City ("Ex. CX-___"). References to the Transcript are identified by page and perhaps line number ("Tr. __:__"). References to exhibits or testimony are intended to be illustrative, not all-inclusive, of evidence in the record that supports a particular statement. When the parties' data conflicted, I have selected the figure judged to be the most reliable.

As a result, the City's financial condition was healthy as the parties commenced bargaining. In 2006, the City's total assets exceeded its liabilities by $2.2 billion. UX 24-1, p.iii. At the end of 2006, $265 million dollars was reported as unrestricted net assets that were available to meet ongoing financial obligations. The City's General Fund, which is used to pay for general governmental activities, had a fund balance of 13.1 million in 2006. UX 24-1 p.ix. The City faces some significant long-term expenses, however, in health insurance costs, police/fire retirement, workers' compensation, and motor vehicle fuel. CX 3.

Several citizen initiatives have impacted the City's financial forecasts:

> I-695, passed in 1999, repealed the motor vehicle excise tax. This eliminated an estimated $5.3 million in annual City revenue.
>
> The City's total property tax collections have been limited by Initiative 747, which was approved by Washington voters in 2001. I-747 prevented the City from increasing its property tax levy by more than 1% of the highest levy in the last three years. That limit has typically been below the rate of inflation. In November 2007, Initiative 747 was declared unconstitutional by the Washington State Supreme Court. Washington Citizens Action of Washington v. State, Docket No. 78844-8 (November 8, 2007). The Washington State Legislature reinstated a 1% cap on property tax increases in a subsequent special session, so this still remains a constraint on City revenues.
>
> In 2002, voters approved I-776, which limited the state vehicle license fee to $30 and repealed local vehicle license fees. This reduced the City's revenue by an estimated $1.4 million per year.

Commencing in 2008, reduced income will also result from the City's adoption of the State Business and Occupation Gross Receipts Tax Model Ordinance, which revised administration of the B&O tax and is estimated to result in reduced revenue ranging from $2 million to $4 million annually, starting in 2008. CX 3

The City and Union have a long history of collective bargaining. The parties' most recent Collective Bargaining Agreement ("CBA") expired on December 31, 2005. The predecessor labor contract was in effect from 2002-2004. The parties commenced bargaining for the 2006-2008 CBA in January, 2006. Mediation occurred between June and November 2006, but the parties bargained to impasse regarding a number of issues. In January, 2007, the Executive Director of the Washington Public Employment Relations Commission (PERC) certified 16 issues for arbitration.

This interest arbitration was initiated in accord with RCW 41.56.450 to settle those unresolved issues. By mutual consent, Janet L. Gaunt was selected to serve as the neutral Chairperson (hereinafter "Arbitrator"), who has statutory authority to issue a final ruling. As its partisan arbitrator on the arbitration panel, Local 6 designated Police Detective Steve Shake. The City designated Assistant City Attorney Michael J. Smith.

Before the interest arbitration hearing commenced, the Union filed an unfair labor practice complaint alleging that the City had refused to provide requested information necessary to prepare for the interest arbitration. The Executive Director of PERC suspended interest arbitration proceedings for the City's proposal that there be employee premium-sharing for health care (Article 10). PERC Case No. 21274-U-07-5430. By the time of the hearing, the number of unresolved issues, in addition to the suspended insurance issue, had been reduced to four (4):

1) Article 10.1 (Vacation Cashout)
2) Article 23.13 (Standby Pay Rate)
3) Appendix A, Section 2 (2006-2008 Wages)
4) Appendix A, Section 4 (Deferred Compensation)

An arbitration hearing was conducted in Tacoma, Washington on October 29 and 30, 2007. The Union was represented by Jeffrey Julius of Aitchison & Vick. The City was represented by Lawrence Hannah of Perkins Coie LLP. The proceedings were recorded by a court reporter and a transcript provided for the Arbitrator's use. During the hearing, each party had an opportunity to make opening statements, submit documentary evidence, examine and cross-examine witnesses (who testified under oath), and argue the issues in dispute. Both sides were allowed to submit corrected exhibits following the hearing. At the Arbitrator's request, the City added a profile for Police Sergeant at 10 Years of Service to its Appendices in Exhibit C-10. The Union revised its Exhibits 19-1 through 19-6 and 19-10 on November 7, 2007.

Before the date set for the parties to submit their closing arguments in the form of post-hearing briefs, the Union withdrew its Unfair Labor Practice charge, and PERC lifted its suspension of the insurance issue. A hearing on that issue was scheduled for February 8, 2008, but then postponed at the parties' request. The City and Union were ultimately able to reach a settlement of the insurance issue. Terms of the negotiated settlement are incorporated into this decision as Attachment A.

II. APPLICABLE STATUTORY PROVISIONS

The Panel's authority arises out of RCW 41.56, which prescribes binding arbitration for public employers and uniformed personnel upon declaration by the PERC that an impasse in bargaining exists. The legislative intent has been described as follows:

> *RCW 41.56.430. Uniformed personnel--Legislative declaration.* The intent and purpose of chapter 131, Laws of 1973 is to recognize that there exists a public policy in the state of Washington against strikes by uniformed personnel as a means of settling their labor disputes; that the uninterrupted and dedicated service of these classes of employees is vital to the welfare and public safety of the state of Washington; that to promote such dedicated and uninterrupted public service there should exist an effective and adequate alternative means of settling disputes. [1973 c 131 §1]

RCW 41.56.450 describes the powers and duties of the interest arbitration panel, which may only consider issues certified by PERC's Executive Director. RCW 41.56.465 sets forth various standards the Panel must consider when making its decision:

> *RCW 41.56.465. Uniformed personnel--Interest arbitration panel--Determinations--Factors to be considered.*
>
> (1) In making its determination, the panel shall be mindful of the legislative purpose enumerated in RCW 41.56.430 and, as additional standards or guidelines to aid it in reaching a decision, it shall take into consideration the following factors:
>
> (a) The constitutional and statutory authority of the employer;
>
> (b) Stipulations of the parties;

(c)(1) For employees listed in RCW 41.56.030(7)(a) through (d), comparison of the wages, hours, and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of employment of like personnel of like employers of similar size on the west coast of the United States;

(c)(2) For employees listed in RCW 41.56.030(7)(e) through (h), comparison of the wages, hours, and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of employment of like personnel of public fire departments of similar size on the west coast of the United States. However, when an adequate number of comparable employers exists within the state of Washington, other west coast employers may not be considered;

(d) The average consumer prices for good and services, commonly known as the cost of living;

(e) Changes in any of the circumstances under (a) through (d) of this subsection during the pendency of the proceedings; and

(f) Such other factors, not confined to the factors under (a) through (e) of this subsection, that are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment. For those employees listed in RCW 41.56.030(7)(a) who are employed by the governing body of a city or town with a population of less than fifteen thousand, or a county with a population of less than seventy thousand, consideration must also be given to regional differences in the cost of living.

(2) Subsection (1)(c) of this section may not be construed to authorize the panel to require the employer to pay, directly or indirectly, the increased employee contributions resulting from chapter 502, Laws of 1993 or chapter 517, Laws of 1993 as required under chapter 41.28 RCW.

A. THE CONSTITUTIONAL/STATUTORY AUTHORITY OF THE EMPLOYER

Neither party has made any allegation that the proposals of the other party exceed or are otherwise affected by the constitutional and statutory authority of the City.

B. STIPULATIONS OF THE PARTIES

The parties agree that the contract should be three years in duration (2006-2008) and that all issues have been settled except for those addressed herein. The City has also stipulated that it is not making an inability to pay argument. Further stipulations that relate to particular proposals are discussed in the sections of this decision that deal with those proposals.

To accommodate the Arbitrator's schedule and allow sufficient consultation with Panel members, the parties agreed to waive the statutory time limit for the Arbitrator's Opinion and Award. Having now had a chance to consult with the other Panel members, the Arbitrator has reached the following determinations regarding the unresolved issues.

C. COMPARABLE EMPLOYERS

One of the statutory criteria which this Panel must consider is the comparison of wages, hours and conditions of "like personnel of like employers of similar size on the west coast of the United States." RCW 41.56.465(1)(c)(2). The City proposes using comparators located in Washington State. The Union objects

to all but one of the Washington comparators and seeks the inclusion instead of comparators from California.

1. Agreed Comparators. The parties have agreed upon only one Washington city (Spokane) as an appropriate comparator for purposes of RCW 45.56.465(c)(2).

2. Disputed Comparators. The parties disagree over whether any other Washington jurisdictions should be used as comparators and whether the use of California jurisdictions is appropriate.

Union Proposal: Local 6 proposes nine (9) comparator jurisdictions, only one of which (Spokane) is located in Washington State. The others are all California jurisdictions, i.e., Bakersfield, Berkeley, Modesto, Ontario, Richmond, Riverside, San Bernardino, and Stockton, California. The criteria used to select this list was 50% above and 50% below Tacoma's population and assessed valuation. The Union derived its population figures from the 2000 census conducted by the U.S. Census Bureau. For assessed valuation, the Union utilized 2005 assessed valuation figures posted on websites of the Municipal Research and Services Center and the California state Board of Equalization's website. The Union contends that only two Washington cities fell within the screening range, so it became necessary to add comparables from out of state. Local 6 found 27 other cities on the west coast that fell within the screening range. Using criteria such as assessed valuation per capita, part I crimes, part I crimes per capita, part I crimes per officer, number of police officers, and police officers per 1000, the Union part the list of comparables down to a more workable number. The Union contends its list consists of cities similar in size, wealth and with similar sized police departments at the time negotiations commenced for the 2006-2008 CBA.

City Proposal: The City proposes six (6) Washington cities that it has traditionally looked to as police comparables: Bellevue, Everett, Federal Way, Kent, Spokane, and Vancouver. Bellevue, Everett, Spokane and Vancouver fall within a +/- 50% screening range for both population and assessed valuation. Kent falls outside that range for population but within the range for assessed valuation. Federal Way falls below the range for both population and assessed valuation but is part of Tacoma's labor market. Four of the six cities used by the City are located along with Interstate 5 corridor proximate to the greater Seattle metropolitan area. Vancouver is part of the greater Portland metropolitan area.

DISCUSSION AND FINDINGS: The selection of comparable jurisdictions is a process fraught with imprecision. As one of my colleagues has accurately observed: "The interest arbitrator faces the problem of making 'apples to apples' comparisons on the basis of imperfect choices and sometimes incomplete data." City of Pasco and Pasco Police Officers Association, PERC No. 10526-I-93-00225 (Wilkinson, 1994). That is especially true in this case.

The governing statute does not define how "similar size" is to be determined. The most commonly utilized screening criteria are population and assessed valuation of the communities served. Additional criteria are sometimes included in the size analysis, but I believe population and assessed valuation of property protected are appropriate screening criteria in this case.

> *There are so many arbitration awards that have considered only population and assessed valuation as a measure of size that no citation is needed.* These awards have spanned many decades without any correction from the Legislature or the courts. Thus, I emphasize that it is both usual and appropriate to confine one's inquiry to the population and assessed valuation indicators (with consideration also given to geographic proximity), as is seen from many interest arbitration adjudications.

City of Camas and International Association of Firefighters Local 2444, PERC No. 16303-I-02-0380 (Wilkinson, 2003)(emphasis added in italics).

The most traditional range used by interest arbitrators for determining "similar size" has been the one used by both parties, *i.e.*, 50% above and 50% below the City of Tacoma's population and assessed valuation (referred to hereafter as +/- 50%). Although this screening parameter is the most prevalent

one, arbitrators do broaden the range when necessary to obtain a sufficient number of comparables. *See, e.g.,* City of Pullman and The Pullman Police Officers Guild, PERC No. 12399-I-96-296 (Gaunt, 1997)(upper limit of just under 200% used because of lack of options); Thurston County and WSCCCE Council 2, PERC No. 14083-I-98-00312 (Axon,1999)(used range of -53% to 164% to find more than four comparables).

The Union contends it is necessary to utilize California cities because only two Washington cities fell within the applicable screening range. That is true only if one uses rather outdated population figures. The City used population figures found in a report issued by the Washington State Office of Financial Management ("OFM") entitled "Population Estimates, Rank of Cities and Towns by April 1, 2007 Population Size." For assessed valuation, the City used data shown in a report by the Washington Department of Revenue for 2007 Tax Levy Details. CX 6. Using this data, the relative size of the City's proposed comparables is shown below:[2]

	2007 Population	% of Tacoma	2007 Assessed Valuation	% of Tacoma
Bellevue	118,100	58.6%	$ 26,588,866,094	141.9%
Everett	101,800	50.5%	$ 11,719,014,102	62.6%
Federal Way	87,390	43.3%	$ 7,962,160,910	42.5%

[2] State of Washington, OFM "Population Estimates, Rank of Cities and Towns by April 1, 2007 Population Size;" and Washington Department of Revenue, "Property Tax Statistics, Assessed Valuation, 2007 Levy Details, Senior Taxing Levies Due in 2007." CX 6.

Kent	86,660	43.0%	$ 10,224,279,148	54.6%
Spokane	202,900	100.6%	$ 12,629,678,715	67.4%
Vancouver	160,800	79.7%	$ 14,735,048,728	78.7%
Tacoma	201,700		$ 18,731,712,628	
+50%	302,550		$ 28,097,568,942	
-50%	100,850		$ 9,365,856,314	

The Union used the 2000 United States Census for its population data, but the assessed valuation data is derived from 2005 data posted on the websites of the Municipal Research and Services Center for Washington State cities and the California Board of Equalization for the California cities. The relative size of the Union's proposed comparables is as follows:

	2000 Population	**% of Tacoma**	**2005 Assessed Valuation**	**% of Tacoma**
Spokane	195,629	101.1%	$ 9,161,859	77.5%
Bakersfield	247,057	127.6%	$ 11,514,311	97.4%
Berkeley	102,743	51.3%	$ 8,038,014	62.6%
Modesto	188,856	97.6%	$ 9,619,868	81.4%
Ontario	158,007	81.6%	$ 11,469,644	97.0%
Richmond	99,216	51.3%	$ 8,187,764	69.2%
Riverside	255,166	131.8%	$ 13,497,958	114.2%
San Bernardino	185,401	95.8%	$ 6,132,956	51.9%
Stockton	243,771	125.9%	$ 11,457,353	96.9%
Tacoma	193,556		$ 11,824,449	
+50%	290,334		$ 17,736,674	
-50%	96,778		$ 5,912,225	

The Union also provided population data appearing in FBI Crime Statistics for 2006. If those statistics are used instead of the 2000 census data, the relative population size of the Union's proposed comparables changes to the following:

	2006 Population	% of Tacoma
Spokane	200,200	100.5%
Bakersfield	298,198	149.6%
Berkeley	101,651	51.0%
Modesto	208,875	104.8%
Ontario	174,234	87.4%
Richmond	103,106	51.7%
Riverside	202,698	101.7%
San Bernardino	200,388	100.6%
Stockton	289,510	145.3%
Tacoma	199,264	
+50%	296,896	
-50%	99,632	

UX 9-6.

The Union contends the data to use is that available at the time the parties were entering negotiations. I agree that the best reference point is data as close as possible to the first year of the contract being negotiated. Census data dating back to the year 2000 for a contract commencing is 2006 is far too outdated. The Union faults the City's source of population data because the OFM report is labeled an "estimate," but I know from prior experience that the OFM's "Rank of Cities and Towns by Population Size" is frequently used by parties for interest arbitrations.

The OFM Forecasting Division develops population estimates for use in the allocation of certain state revenues as well as for use in growth management and other planning functions. OFM is also the state agency responsible for administering the U.S. Census Bureau State Data Center Program in Washington State. Neither the census nor OFM's population estimate are an exact science. OFM's population figures, however, are based on actual data extrapolations and are particularly helpful for post-censal estimates. According to the OFM's website, for the year 2000, the difference between the OFM's state estimate and the federal census count was -0.15 percent. The OFM population estimate is considered accurate enough, in relative terms, to use for the allocation of state revenues. I find it also accurate enough to use to determine the relative size of the proposed Washington State comparables.

While I find no fault with the source of the data the City used for population and assessed valuation, I have considered the 2006 figures available for those same sources to evaluate whether there was any significant change in relative size as of 2006. The relative size of the City's proposed comparables back then was:

	2006 Population	% of Tacoma	2006 Assessed Valuation	% of Tacoma
Bellevue	117,000	58.6%	$ 23,955,789,810	152.2%
Everett	101,100	50.7%	$ 9,708,398,133	61.7%
Federal Way	86,530	43.4%	$ 7,187,872,448	45.7%

Kent	85,650	42.9%	$ 9,348,295,475	59.4%
Spokane	201,660	101.0%	$ 10,800,568,733	68.6%
Vancouver	156,600	78.5%	$ 11,966,008,886	76.0%
Tacoma	199,600		$ 15,739,885,099	
+50%	299,400		$ 23,609,827,649	
-50%	99,800		$ 7,869,942,550	

As can be seen from the foregoing list, three of the Cities proposed comparables (Everett, Spokane, and Vancouver) fall within the customary +/- 50% screening range for both population and assessed valuation. Five comparable jurisdictions are generally considered the minimum number necessary to make valid comparisons. Having at least seven comparable jurisdictions is preferable in this Arbitrator's view, but in this case I have concluded that it is more appropriate to use five in-state jurisdiction rather than resorting to the inclusion of jurisdictions from California.

Ideally, both population and assessed valuation will fall within the screening range, but the choices presented when trying to find appropriate comparators for the City of Tacoma are not ideal because of its relatively large size. When 2006 data is considered, Bellevue is just slightly more than 50% larger than Tacoma for assessed valuation but within the next year (2007), Bellevue had fallen within +50% of Tacoma for both population and assessed valuation. I therefore find it appropriate to include Bellevue as a comparator jurisdiction. The City of Kent's population was only 42.9% of Tacoma's in 2006 and barely higher than that for

2007, but in both years Kent fell within the +/- 50% parameter for assessed valuation. A consideration favoring the inclusion of Kent despite its smaller population is its geographic proximity to the City of Tacoma. ". . . arbitral authority has long recognized that geographic proximity may play an important role in determining 'like employers'." City of Everett and Everett Police Officer's Association, PERC No. 12476-I-96-272 (Axon,1997). As Arbitrator Wilkinson noted in an interest arbitration she issued just last year involving the City of Tacoma and its firefighters, it is advantageous to include cities falling within a subject jurisdiction's labor market.

> *Arbitrators also prefer using comparable employers having geographic proximity because they more accurately reflect the subject jurisdiction's labor market.* City of Redmond (IAFF Local 2829), PERC No. 17577-I-03-0406 (Krebs, 2004); City of Mukilteo (IAFF Local 3482), PERC No. 16378-I-02-0382 (Lankford, 2002); Walla Walla County (Walla Walla Deputy Sheriff's Guild), PERC No. 14798-I-99-327 (Greer, 2000); City of Bellevue (IAFF Local 1604), PEC No. 14037-I-98-309 (Beck, 1999); Kitsap County (Kitsap County Sheriff's Guild), PERC No. 13831-I-98-299 (Buchanan, 1999); Jefferson Transit (Amalgamated Transit Union, Local 587), PERC No. 11148-(-94-239 (Axon, 1994).

City of Tacoma and IAFF Local 31, PERC No. 20635-I-06-0481 (Wilkinson, 2007(emphasis added by italics).

The City also seeks the inclusion of Federal Way. Unlike Kent, Federal Way is less than 50% the size of Tacoma for both population and assessed valuation. Four out of five of the jurisdictions found acceptable comparators so far are smaller than Tacoma, so adding another jurisdiction that is even smaller in relative size produces too outbalanced a list of comparators. As part of Tacoma's local labor market, Federal Way can be considered under the "other factors" part

of the statute, but it is not similar in size enough for inclusion in the list of prime comparators.

I have carefully considered and ultimately found unpersuasive the Union's proposed inclusion of California jurisdictions. The Union's proposed list does have the advantage of including more comparators that are bigger than Tacoma or just about the same size. However, the Union's proposal of a list dominated by California cities, with only one Washington jurisdiction causes this Arbitrator to react the same way another colleague did.

> . . . . In the judgment of this Arbitrator, it would be totally unrealistic to make an award based primarily on the wages and benefits paid in eleven California cities. The inclusion of only one Washington city out of the thirteen chosen comparators would in effect compel this Arbitrator to treat Everett, Washington as a California city for the purpose of establishing wages and benefits. . . .
>
> . . . . To adopt the Association's comparators with eleven California cities also would require the Arbitrator to disregard differences in the California system of government, taxation, revenue sources, assessment, retirement systems, etc. from that of Everett, Washington.

City of Everett and Everett Police Officer's Association, PERC No. 12476-I-96-272 (Axon, 1997). For reasons that have also been well articulated by Arbitrator Jane Wilkinson, I do not favor California comparators when a sufficient number of comparators can be found in-state.

> This is not merely a statement of parochial vision. Rather, it is recognition that the amount of demographic data presented at an arbitration hearing cannot, as a practice matter, paint the whole picture. Differences in assessed valuation cycles, taking rates and authority, public retirement systems, costs of living, regional economic health and trends, overall service systems, total revenue streams, the policing environment, population patterns and density,

service areas and the structure of local government units make comparison more difficult.

City of Pasco andPasco Police Officers Association, PERC No. 10526-I-93-00225 (Wilkinson, 1994).

3. The Selected Comparators.

Pursuant to RCW 41.56.465(1)(c)(1), the Arbitrator finds the following jurisdictions constitute a sufficient number of appropriate comparables for the City of Tacoma:

Bellevue
Everett
Kent
Spokane
Vancouver

For both population and assessed valuation, the City ranks second. Ideally, I would prefer to have a more balanced set of comparables. Because of Tacoma's size, the only way to achieve that - given the record submitted to this Arbitrator - would be to resort to California jurisdictions. For the reasons previously noted, doing so would create more problems than it would solve. I will keep in mind the fact that a majority of the comparators are smaller than the City, not just in population and assessed valuation but also in terms of the size of their departments and crimes committed annually. Recognition of this can be factored in when judging where the City should rank in terms of the ultimate wage award. City of Pullman and Pullman Police Officers Guild, PERC No. 12399-I-96-269 (Gaunt, 1997).

D. COST OF LIVING CHANGES

RCW 41.56.465(1)(d) requires consideration of "the average consumer prices for goods and services, commonly known as the cost of living." A consumer price index is published by the United States Department of Labor, Bureau of Labor Statistics (BLS). The cost of living index historically used by the parties has been the Urban Wage Earners and Clerical Workers Index (CPI-W) for Seattle-Tacoma-Bremerton (June to June). The percentage increase in the CPI-W in recent years has been as follows):

Year	CPI-W Increase
June 03-June 04	2.5%
June 04-June 05	2.3%
June 05-June 06	4.6%
June 06-June 07	3.3%

Wage increases received by members of the bargaining unit during the period of 1991 through 2005 exceeded changes in the cost of living. CX 10 at 28.

E. INTERIM CHANGES

Another specified statutory consideration is interim changes during the pendency of this proceeding. Apart from those already mentioned, there have been no interim changes of note.

F. TRADITIONAL FACTORS

RCW 41.56.465(f) directs the Panel to consider "such other factors . . . which are normally or traditionally taken into consideration in the determination

of wages, hours and conditions of employment." A variety of factors are typically considered by interest arbitrators. Among these are the fiscal condition of an employer, changes in workload, bargaining unit hiring and retention, internal parity with other city bargaining units, and conditions in the local labor market.

1. Ability to Pay. The City does not claim an inability to pay the wage increases sought by Local 6. It argues instead that available general funds have to be allocated among competing priorities.

2. Workload Changes. A factor sometimes taken into account by this Arbitrator is changes in the workload of bargaining unit members. Exhibits introduced by the Union demonstrate that the crime rate in the City of Tacoma is high in relation to other comparables. UX 15-3. The number of calls for service being handled by the TPD has been increasing each year, and those calls are being handles by a workforce that is below its authorized strength. UX 16-2; Tr. 70-72. The Department has been operating under its authorized strength since at least 1999, and typically has between 10 to 38 vacant positions. Tr. 71.

3. Hiring and Retention. The City's 2006 Annual Report for the Police Department indicated in the Recruiting and Hiring section that filling available openings has been a challenge.

> In 2006, we continued our aggressive hiring efforts. The Tacoma Police Department has faced unprecedented hiring challenges over the course of the last three years. . . . It has been a challenge to reach our desired personnel numbers.

UX 2-1, p.18. Turnover rates within the bargaining unit have averaged 6.7% per year from 2004 to 2007. Of those, 1.8% were retirements. The remaining 4.9%

included probationary separations, terminations, and resignations. UX 16-10 to 16-13; CX 10 at 32. Open competitive recruitments conducted by the City from June 1, 2003 through January 2006 for entry-level Police Officers resulted in a list of over 1715 eligible candidates, from which 59 officers were selected. An average 95% of candidates resided in Washington State at the time of application. CX 10 at 32-34.

4. Internal Parity. Settlements reached by an employer with its other bargaining units is another a factor commonly considered under RCW 41.56.465(-f). The reasons for this have been well described by Arbitrator Alan Krebs:

> From the standpoint of both the employer and the union, the settlements reached by the employer with other bargaining units are significant. While those settlements are affected by the peculiar situation of each individual bargaining unit, still there is an understandable desire by the employer to achieve consistency. From the union's standpoint, it wants to do at least as well for its membership as the other employer's unions have already done. At the bargaining table, the settlements reached by the employer with the other unions are likely to be brought up by one side or the other. Other interest arbitrators have given some weight to internal parity. Port Angeles and Teamsters Local 589, AAA 75 300 00215 98 (Wilkinson, 1999). Thus, it is a factor which should be considered by the Arbitrator.

City of Sea-Tac and IAFF Local 2919, PERC No. Case No. 15951-I-01-370 (Krebs, 2002).

The weight given to internal parity will vary depending on the issue involved and the economic situation. During difficult economic times when it becomes necessary to ask all employees to make sacrifices, internal parity will often be given more weight. "Obviously, it does nothing for the morale of one employee segment to accept, for instance, a wage freeze, and then see another group receive

a whopping increase, no matter how deserving the latter group is of that increase." City of Redmond and Redmond Police Association, PERC No. 16791-5-02-00387 (Wilkinson 2004).

At times like the present one, when an employer is financially able to pay for wage and benefit increases, internal parity considerations become more problematic because settlements are often affected by concerns unique to each bargaining unit. One unit may give a higher priority to achieving step adjustments in a wage schedule than to gaining a higher across the board increase. For another unit, the reverse may be true. One unit may accept a lower wage increase because that increase maintains the bargaining unit's wages at a level competitive with the wages in other jurisdictions for similar jobs. Another unit may find the same percentage increase unacceptable because it does not result in a competitive wage for their particular job classifications. Different bargaining units will make different choices regarding the extent to which they will accept smaller wage increases in return for lower insurance co-payments. Whether a bargaining unit is eligible for interest arbitration also plays a role in the decisions that occur at the bargaining table.

The City has approximately 3,600 full-time equivalent employees. Approximately, 75% of the City's employees are union-represented. The City has collective bargaining agreements covering twenty-nine (29) bargaining units:

1. Local 31, Tacoma Fire Fighters Union
2. Professional Public Safety Managers Association (Fire Chief Assistant, Fire Chief Deputy, and Police Chief Assistant)
3. Local 6, IUPA Tacoma Police Union

4. Local 26, IUPA Tacoma Police Management Association (Captains and Lieutenants)
5. Local 120, Washington State Council fo County & City Employees (General Unit)
6. Local 120, Washington State Council of County & City Employees (Library Unit)("WSCCCE")
7. Local 117, Teamsters (General Unit)
8. Local 117, Teamsters (Public Assembly Facilities Unit)
9. Local 117, Teamsters (Library Unit)
10. Local 117, Teamsters (LESA)
11. Local 313, Teamsters (Sewer Workers, Sewer Equipment Operators, Collector Drivers)
12. Local 17, International Federation of Professional & Technical Engineers (Technicians, Supervisors)("IFPTE")
13. Local 160, IAM (General Unit)
14. Local 160, IAM (Supervisor Unit)
15. Local 160, IAM (Rail Mechanics Unit)
16. Local 160, IAM (Track Workers Unit)
17. Local 160, IAM Belt Line Clerical (Yard Clerks)
18. Local 483, IBEW (Tacoma Power)
19. Local 483, IBEW (Water Pollution Control Unit)
20. Local 483, IBEW (Clerical Unit)
21. Local 483, IBEW (Customer & Field Services)
22. Local 483, IBEW (Supervisors Unit)
23. Local 483, IBEW (Water Division)
24. Local 483, IBEW (Click Unit)
25. Local 483, IBEW (Custodial and Building Maintenance Unit)
26. Brotherhood of Locomotive Engineers (Engineers)
27. United Transportation Union (Yardmasters)
28. United Transportation Union (Switch Crews Unit)
29. Joint Labor Committee.[3]

Only the unit of firefighters is eligible for interest arbitration like the commissioned police officers. Through an interest arbitration award issued in 2007, the firefighters were awarded across the board wage increases of 2.1% for

[3] The Joint Labor Committee ("JLC") is the exclusive bargaining representative for certain matters common to all member unions and their constituents, including, but not limited to: vacations, holidays, sick leave and other leaves, and health care plans and insurance. Unions belonging to the JLC are Tacoma Firefighters Union Local 31, WSCCCE Local 120, Teamsters Locals 117 and 313, IFPTE Local 17, IAM Local 160, and IBEW Local 483.

2006, 4.1% for 2007 and 90% of the CPI-W increase for 2008. City of Tacoma and IAFF Local 31, PERC No. 20635-I-06-0481 (Wilkinson, 2007).

5. Local Labor Market. Anyone who has negotiated collective bargaining agreements is well aware of the impact that local labor markets can have on the setting of wage rates and benefits. Like Tacoma, three of the comparables (Bellevue, Everett and Kent) fall within the "Greater Seattle" metropolitan area. Federal Way for which the City presented data is also part of the City's local labor market.

III. THE RESOLUTION OF OUTSTANDING ISSUES

The interpretation and weighing of the various factors set forth in RCW 41.56.465 is left to the discretion of the selected interest arbitrator. In exercising that discretion, I am mindful of the fact that interest arbitration is an extension of the collective bargaining process. City of Bellevue, Decision 3085-A (PECB, 1989); City of Bellevue v. International Association of Fire Fighters, Local 1604, 119 Wn. 2d 373 (1992). With the reality of the bargaining table in mind, this Arbitrator tries to frame the type of award it seems likely the parties would have ultimately reached through good faith negotiations if the Union's right to strike had been unfettered. I adopt as well the general principle that the party seeking to change an existing contract provision or status quo should bear the burden of persuasion.

My basic approach is to first identify current practice. A proposed change is then evaluated in terms of how significant a departure it represents from the status quo and to what extent it is supported by the practice of comparable jurisdictions. The more significant the change and the less support for it in the practice of comparables, the more compelling the reasons must be for adopting that proposal. While I recognize that during collective bargaining, parties often seek to improve existing procedures, benefits, etc., if the arguments offered in support of a change do not clearly outweigh arguments in favor of the status quo, the status quo should be maintained.

A. VACATION CASHOUT (ARTICLE 10)

Depending on their years of service, police officers accrue a minimum of twelve and a maximum of 30 days of vacation per year. The balance of accrued, but unused vacation cannot exceed an amount equal to two years' accrual. Section 10.1, paragraph 4. Section 18.6 of the CBA prohibits any vacation in excess of this cap from being carried over into another year, except in the case of continued illness. If a bargaining unit member is unable to take time off and use the excess accrued leave by the end of the year in which it is accrued, the employee will lose the excess hours. The forfeiture provision read as follows:

> In the event an employee is unable to use his or her vacation prior to exceeding the two-year imitation because of continued illness, with a written request submitted to the Human Resources Department, such unused days may be allowed to accumulate until the employee returns to work or is separated. Vacation in excess of two years'

> accrual if not taken within 90 calendar days after an employee returns to work, shall be forfeited.

Vacation balances are cashed out at 100% when an officer ends his or her career upon retirement or separation. Tacoma Municipal Code, Section 1.12.220.A.3.

Union Proposal: In order to give bargaining unit members the option to cash out up to forty (40) hours of accrued vacation each year, the Union proposes the addition of a new section to the CBA (Section 10.1.A.5), which would read as follows:

> Once each year, employees shall have the option of selling back up to forty hours of accrued but unused vacation. Vacation sell back includes premiums regularly received by the employee.

The Union contends this new option is needed to prevent a problem that is beginning to be experienced by bargaining unit employees. According to Union witnesses, it is becoming more and more difficult to take accrued vacation leave and avoid losing excess accrued vacation. Four of the Union's comparable cities allow the cashing out of accrued vacation. The Union notes that even comparables used by the City (Bellevue, Federal Way, Kent, and Vancouver) allow employees to cash out accrued vacation or holiday hours. For all of these reasons, the Panel should award the Union's vacation proposal.

City Proposal: The City objects to the Union proposal and seeks to maintain the status quo for vacations. The City contends the Union has failed to establish any compelling reason for the requested cashout. The City believes taking time off provides an important respite for bargaining unit members. The Union's proposal would provide a disincentive to do that. The proposal is not warranted by any demonstrated problem with the forfeiture of vacation time. It is not enough to claim that vacation time has been lost; the Union should also be required to establish that forfeiture occurred without fault of an employee. Alleged forfeitures, if true, could have resulted from lack of planning and foresight. If they were really a problem, there are other more appropriate ways to address the issue, such as allowing a higher carryover or providing more grounds for carryovers to the next year. Only two of the City's proposed comparables allow the cashout of accrued vacation. One of those does so through a combined leave bank that Tacoma does not have. The Union's proposal represents an unfunded liability that could potentially cost $450,697 if fully utilized. The proposal should be rejected.

DISCUSSION AND FINDINGS: As the party seeking a change to the status quo, the burden of persuasion rests upon the Union. That burden was not met. Sgt. Joseph testified that the Union made its proposal because of the "potential" that officers could lose excess vacation time, but the only example he could provide was the belief he lost five to fifteen hours four or five years ago when he was too busy to use all of his vacation. Complaints he has heard from members lacked sufficient detail to judge whether alleged problems were attributable to a lack of sufficient planning by an officer or a true inability to ever schedule excess vacation due to reasons the City controlled.

The Union acknowledges that there have been no grievances filed on behalf of any officer who claims they were forced into forfeiting accrued vacation that they never had an opportunity to take. The Union has tried to suggest that the loss of excess vacation cannot be grieved unless that loss is caused by continuing illness. Continuing illness is specified in the CBA as the one reason when excess vacation can be carried over to another year. However, every contract imposes upon each party a duty of good faith and fair dealings in its performance and enforcement. Snow, Carlton, "Contract Interpretation," 82, The Common Law of the Workplace: The Views of Arbitrators (BNA 2005). The City cannot agree to provide a specified amount of paid vacation leave and then act in a way that unreasonably prevents its officers from being able to obtain the benefit of that leave. It is not unreasonable to expect officers to plan sufficiently ahead for the taking of leave, but I believe a grievance could be successfully pursued if an officer

could show staffing demands made it impossible to ultimately get time off, despite repeated efforts to do so. In any event, the Union did not persuasively establish that a problem has become significant enough to justify its proposal.

The Union's proposal is also not supported by the practice of the selected comparables, as the following chart demonstrates.

	Vacation Cash Out
Bellevue	No
Everett	No
Kent	No
Spokane	No
Vancouver	Yes
Tacoma	**No**

The only comparable jurisdiction that allows officers to cash out some of their accrued vacation is Vancouver, which uses a combined leave bank that includes holiday and vacation hours. Officers are allowed to cash out up to 52.5 of those hours. CX F at 20. Bellevue and Kent allow the cash out of accrued holiday hours but not vacation. CX A at 15, CX D at 20. Since the Union has not established a sufficiently compelling reason for the change it is proposing, the requested change is not awarded.

B. INSURANCE (ARTICLE 10)

As noted earlier in this decision, the parties ultimately reached agreement on the insurance issue. The City's proposal had been to implement the same

medical, dental, vision, and flex benefits as received by all other City employees and have bargaining unit employees pay the same premium sharing amounts for the medical, dental, and vision benefits as all other City employees retroactive to August 1, 2006. The Union's insurance proposal was to implement the same medical, dental, vision, and flex benefits as received by all other City employees and have bargaining unit employees pay the same premium sharing amounts for the medical, dental, and vision benefits as all other City employees beginning January 1, 2008. The parties ultimately agreed to employee premium payments that are retroactive to January 1, 2007.

If enrolled in a Regence PPO plan, bargaining unit employees will contribute $40 per month for employee only coverage and an additional $40 per month for coverage of a spouse and/or dependents. The premium payment is higher if the employee enrolls in a Regence Selections or Group Health plan. The precise terms of the agreement are spelled out in a Stipulation and Order that is attached to this decision (Attachment A) and incorporated by reference.

C. STANDBY PAY RATE (ARTICLE 23)

Certain Tacoma police officers are required to remain on standby on a regular basis, such as sergeants in the Investigations Bureau Persons Crimes Section, homicide detectives, a sexual assault detective, officers and sergeants in the Traffic Unit, members of the Fatality Accident Investigation Team, and Public Information Officers. Currently officers receive $2 per hour when required to

remain in standby status outside of regular work hours. The standby pay provision appears in Section 23.13 of the CBA and reads as follows:

> Employees in classifications covered by Appendix A required by a Bureau Commander to service in a standby capacity outside of regular work hours, shall receive $2.00 per hour in a standby status. Employees are not eligible for standby pay for any hours for which they are in any other paid status. Standby means that the employee has been specifically directed by a supervisor to be in telecommunications, pager, radio or phone range to ensure their availability to return to duty, if necessary, within approximately 30 minutes of the notification to return to duty.

The Department uses standby pay status primarily in the Criminal Investigations Division (CID) and Traffic Units to ensure available expertise when call-outs become necessary. While on standby, officers are restricted in how far they can be from the City and must have their badge, gun, radio, and take-home car with them at all times. In 2006, standby pay totaled $140,335, and will exceed that in 2007.

Union Proposal: The Union proposes an increase in standby pay, from $2 to $3 per hour because there has been no change to the existing rate for so many years. The amount sought will bring the applicable rate closer to that paid by a substantial majority of the Union's comparable cities. A large number of the City's comparables also pay more for standby/on-call pay than the City does. The City assertion that other jurisdictions do not pay standby as often as the City was not adequately established. The Union's proposal is desirable, practical, and reasonable and should be awarded by the Panel.

City Proposal: The City opposes any change to the standby rate. No compelling need for any increase has been shown. Stated pay rates for "standby" or "on call" vary wildly among the comparables. Tr. 223-28. Bellevue and Kent seldom use standby; Everett only uses standby pay in emergencies; Vancouver has only used it once; and Federal Way does not have standby pay as Tacoma defines it. Ex. C-8, T223-28.

DISCUSSION AND FINDINGS: Through the testimony of Detective Terry Krause, the Union established that the current standby pay rate has remained unchanged since at least 1995. Tr. 185-190. That pay rate also falls below standby rates at all of the comparable jurisdictions that have something similar.[4]

	Hourly Standby Rate (2005)
Bellevue	$ 7.62
Kent	$14.80
Spokane	$ 5.38
Vancouver	$ 2.50
Tacoma	$2.00

A majority of the comparables (Bellevue, Kent, and Spokane) pay a standby rate that is based upon the hourly rate of pay of the officer who is on standby.[5] This results in more generous compensation than received by Tacoma police officers, and the differential over Tacoma will have increased as the hourly wage rates at these jurisdictions increased during 2006 to 2008. Vancouver has the lowest

[4] The foregoing chart uses the 2005 top step hourly rate provided by the City for a police officer at 10 years. CX 10 at A5. The chart does not include Everett because standby pay there appears to apply only when officers are actually called in to work, in which case they are compensated by a rate of time and one half the normal rate of pay with a minimum of four (4) hours. CX B at 22.

[5] Bellevue compensates its officers at a rate of twenty-five percent of their straight time hourly rate for the actual time on standby. CX A at 11. Kent pays one hour at the regular straight time rate of pay for every two (2) hours or portion thereof on standby time. CX D at13. Spokane pays 1.5 hours at the regular rate of pay for each eight hours that an officer is required to remain on call. This increases to 2.5 hours at the regular rate if standby occurs during a holiday. CX E at 12.

standby pay of the comparables and pays a flat rate per hour like Tacoma. CX F at 17.

An increase in the bargaining unit's standby rate of pay is supported not only by the practice of the selected comparables, but also by the fact that the rate has not been adjusted for over a decade. Data supplied by the City regarding changes in the consumer price index from 1995 to 2005 indicate the cost of living has increased by 31.7% during that period of time. CX 10 at 28. Adjusting Tacoma's current standby rate by the amount of this interim change results in an hourly rate of $2.63 per hour. After factoring in the fact that bargaining unit members have already received general wage increases during that period that exceeded changes in the cost of living, I find the record persuasive that Tacoma officers should not receive any less than the lowest of the rates offered by the comparable jurisdictions, *i.e.*, Vancouver. An increase of the standby rate specified in Section 23.13 of the CBA to $2.50 per hour is therefore awarded, but I will give this increase a prospective date of May 1, 2008 in recognition of the administrative burden and cost to the City of implementing all the payroll changes that will already be necessitated by other changes to the labor contract.

D. 2006-2008 WAGES (APPENDIX A)

The current salary schedule for Tacoma police officers consists of six steps that are set forth in Appendix A of the labor contract. For the Police Officer classification there are six (6) months between steps 1-2, 2-3, 3-4 and one (1) year

between the steps thereafter. For the classifications of Police Recruit, Police Sergeant and Police Detective, there are two steps with six (6) months between steps. Effective January 1, 2005, the base wage rates in effect were the following:

	Salary Range					
	1	2	3	4	5	6
Police Officer Recruit	21.74	24.82				
Police Officer	21.74	24.82	26.04	27.30	28.65	30.05
Police Sergeant	34.62	36.34				
Police Detective	31.46	33.04				

Bargaining unit employees also receive longevity pay according to the following schedule:

(a) From 5 through 9 years aggregate service as a uniformed employee - 2% per month of monthly rate.
(b) From 10 through 14 years aggregate service as a uniformed employee - 4% per month of monthly rate.
(c) From 15 through 19 years aggregate service as a uniformed employee - 6% per month of monthly rate.
(d) 20 years of more aggregate service as a uniformed employee - 8% per month of monthly rate.

Union Proposal: The Union proposes that the wage rates in Appendix A be increased by 7.5% retroactive to January 1, 2006; 5% retroactive to January 1, 2007 and 2.5% retroactive to January 1, 2008. Uncompounded, the total increases sought over the term of the CBA amount to 15%. The Union contends its proposed increases are needed to make wages paid to bargaining unit employees equal to or better than the average for the Union's comparable jurisdictions. The Union takes issue with some of the City's methodology and urges the Arbitrator to reject the City's net hourly rate analysis. Among other criticisms, the Union notes that the City's analysis fails to factor in the impact from insurance premium sharing that bargaining unit employees will be making as of January 1, 2007.

Local 6 believes its wage proposal is also supported by other criteria set forth in RCW 41.56.465. For example, the parties' bargaining history indicates that the City has a practice of maintaining the living standard for bargaining unit employees by providing them with wage increases at least equal to changes in the

cost of living. The City's salary proposal does not do that, while the majority of the Union's comparables have provided their officers with raises that exceed the cost of living. The same is true for the City's comparable jurisdictions. Difficulty hiring and retaining police officers also supports the Union's proposal. The City's offered increase is less that every one of the City's comparable jurisdictions are providing their police officers during the 2006-2008 time frame. The City's proposal should therefore be rejected because it would detrimentally impact the recruitment of officers and have a regressive effect.

The City's internal equity argument should be rejected. The City has used a 1% placeholder increase for certain bargaining units that will be affected by a forthcoming salary survey, but the Local 6 bargaining unit is not one of those. Other City bargaining units have received increases well in excess of the 1% offered to the City's police officers. At a time when the City is not making an inability to pay argument, and when the workload of the bargaining unit has been increasing, the economic standing of bargaining unit members should not be diminished without a legitimate cause. None has been shown to exist. The Arbitrator should therefore award the Union's proposed increases.

City Proposal: The City proposes three general wage increases of 1% effective on January 1st of 2006, 2007 and 2008. The City contends its wages already lead those of the City's selected comparable jurisdictions. The City's Net Hourly Rate analysis, which is favored by interest arbitrators, demonstrates that the bargaining unit wages will remain above the comparables if the City's proposal is awarded. The City notes that annual increases provided to the bargaining unit since 1991 have significantly exceeded increases in the Seattle-Tacoma-Bremerton CPI-W as well as increases provided to other City employees during the same period. Moreover, eleven other City union have agreed to 1% increases for 2006 and 2007.

The City contends it is able to attract an adequate number of qualified candidates to fill TPD vacancies and need not improve base wages to the extent sought by the Union. The City believes its methodology is the more appropriate way to compare the comparable jurisdictions, and contends the purported wage disparity with the Union's out of state comparables lacks reliability. The Union has failed to justify its wage proposals, which the Arbitrator should reject as unreasonable.

DISCUSSION AND FINDINGS:

1. Elements included in the Comparables Analysis

Before any meaningful comparisons can be made for purposes of determining an appropriate wage increase, a reasonable methodology must be decided upon. The parties have chosen quite different approaches. When a particular methodology has been used by the parties in prior negotiations or is adopted by mutual agreement, I have no problem utilizing that methodology to formulate an award. The comparison interest arbitrators end up making in individual cases is highly dependent on these types of agreements, as well as the available data presented at a hearing. Where, as here, there is a disagreement, I find the City's adjusted net hourly compensation analysis provides the better comparison.

The City computed an "Adjusted Net Hourly Wage" by first subtracting annual vacation hours and annual holiday hours from annual scheduled hours to obtain Net Hours Worked. A Net Hourly Wage was computed by adding annual longevity pay to annual base pay. That compensation divided by Net Hours Worked resulted in a "Net Hourly Wage" to which the City added any supplemental retirement or LEOFF II contribution that was made by a jurisdiction. The end result was an "Adjusted Net Hourly Wage," which was then used to compare the comparables.

RCW 41.56.465 mandates a comparison of not just wages, but rather "wages, *hours*, and conditions of employment." (Emphasis added in italics.) A net hourly wage comparison factors in consideration of the amount of paid leave

received by a bargaining unit, which is a valued form of compensation. It is a bargaining table reality that wage/benefit packages are routinely evaluated in terms of how many hours must be worked to gain them. Washington interest arbitrators recognize the interrelationship between hours worked and compensation and therefore often utilize a hourly wage analysis. *See, e.g.,* City of Redmond and International Association of Fire Fighters, Local 2829, PERC Case No.17577-I-03-0406 (Krebs, 2004); City of Kelso and Kelso Police Officers Association, PERC Case No.15664-I-01-00357 (Lankford, 2001). "Given identical compensation levels, most people would rather have the job with fewer hours and more time off." City of Redmond and Redmond Police Association, PERC Case No.16791-I-02-00387 (Wilkinson 2004).

The City's inclusion of longevity pay is also appropriate. Other interest arbitrators have noted that longevity is typically included in a compensation analysis. Walla Walla County and Walla Walla County Deputy Sheriff's Association, PERC No. 16895-I-02-0389 (Krebs, 2003). When comparing benchmark positions, it is entirely consistent with that statute to factor in pay automatically received for being at the same level of seniority.

The Union takes issue with the exclusion of education pay from the City's analysis. Tacoma officers receive tuition reimbursement, but not a salary premium for achieving certain levels of education. The problem with factoring in education pay in this case is that eligibility for the pay varies considerably among the comparables, and there is no evidence regarding the extent to which the

comparables bargaining units benefit from this premium. Arbitrator Jane Wilkinson addressed this issue in the decision she issued last year for the City's unit of firefighters. I concur with her conclusion:

> The City of Bellevue pays its firefighters premiums for possessing a two-year or four-year college degree. The Union included this premium in its calculation of Bellevue's compensation. I agree with the City that this is not appropriate. Typically, special premiums that only a portion of the bargaining unit enjoys are not included in a total compensation analysis unless the proponent shows that virtually all the bargaining unit enjoys the premium pay. These premium pays can be separately noted in order to view the broader picture of the compensation paid by various jurisdictions. However, they are difficult to incorporate into a quantitative analysis.

City of Tacoma and IAFF Local 31, PERC No. 20635-I-06-0481 at 17.

Some of the Union's other criticisms of the City's methodology were corrected by the City in its final data. The remaining arguments I did not find a persuasive reason not to utilize the data presented. In this case, for example, health insurance costs cannot be factored in because evidence regarding that issue was never presented at hearing. Sufficient data does not exist to include this in the quantitative analysis, but I will be mindful of the agreement the parties reached regarding premium sharing. Analyses submitted by parties in interest arbitrations are typically imperfect. I regard them as providing an inexact base point for comparison. The City's submitted data suffices for that purpose, but has been modified to exclude Federal Way from the average for the comparables.

2. *The Adjusted Net Hourly Wage Comparison*

The City provided data for all the bargaining unit classifications at all the years of service for which there are a significant number of officers. I have analyzed the data at all the tenure levels, but for illustrative purposes in this decision I have used a benchmark position of Police Officer with 10 years of experience at the top wage step.

My first consideration is where the benchmark position stood in relation to the comparables at the end of the 2005 CBA. The following chart depicts that standing. Tacoma's wage rate was higher than any of the comparables and 7.6% above the average for the comparables.

10 Year Officer (Top Step)	Adjusted Net Hourly Wage (2005)	Percent Differential	Rank
Bellevue	36.76	4.0	3
Everett	33.98	12.5	6
Kent	37.89	1.4	2
Spokane	34.25	11.6	5
Vancouver	34.98	9.3	4
Average	35.53	7.6	
Tacoma	38.23		1

3. *Base Wage Increases for 2006 and 2007.*

Because interest arbitration is the culmination of a collective bargaining process, the manner in which the parties have ultimately settled prior labor

contracts is a significant consideration for this Arbitrator. The City's own data corroborates the Union's claim that the City has normally paid this bargaining unit wage increases that equaled or exceeded intervening changes in the cost of living. There were only three times in the past ten years when that was not true, and only one time in the past five years. CX 10 at 28. Absent a compelling reason to do otherwise, I therefore start out inclined to award increases that will at least equate to that interim change in the Consumer Price Index.

When the parties have used a specified cost of living index, it has been the CPI-W (Seattle-Tacoma-Bremerton) for the year ending in June of the prior year. For 2006, that increase was 2.3%. UX 8-1. When that increase is applied to the 2005 Adjusted Net Hourly Wage for the 10 Year Police Officer in Tacoma, the City remains ahead of the comparables, but the differential above the comparable average is narrowed to 6.3%.

10 Year Officer (Top Step)	Adjusted Net Hourly Wage (2006)	Percent Differential	Rank
Bellevue	37.78	3.4	3
Everett	35.20	10.9	6
Kent	38.64	1.1	2
Spokane	35.52	9.9	5
Vancouver	36.57	6.8	4
Average	36.74	6.3%	
Tacoma (+2.3%)	39.05		1

Maintaining Tacoma's rate above the comparables is appropriate when one considers the smaller size of those comparables. The closest comparator in terms of relative size is Spokane, where one would expect to find lower wage rates in light of the lower cost of living in Eastern Washington.

I am also mindful that the availability of education pay I some of the comparable jurisdictions would narrow the differential between Tacoma and the comparables average even further. After five years of experience, Kent police officers receive education pay in addition to longevity. CX D at 37. Eligible officers in Bellevue and Everett have to choose between longevity or education pay, with the latter more beneficial depending on one's level of education and tenure. CX A at 31; CX B at 16.

If the full cost of living increase (4.6%) is awarded for 2007, the differential continues to narrow slightly, while still keeping Tacoma's officers ranked first among all the comparables.

10 Year Officer (Top Step)	Adjusted Net Hourly Wage (2007)	Percent Differential	Rank
Bellevue	39.51	3.1	3
Everett	36.85	10.5	6
Kent	40.03	1.7	2
Spokane	37.29	9.2	5
Vancouver	38.25	6.5	4
Average	38.39	6.1	
Tacoma (+4.6%)	40.72		1

To see the impact on the City's Sergeant and Detective classifications, I applied the same increases (2.3% for 2006 and 4.6% for 2007) using benchmark positions of a Sergeant with 15 years of experience, and a Detective with 20 years of experience. As of 2005, the net adjusted hourly wage for the benchmark Sergeant in Tacoma was above that of all the comparables and exceeded the average for the comparables by 8.7%. A full COLA increase for 2006 and 2007 would keep the Tacoma Sergeant's wage rate above all the comparables but reduce the differential over the comparables average to 6.9% by 2007. As of 2005, the top step net adjusted hourly wage for Detectives was also above all comparables and exceeded the average by 15.6%. That differential would be reduced to 12.8% by 2007 but the benchmark Detective wage rate would still highest among all the comparables and by a significant amount.

The foregoing analysis persuades this Arbitrator that wage increases equal to the change in the previous June to June CPI-W index will maintain the bargaining unit within a reasonable range of the other comparable jurisdictions. However, the inquiry does not end at this point. One must next consider if the other statutory factors merit an upward or downward adjustment in the wage increase being considered. I conclude they do not.

I do not doubt that because of the number of unfilled positions in the Department, there may have been some increase in the bargaining unit's general workload but the evidence presented does not seem compelling enough to justify any further wage adjustment for that reason. Similarly, the City's internal equity argument is completely unpersuasive. Across the board increases for other City

bargaining units in 2006 ranged from 1% to 3.25%, and seven (7) of the bargaining units are receiving 2.3%. A 2.3% increase for the Local 6 bargaining unit is thus entirely consistent with increases some of the City's other bargaining units have received. All but three of the City's other bargaining units have received a 1% increase for 2007, but that was accepted as an interim measure until completion of a comprehensive class and compensation study by an outside company (Milliman). The results of that Milliman study are presently expected in August 2008 but members of Local 6's bargaining unit are not included in the study.

I have considered whether to award less than a full COLA increase as Arbitrator Wilkinson did for the firefighters bargaining unit. A consideration weighing in favor of awarding a full COLA increase for 2006 is the fact that the bargaining unit has been waiting almost two and a half years to receive any across-the-board increase. During that intervening time, the City has been earning income on the money it would otherwise have paid out.

I see no compelling reason to award less than a full COLA increase for 2007, in light of the parties' historical pattern of bargaining. Retroactive to January 1, 2007, bargaining unit members will be sharing in the cost of their insurance premiums. The amount of that premium co-payment will be deducted from the retroactive pay increases awarded herein. Since members of the bargaining unit have generally received full COLA increases or better during prior years when there was no co-payment, I see no compelling reason to award less than a full

COLA increase now that they have started paying some of the City's insurance premium costs.

4. *Base Wage Increases for 2008.*

A CPI adjustment is typically used for the third year of labor contracts. As reported by BLS, the CPI-W (Seattle-Tacoma-Bremerton) increased from June 2006 to June 2007 by 3.3%. UX 8-1. I find it appropriate to utilize that increase since there is insufficient data on which to base any other adjustment. The only comparators known to have finalized increase for 2008 are Spokane and Vancouver. Spokane officers received a 3.23% increase effective January 1, 2008 and will receive an additional 1% increase on June 1, 2008. The across the board increase in Vancouver is 3.3% effective January 1, 2008 with another 1% effective June 1, 2008.

In arriving at the foregoing wage increases, I have considered the City's financial resources. The City offered testimony regarding a variety of pending fiscal concerns. I am mindful of future demands on the City's General Fund but do not find those demands significant enough to deny the bargaining unit a fair and competitive wage. The record is instead convincing that the wage increases awarded herein will not have a deleterious effect on the City's ability to maintain essential and desired governmental services. I realize there are challenges ahead, but none were shown to be so compelling that they suffice to deny members of the bargaining unit the increases awarded herein.

E. DEFERRED COMPENSATION (APPENDIX A)

The City currently matches an employee's deferred compensation contribution up to a maximum of $192 per pay period. Two hundred and eighty-three (283) members of the bargaining unit (84%) currently participate in the deferred compensation program. Seventy-five percent (75%) participate at the maximum amount of $192.

Union Proposal: The Union proposes an increase in the deferred compensation benefit to $213 per pay period effective the first pay period of January 2008. The amount of the increase is based upon the change in the Consumer Price Index ("CPI-W") from August 2003 to August 2006. With the exception of Spokane, the amount by which each of the Union's comparable cities supplement their contribution to the statutory pension system for police officers exceeds the supplemental amount that is currently being contributed by the City. An improved deferred compensation contribution will address the City's problem with hiring and retention. The proposal is desirable, practical, and reasonable and should be awarded by the Panel.

City Proposal: The City proposes no change to the current benefit of $192 per pay period. At full participation, that matching compensation totals $4992 per year, which already exceeds the average for comparable jurisdictions. The City's deferred compensation benefit has an hourly value of $2.81, using Net Hourly Rates for Police Officers at 10 years. Only one of the comparables (Kent) exceeds that hourly rate, and Tacoma's hourly rate is 157.3% of the average for the comparables. The Union is simply seeking a back-door wage enhancement in the form of a deferred compensation increased match. There is no justification for increasing a benefit that is already so generous.

DISCUSSION AND FINDINGS: The City's current deferred compensation contribution amounts to $4992 per year for the vast majority of the bargaining unit who contribute enough to receive the maximum match. CX 2, Tab C. The only other comparable jurisdiction that matches up to a set maximum is Everett, whose maximum contribution of $130 per month ($1560 annually) is far short of Tacoma's maximum contribution match. CX B at 15. The comparable benefit

paid by the other jurisdictions is based upon a percentage of base pay. For comparison purposes, the City converted those contributions to a dollar value based upon the hourly wage rate in those jurisdictions effective January 1, 2006 for a Police Officer at 10 years. That calculation shows that the City's current matching contribution ranks second of all the comparables and is well above the average for the comparables. CX 11 at 4.

10 Year Police Officer	Deferred Compensation (Hourly Value)
Bellevue	$2.58
Everett	$0.80
Kent	$3.24
Spokane	$1.40
Vancouver	$0.38
Average	1.68
Tacoma	$2.81

As can be seen from the foregoing chart, only Kent pays deferred compensation at a higher rate than Tacoma. The matching rate in Tacoma is over 50% higher than the average for the comparables. Arguments offered by the Union do not provide a compelling reason to award any change. The Union's requested increase is therefore denied.

IV. THE INTEREST ARBITRATION AWARD

After careful consideration of all arguments and evidence and in accordance with the statutory criteria of RCW 41.56.465, the following award is made:

Article 10 - Vacation Cashout

No change to current contract language.

Article 10 - Insurance

Pursuant to the parties' agreement, changes to Section 10.5 of the Collective Bargaining Agreement shall be as specified in the Stipulation and Order that is attached to this decision as Attachment A.

Article 23 - Standby Pay Rate

Effective May 1, 2008, the rate of pay set forth in Section 23.13 of the Collective Bargaining Agreement for service in a standby capacity shall be increased to $2.50 per hour.

Appendix A - 2006, 2007 and 2008 Wage Rates

Effective January 1, 2006, the base wage rates for 2005 shall be increased by 2.3%. Effective January 1, 2007, the 2006 wage rates shall be increased by 4.6%, and effective January 1, 2008, the 2007 wage rates shall be increased by 3.3%.

Appendix A - Deferred Compensation

No change to current contract language.

Dated this 21st day of April, 2008 by

Janet L. Gaunt, Arbitrator

Steve Shake, Local 6 Panel Member
Concur / Dissent

Michael Smith, City Panel Member
Concur/Dissent

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Appendix A - Deferred Compensation

No change to current contract language.

Dated this _____ day of April, 2008 by

Janet L. Gaunt, Arbitrator

Steve Shake, Local 6 Panel Member
Concur / Dissent

Michael Smith, City Panel Member
(Concur) Dissent

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Appendix A - Deferred Compensation

No change to current contract language.

Dated this _____ day of April, 2008 by

Janet L. Gaunt, Arbitrator

D. W. Shake

Steve Shake, Local 6 Panel Member
Concur / (Dissent)

Michael Smith, City Panel Member
Concur/Dissent

Attachment A

IN THE MATTER OF THE INTEREST ARBITRATION BETWEEN

CITY OF TACOMA

Employer

and

TACOMA POLICE UNION LOCAL #6

Labor Organization

Case No. 20867-I-07-0489

STIPULATION AND ORDER

On October 12, 2007, the Executive Director of the Public Employment Relations Commission ("PERC") suspended the insurance issue from Arbitration. On January 30, 2008 the Executive Director of PERC reinstated the insurance issue. As a result, the Panel will proceed to resolve the insurance issue.

The City's insurance proposal was to implement the same medical, dental, vision, and flex benefits as received by all other City employees (and described in the documents attached hereto) and have bargaining unit employees pay the same premium sharing amounts for the medical, dental, and vision benefits as all other City employees retroactive to August 1, 2006. The Union's insurance proposal was to implement the same medical, dental, vision, and flex benefits as received by all other City employees (and described in the documents attached hereto) and have bargaining unit employees pay the same premium sharing amounts for the medical, dental, and vision benefits as all other City employees beginning January 1, 2008. Prior to the hearing on the insurance issue, the parties reached a tentative agreement on the insurance issue. In accordance with that tentative agreement, the Arbitration Panel Orders that:

1. Bargaining unit employees will be provided the medical, dental, vision, and flex benefits as described in the health plan summaries attached hereto (which may be subject to adjustment by mutual agreement of the City and the Union).

2. Effective January 1, 2007, and continuing through December 31, 2011, the City shall pay 100% of the premium for Regence medical insurance plans, the Group Health medical insurance plan, the dental plans, and vision insurance plans per month for all bargaining unit employees, subject to paragraph 3 below.

3. Effective January 1, 2007, and continuing through December 31, 2011, bargaining unit employees shall contribute $40 per month towards employee only medical insurance coverage. Bargaining unit employees with a spouse and/or dependents shall contribute an additional $40 per month for spouse and/or dependent medical insurance coverage. Such premium sharing shall be deducted from employees' wages

before taxes in accordance with the City's Section 125 Cafeteria Plan so as to reduce the taxable wages paid.

a. Effective January 1, 2007, and continuing through December 31, 2011, bargaining unit employees enrolled in either the Regence Selections plan or the Group Health plan, in addition to the $40 or $80 per month, shall *also* pay the *difference between* the Regence PPO plan rate and the cost of the Regence Selections plan or Group Health plan that they are enrolled in---if there is a cost difference (this may change from year to year). Such premium sharing shall be deducted from employees' wages before taxes in accordance with the City's Section 125 Cafeteria Plan so as to reduce the taxable wages paid.

i. By way of example, for 2007, bargaining unit employees selecting coverage under the Regence PPO plan will contribute $40.00 per month for employee only coverage, or $80.00 per month for employee and spouse and/or dependent coverage. Bargaining unit employees selecting coverage under the Regence Selections plan will contribute $90.00 per month for employee only coverage, or $130.00 per month for employee and spouse and/or dependent coverage. Bargaining unit employees selecting coverage under the Group Health plan will contribute $76.00 per month for employee only coverage, or $116.00 per month for employee and spouse and/or dependent coverage.

4. During Open Enrollment, bargaining unit employees will be allowed to re-direct the City's monthly Flexible Benefits Spending Account contribution ($30.00 per month) toward the employee cost for medical premiums and/or change plans.

5. Retroactive premium sharing required by this award shall be deducted deducted from employees' wages before taxes in accordance with the City's Section 125 Cafeteria Plan from the anticipated retroactive wage payments required by this award, so as to reduce the taxable wages paid.

6. An employee and/or his/her eligible dependents who received medical service(s) in 2007 and/or 2008 that were not covered under the medical insurance plan that was in effect prior to the implementation of the benefits as described in the documents attached hereto, but would be covered under the medical plan described in the documents attached hereto, shall be reimbursed for such services at the level provided for under the applicable medical plan as described in the documents attached hereto, provided such employee submits a claim for reimbursement within 60 days following the signing of the collective bargaining agreement.

7. The Union will not become a member of the Joint Labor Committee by virtue of this award.

In accordance with these determinations, Article 10, Section 10.5A of the collective bargaining agreement shall read as follows:

A. Medical and hospital insurance shall be as provided in Section 1.12.110 of the Official Code of the City of Tacoma, provided, that a choice of at least two plans for such coverage shall be offered by law. Employees and their families, including all dependent children age eighteen (18) and younger and children up to the age of 23 provided they are enrolled full-time in college and maintain status as an IRS dependent, will be provided with medical and hospital insurance coverage including major medical as provided in the aforementioned City Code and set out on in Appendix C at the City's expense through January 31, 2010, except that effective January 1, 2007, and on an ongoing basis through December 31, 2011, bargaining unit employees shall contribute $40 per month towards employee only coverage. Bargaining unit employee with a spouse and/or dependents shall contribute an additional $40 per month for spouse and/or dependent coverage. Bargaining unit employees enrolled in either the Regence Selections plan or the Group Health plan shall *also* pay the *difference between* the Regence PPO plan rate and the cost of the Regence Selections plan or Group Health plan that they are enrolled in---if any. Such premium sharing shall be retroactive to January 1, 2007 and shall continue through December 31, 2011; and, all such premium sharing shall be in pre-tax dollars so as to reduce the taxable wages paid.

1. Nothing in this section shall be construed to make the Union a part of the Joint Labor Committee, or bind the Union to any action taken by the Joint Labor Committee

2. An employee and/or his/her eligible dependents who received service(s) in 2007 and/or 2008 that were not covered under the medical insurance plan that was in effect prior to the implementation of the benefits as described in the documents attached hereto but would be covered under the medical plan described in the documents attached hereto shall be reimbursed for such services at the level provided for under the medical plan described in the documents attached hereto, provided such employee submits a claim for reimbursement within 60 days following the execution of the collective bargaining agreement

CITY OF TACOMA	TACOMA POLICE UNION LOCAL #6
Cheryl Comer	
Date: March 14, 2008	Date: 3/13/08

APPROVED AND ORDERED:

Janet L. Gaunt

Michael J. Smith

Steve Shake

CITY OF TACOMA
SUMMARY OF BENEFITS
Preferred Plan 100/90/60/20
Deductible $100 Effective January 1, 2007

Tacoma

Regence BlueShield
An Independent Licensee of the Blue Cross and Blue Shield Association

For medically necessary services rendered by a Preferred Plan, participating, or recognized provider, the benefits of this plan will be provided at the percentage of the allowed amount as specified below after the deductible has been met. **Unless otherwise specified, all benefits are subject to the $100 annual deductible in addition to any copays and coinsurance.** When you have reached the annual out-of-pocket coinsurance maximum, this plan will provide benefits at 100% of the allowed amount for the remainder of the calendar year, unless otherwise specified. Any balances of charges not covered by this plan will be your responsibility to pay. The annual deductible, copays, outpatient mental disorders care, neurodevelopmental therapy services, outpatient rehabilitation care, repair of teeth, and smoking cessation programs do not apply to the maximum out-of-pocket coinsurance amount.

Benefits	Preferred Plan Provider	Participating Provider
Professional Services (Deductible waived for office visits) Including diagnostic x-ray and laboratory; $20 per-office visit copay for office, home, and outpatient hospital visits.	100%	60%
Preventive Care (Deductible waived for Preventive Care) Subject to $20 copay Routine exams, immunizations, well child care, and routine cancer screenings.	100%	60%
Hospital Facility $75 copay per emergency room visit (waived if admitted)	90%	60%
Ambulance Services**	80%	80%
Accidental Injury To Teeth Not subject to copay	80%	
AdviCare – Confidential Disease Management Program *(Diabetes & Coronary Heart Disease)*	*Outreach Program for Identified Members*	
Chemical Dependency $5,000 every two calendar years: $10,000 lifetime maximum	100%	60%
Growth Hormone Not subject to stoploss	100%	
Home Health and Hospice Home health - 130 visits per calendar year maximum Hospice - 6 month maximum	100%	100%
Home Medical Equipment, Prostheses and Orthotics	80%	
Home Phototherapy	100%	100%
Maternity (provided for the subscriber or spouse)	same as any other condition	
Mental Disorders Inpatient - 9 days per calendar year Outpatient - 12 visits per calendar time	50%	50%
Neurodevelopmental Therapy (for children age 6 and under) $5,000 per calendar year maximum	80%	60%
Naturopathic Care (copay waived) No referral required. Includes supplies dispensed in office by Naturopath	80% $400 per calendar year	

(over)

Prescription Drugs Retail limited to a 34-day supply, includes oral contraceptives, must use Participating pharmacy	**Subject to 20% copay to a maximum of:** $5 generic formulary copay $25 brand-name formulary copay $50 non-formulary copay	
Mail order maintenance drugs – limited to a 100-day supply Must use participating mail order vendors	**Subject to 20% with 3x copay to a maximum of:** $15 generic formulary copay $75 brand-name formulary copay $150 non-formulary copay	
Rehabilitation Inpatient - $50,000 per 12 month period	100% professional 90% facility	60%
Outpatient - $5,000 per calendar year maximum	80%	60%
Skilled Nursing Facility 100 days per calendar year maximum	*	100%
Smoking Cessation $500 lifetime maximum	50%	50%
Special Equipment and Supplies	80%	60%
Spinal Manipulations Limited to 15 visits per year; subject to $20 copay	100%	100%
Temporomandibular Joint Disorders (TMJ) $3,500 lifetime maximum; subject to copay; not subject to stoploss	50%	50%
Transplants Requires Pre-Authorization No dollar maximum; No limit on retransplants Donor benefits paid at 80% to $20,000 limit	100% professional 90% facility	60%

* At this time, this service is provided only by participating providers.

** At this time, these services are provided only by recognized providers.

Lifetime Maximum: $2,000,000

Annual Deductible: $100 per person $300 for family

Annual Out-of-Pocket Coinsurance Amount: $1,000 - The total amount of coinsurance you are responsible to pay during a calendar year for covered services, after which the plan will provide benefits at 100 percent of the allowed amount for the remainder of that calendar year, unless otherwise specified. **The maximum annual out-of-pocket coinsurance amount per family is three times the individual out-of-pocket coinsurance amount.**

Copay: There is a $20 per-visit copay for each office call/home visit billed as such by a provider in the office, home, or hospital outpatient department (waived for surgery, for radiation and chemotherapy, or if you are directly admitted to the hospital as an inpatient). Copays do not apply toward the deductible or to the out-of-pocket coinsurance amount.

Maintenance of Benefits: The City of Tacoma will coordinate benefit payments with your other group or individual health care plans so that you will receive up to, but not more then actual expenses for covered benefits. Whenever another group plan is primary, the City of Tacoma plan will pay only the difference between the benefits paid by the primary plan and what would have been paid had this plan been primary. Please refer to your benefit brochure for a list of rules that determine payment.

Emergency Care: Emergency benefits will be provided at the level specified for a Preferred Plan provider. In the event of a medical emergency, treatment by a provider not normally covered under this plan will be recognized for a 24-hour period or for such additional time as is reasonably required to come under the care of a Preferred Plan provider. Benefits will be based on the recognized provider's actual charge for the service.

Care Outside the Service Area: All care received outside the service area will be paid the same as in the service area if you use a Preferred Plan or participating provider. Payment will be based on the allowed amount. To receive the highest benefit level, you must receive services from a Preferred Plan provider. Benefits will be provided for care received from a recognized provider at the level specified for Preferred Plan providers if there is no local Blue Cross and/or Blue Shield participating provider network in a particular area. If there is no Preferred Plan provider network in an area, benefits will be provided for care received from a participating provider at the level specified for Preferred Plan providers. Call 1-800-810-BLUE for names of Preferred Plan or participating providers with the local Blue Cross and/or Blue Shield plan. When you need health care outside of the United States or its territories, call the BlueCard Worldwide Service Center at 1-800-810-BLUE (2583) or call collect at 1-804-673-1177.

Cost Containment Provisions: All hospital and skilled nursing facility admissions must be medically necessary. Preadmission approval is required for all inpatient admissions outside the service area if you seek care from providers who have not contracted with a Blue Cross and/or Blue Shield plan, except for emergency services or maternity admissions.

Waiting Periods: No benefits are provided for treatment relating to a transplant until you have been covered under this or a prior plan with the Company (Regence BlueShield) for six consecutive months. There is a preexisting condition waiting period that must be met prior to benefits being available. Refer to your benefits brochure for details regarding this waiting period. Maternity benefits and PKU benefits are not subject to the waiting periods of this plan.

This is a brief summary of benefits, it is not a certificate of coverage. For full coverage provisions, including a description of waiting periods, limitations, and exclusions, refer to your benefits brochure and the contract on file with your group. Your feedback is important to us. If you have suggestions about the benefits covered under this plan, you may contact us at 1-800-458-3523 or visit our Web site at www.wa.regence.com and complete the Suggestion Box form located on the Contact page.

CITY OF TACOMA
SUMMARY OF BENEFITS
Preferred Plan 100/90/60/20
Deductible $100 Effective January 1, 2008

Tacoma

Regence

Regence BlueShield is an Independent Licensee of the Blue Cross and Blue Shield Association

For medically necessary services rendered by a Preferred Plan, participating, or recognized provider, the benefits of this plan will be provided at the percentage of the allowed amount as specified below after the deductible has been met. **Unless otherwise specified, all benefits are subject to the $100 annual deductible in addition to any copays and coinsurance.** When you have reached the annual out-of-pocket coinsurance maximum, this plan will provide benefits at 100% of the allowed amount for the remainder of the calendar year, unless otherwise specified. Any balances of charges not covered by this plan will be your responsibility to pay. The annual deductible, copays, outpatient mental disorders care, neurodevelopmental therapy services, outpatient rehabilitation care, repair of teeth, and smoking cessation programs do not apply to the maximum out-of-pocket coinsurance amount.

Benefits	Preferred Plan Provider	Participating Provider
Professional Services (Deductible waived for office visits) Including diagnostic x-ray and laboratory; $20 per-office visit copay for office, home, and outpatient hospital visits.	100%	60%
Preventive Care (Deductible waived for Preventive Care) Subject to $20 copay Routine exams, immunizations, well child care, and routine cancer screenings.	100%	60%
Hospital Facility $75 copay per emergency room visit (waived if admitted)	90%	60%
Ambulance Services**	80%	80%
Accidental Injury To Teeth Not subject to copay	80%	80%
AdviCare - ***Confidential Disease Management Program*** *(Diabetes & Coronary Heart Disease)*	*Outreach Program for Identified Members*	
CareEnhance Nurse Advice Line - ***24 hr service staffed by registered nurses***	*1 800-267-6729*	
Chemical Dependency $5,000 every two calendar years; $10,000 lifetime maximum	100%	60%
Growth Hormone Not subject to stoploss	100%	
Home Health and Hospice Home health - 130 visits per calendar year maximum Hospice - 6 month maximum	100%	100%
Home Medical Equipment, Prostheses and Orthotics	80%	
Home Phototherapy	100%	100%
Maternity (provided for the subscriber or spouse)	same as any other condition	
Mental Disorders Inpatient - 9 days per calendar year Outpatient - 12 visits per calendar time	50%	50%
Neurodevelopmental Therapy (for children age 6 and under) $5,000 per calendar year maximum	80%	60%
Naturopathic Care (copay waived) No referral required. Includes supplies dispensed in office by Naturopath.	80% $400 per calendar year	

(over)

Prescription Drugs Retail limited to a 90-day supply, includes oral contraceptives, Must use Participating pharmacy. **Mail order maintenance drugs** – limited to a 100-day supply Must use participating mail order vendors	**Subject to 20% copay to a maximum of:** 1-30 day supply $5/$25/$50 **generic/brand-name/non-formulary** 31-60 day supply $10/$50/$100 **generic/brand-name/non-formulary** 61-90 day supply $15/$75/$150 **generic/brand-name/non-formulary** **Subject to 20% with 3x copay to a maximum of:** $15 generic formulary copay $75 brand-name formulary copay $150 non-formulary copay	
Rehabilitation Inpatient - $50,000 per 12 month period	100% professional 90% facility	60%
Outpatient - $5,000 per calendar year maximum	80%	60%
Skilled Nursing Facility 100 days per calendar year maximum	*	100%
Smoking Cessation $500 lifetime maximum	50%	50%
Special Equipment and Supplies	80%	60%
Spinal Manipulations Limited to 15 visits per year; subject to $20 copay	100%	100%
Temporomandibular Joint Disorders (TMJ) $3,500 lifetime maximum; subject to copay; not subject to stoploss	50%	50%
Transplants Requires Pre-Authorization No dollar maximum; No limit on retransplants Donor benefits paid at 80% to $20,000 limit	100% professional 90% facility	60%

* At this time, this service is provided only by participating providers.

** At this time, these services are provided only by recognized providers.

Lifetime Maximum: $2,000,000

Annual Deductible: $100 per person $300 for family

Annual Out-of-Pocket Coinsurance Amount: $1,000 - The total amount of coinsurance you are responsible to pay during a calendar year for covered services, after which the plan will provide benefits at 100 percent of the allowed amount for the remainder of that calendar year, unless otherwise specified. **The maximum annual out-of-pocket coinsurance amount per family is three times the individual out-of-pocket coinsurance amount.**

Copay: There is a $20 per-visit copay for each office call/home visit billed as such by a provider in the office, home, or hospital outpatient department (waived for surgery, for radiation and chemotherapy, or if you are directly admitted to the hospital as an inpatient). Copays do not apply toward the deductible or to the out-of-pocket coinsurance amount.

Maintenance of Benefits: The City of Tacoma will coordinate benefit payments with your other group or individual health care plans so that you will receive up to, but not more then actual expenses for covered benefits. Whenever another group plan is primary, the City of Tacoma plan will pay only the difference between the benefits paid by the primary plan and what would have been paid had this plan been primary. Please refer to your benefit brochure for a list of rules that determine payment.

Emergency Care: Emergency benefits will be provided at the level specified for a Preferred Plan provider. In the event of a medical emergency, treatment by a provider not normally covered under this plan will be recognized for a 24-hour period or for such additional time as is reasonably required to come under the care of a Preferred Plan provider. Benefits will be based on the recognized provider's actual charge for the service.

Care Outside the Service Area: All care received outside the service area will be paid the same as in the service area if you use a Preferred Plan or participating provider. Payment will be based on the allowed amount. To receive the highest benefit level, you must receive services from a Preferred Plan provider. Benefits will be provided for care received from a recognized provider at the level specified for Preferred Plan providers if there is no local Blue Cross and/or Blue Shield participating provider network in a particular area. If there is no Preferred Plan provider network in an area, benefits will be provided for care received from a participating provider at the level specified for Preferred Plan providers. Call 1-800-810-BLUE for names of Preferred Plan or participating providers with the local Blue Cross and/or Blue Shield plan. When you need health care outside of the United States or its territories, call the BlueCard Worldwide Service Center at 1-800-810-BLUE (2583) or call collect at 1-804-673-1177.

Cost Containment Provisions: All hospital and skilled nursing facility admissions must be medically necessary. Preadmission approval is required for all inpatient admissions outside the service area if you seek care from providers who have not contracted with a Blue Cross and/or Blue Shield plan, except for emergency services or maternity admissions.

Waiting Periods: No benefits are provided for treatment relating to a transplant until you have been covered under this or a prior plan with the Company (Regence BlueShield) for six consecutive months. There is a preexisting condition waiting period that must be met prior to benefits being available. Refer to your benefits brochure for details regarding this waiting period. Maternity benefits and PKU benefits are not subject to the waiting periods of this plan.

This is a brief summary of benefits, it is not a certificate of coverage. For full coverage provisions, including a description of waiting periods, limitations, and exclusions, refer to your benefits brochure and the contract on file with your group. Your feedback is important to us. If you have suggestions about the benefits covered under this plan, you may contact us at 1-800-458-3523 or visit our Web site at www.wa.regence.com and complete the Suggestion Box form located on the Contact page.

01-08

CITY OF TACOMA
SUMMARY OF BENEFITS
SELECTIONS® 100/60/15
Effective January 1, 2007

Regence BlueShield

An Independent Licensee of the Blue Cross and Blue Shield Association

The benefits of this plan, for medically necessary services, will be provided at the percentage specified below, after the deductible and any applicable copays have been met. Unless otherwise specified, all benefits are subject to the annual deductible in addition to any copays and coinsurance. The Selections network offers you the most complete coverage. To be eligible you must choose a Personal Care Provider (PCP) from our list of Selections providers, except for self-referral benefits specified in your benefits brochure. Your PCP will manage your care, however when you need more specialized care, your PCP will refer you to a Selections specialist or extended network provider. The extended network offers you the freedom to choose from many of the providers who participate with the Company (Regence BlueShield). You may use these providers without a referral if you are willing to pay a greater share of the cost. For chemical dependency and mental disorder benefits contact the Company at 1-800-780-7881 for assessments and referrals.

Benefits	Selections Network	Extended Network
Annual Deductible Copays do not count toward the deductible	none	none
Preventive Care Subject to $15 copay Routine exams, immunizations, well child care, and routine cancer screenings.	100%	not covered except for mammograms at 60%
Professional Services $15 professional copay in office, home, or hospital outpatient department	100%	60%
Hospital Facility (Inpatient & Outpatient) $75 copay per emergency room visit (waived if admitted)	100%	60%
Ambulance Services	80%	80%
Accidental Injury To Teeth Not subject to copay.	80%	60%
AdviCare – *Confidential Disease Management Program* *(Diabetes & Coronary Heart Disease)*	*Outreach Program for Identified Members*	
Blood Bank	80%	80%
Chemical Dependency $5,000 every two calendar years: $10,000 lifetime maximum	100%	60%
Growth Hormone	100%	60%
Home Health and Hospice Home Health – 130 visits per calendar year maximum Hospice – 6 month maximum	100%	60%
Home Medical Equipment, Prostheses and Orthotics	80%	60%
Maternity (provided for the subscriber or spouse)	same as any other condition	
Mental Disorders Inpatient – Outpatient – No referral required; not subject to copay or stoploss	50% 9 days per calendar year 12 visits per calendar year	50% 9 days per calendar year 12 visits per calendar year
Neurodevelopmental Therapy (for children age 6 and under)	80% $5,000 per year	60% $2,500 per year
Naturopathic Care (copay waived) No referral required. Includes supplies dispensed in office by Naturopath	80% $400 per calendar year	

(over)

Prescription Drugs Retail limited to a 34-day supply, includes oral contraceptives, must use Participating pharmacy	**Subject to 20% copay to a maximum of:** $5 generic formulary copay $25 brand-name formulary copay $50 non-formulary copay	
Mail order maintenance drugs – limited to a 100-day supply Must use participating mail order vendors	**Subject to 20% with 3x copay to a maximum of:** $15 generic formulary copay $75 brand-name formulary copay $150 non-formulary copay	
Rehabilitation Inpatient -	100% $50,000 In Network	60% $25,000 Extended
Outpatient – Not subject copay	80% $5,000 In Network	60% $2,500 Extended
Skilled Nursing Facility 100 days per calendar year maximum Not subject to inpatient copay or stoploss.	100%	60%
Smoking Cessation $500 lifetime maximum	50%	50%
Special Equipment and Supplies	80%	80%
Spinal Manipulations $15 professional copay Limited to 15 visits per year	100%	100%
Temporomandibular Joint Disorders (TMJ) $1,000 per calendar year maximum; $5,000 lifetime maximum	80%	60%
Transplants Requires Per-authorization No dollar maximum; No limit on retransplants **Donor benefits paid at 80% to $20,000 limit**	100%	not covered

Lifetime Maximum: $2,000,000

Annual Out-of-Pocket Coinsurance: $2,500 The benefits of this plan will be provided at the percentage specified until the annual out-of-pocket coinsurance maximum has been reached for that network. Thereafter, this plan will provide most benefits at 100% of the allowed amount for the remainder of the calendar year for that network. Any balances of charges not covered by this plan will be your responsibility to pay. The annual deductible, copays, outpatient mental disorder care, neurodevelopmental therapy services, outpatient rehabilitation care, repair of teeth, and smoking cessation programs do not apply to the maximum out-of-pocket coinsurance amount. **The maximum annual out-of-pocket coinsurance amount per family is two times the individual out-of-pocket coinsurance amount.**

Copay: There is a $15 professional copay for each outpatient professional service in the office, home, hospital, or other facility. This amount will not apply for diagnostic laboratory and x-ray, outpatient surgery, radiation, chemotherapy, hospice, home health, home phototherapy, chemical dependency, and smoking cessation. Copays do not apply toward the deductible or to the out-of-pocket coinsurance amount.

Maintenance of Benefits: The City of Tacoma will coordinate benefit payments with your other group or individual health care plans so that you will receive up to, but not more then actual expenses for covered benefits. Whenever another group plan is primary, the City of Tacoma plan will pay only the difference between the benefits paid by the primary plan and what would have been paid had this plan been primary. Please refer to your benefit brochure for a list of rules that determine payment.

Emergency Care: Inside the service area, your plan will cover treatment by a physician or hospital for a 24-hour period or longer to allow time for you to come under the care of one of our providers. You will receive the higher level of benefits only if you notify us within 24 hours or as soon as is reasonably possible, and you agree to follow our managed care guidelines. Otherwise, you will receive the lower level of benefits.

Care Outside the Service Area: You have the same coverage and limitations for care outside our service area as you do within the extended network. However, any benefit payable at 60% will be paid at 80%. Any additional charges will be your responsibility and you may have to submit your own claims. If you live in the service area and are admitted to a hospital while traveling outside the service area, your inpatient care will be covered at the higher level of benefits provided you notify us within 24 hours of the admission and move under the care of a Selections provider when directed by the Company. Preadmission approval is required for all inpatient admissions outside the service area if you seek care from providers that have not contracted with a Blue Cross and/or Blue Shield plan, except for emergency services or maternity admissions. When you need health care outside of the United States or its territories, call the BlueCard Worldwide Service Center at 1-800-810-BLUE (2583) or call collect at 1-804-673-1177.

Waiting Periods: No benefits are provided for treatment relating to a transplant until you have been covered under this or a prior plan with the Company for six consecutive months. There is a preexisting condition waiting period that must be met prior to benefits being available. Refer to your benefits brochure for details regarding this waiting period. Maternity benefits and PKU benefits are not subject to the waiting periods of this plan.

This is a brief summary of benefits, it is not a certificate of coverage. For full coverage provisions, including a description of waiting periods, limitations, and exclusions, refer to your benefits brochure and the contract on file with your group. Your feedback is important to us. If you have suggestions about the benefits covered under this plan, you may contact us at 1-800-458-3523 or visit our Web site at www.wa.regence.com and complete the Suggestion Box form located on the Contact page.

01-07

CITY OF TACOMA
SUMMARY OF BENEFITS
SELECTIONS® 100/60/15
Effective January 1, 2008

Tacoma

Regence

Regence BlueShield is an Independent Licensee of the Blue Cross and Blue Shield Association

The benefits of this plan, for medically necessary services, will be provided at the percentage specified below, after the deductible and any applicable copays have been met. Unless otherwise specified, all benefits are subject to the annual deductible in addition to any copays and coinsurance. The Selections network offers you the most complete coverage. To be eligible you must choose a Personal Care Provider (PCP) from our list of Selections providers, except for self-referral benefits specified in your benefits brochure. Your PCP will manage your care, however when you need more specialized care, your PCP will refer you to a Selections specialist or extended network provider. The extended network offers you the freedom to choose from many of the providers who participate with the Company (Regence BlueShield). You may use these providers without a referral if you are willing to pay a greater share of the cost. For chemical dependency and mental disorder benefits contact the Company at 1-800-780-7881 for assessments and referrals.

Benefits	Selections Network	Extended Network
Annual Deductible Copays do not count toward the deductible	none	none
Preventive Care Subject to $15 copay Routine exams, immunizations, well child care, and routine cancer screenings.	100%	not covered except for mammograms at 60%
Professional Services $15 professional copay in office, home, or hospital outpatient department	100%	60%
Hospital Facility (Inpatient & Outpatient) $75 copay per emergency room visit (waived if admitted)	100%	60%
Ambulance Services	80%	80%
Accidental Injury To Teeth Not subject to copay	80%	60%
AdviCare – *Confidential Disease Management Program* *(Diabetes & Coronary Heart Disease)*	*Outreach Program for Identified Members*	
CareEnhance Nurse Advice Line – *24 hr service staffed by registered nurses*	*1 800-267-6729*	
Blood Bank	80%	80%
Chemical Dependency $5,000 every two calendar years; $10,000 lifetime maximum	100%	60%
Growth Hormone	100%	60%
Home Health and Hospice Home Health – 130 visits per calendar year maximum Hospice – 6 month maximum	100%	60%
Home Medical Equipment, Prostheses and Orthotics	80%	60%
Maternity (provided for the subscriber or spouse)	same as any other condition	
Mental Disorders Inpatient – Outpatient – No referral required; not subject to copay or stoploss	50% 9 days per calendar year 12 visits per calendar year	50% 9 days per calendar year 12 visits per calendar year
Neurodevelopmental Therapy (for children age 6 and under)	80% $5,000 per year	60% $2,500 per year
Naturopathic Care (copay waived) No referral required. Includes supplies dispensed in office by Naturopath	80% $400 per calendar year	

(over)

Prescription Drugs Retail limited to a 90-day supply, includes oral contraceptives, Must use Participating pharmacy. **Mail order maintenance drugs** – limited to a 100-day supply Must use participating mail order vendors	**Subject to 20% copay to a maximum of:** 1-30 day supply $5/$25/$50 **generic/brand-name/non-formulary** 31-60 day supply $10/$50/$100 **generic/brand-name/non-formulary** 61-90 day supply $15/$75/$150 **generic/brand-name/non-formulary** **Subject to 20% with 3x copay to a maximum of:** $15 generic formulary copay $75 brand-name formulary copay $150 non-formulary copay	
Rehabilitation Inpatient - Outpatient – Not subject copay	100% $50,000 In Network 80% $5,000 In Network	60% $25,000 Extended 60% $2,500 Extended
Skilled Nursing Facility 100 days per calendar year maximum Not subject to inpatient copay or stoploss.	100%	60%
Smoking Cessation $500 lifetime maximum	50%	50%
Special Equipment and Supplies	80%	80%
Spinal Manipulations $15 professional copay Limited to 15 visits per year	100%	100%
Temporomandibular Joint Disorders (TMJ) $1,000 per calendar year maximum; $5,000 lifetime maximum	80%	60%
Transplants Requires Per-authorization No dollar maximum; No limit on retransplants **Donor benefits paid at 80% to $20,000 limit**	100%	not covered

Lifetime Maximum: $2,000,000

Annual Out-of-Pocket Coinsurance: $2,500 The benefits of this plan will be provided at the percentage specified until the annual out-of-pocket coinsurance maximum has been reached for that network. Thereafter, this plan will provide most benefits at 100% of the allowed amount for the remainder of the calendar year for that network. Any balances of charges not covered by this plan will be your responsibility to pay. The annual deductible, copays, outpatient mental disorder care, neurodevelopmental therapy services, outpatient rehabilitation care, repair of teeth, and smoking cessation programs do not apply to the maximum out-of-pocket coinsurance amount. **The maximum annual out-of-pocket coinsurance amount per family is two times the individual out-of-pocket coinsurance amount.**

Copay: There is a $15 professional copay for each outpatient professional service in the office, home, hospital, or other facility. This amount will not apply for diagnostic laboratory and x-ray, outpatient surgery, radiation, chemotherapy, hospice, home health, home phototherapy, chemical dependency, and smoking cessation. Copays do not apply toward the deductible or to the out-of-pocket coinsurance amount.

Maintenance of Benefits: The City of Tacoma will coordinate benefit payments with your other group or individual health care plans so that you will receive up to, but not more then actual expenses for covered benefits. Whenever another group plan is primary, the City of Tacoma plan will pay only the difference between the benefits paid by the primary plan and what would have been paid had this plan been primary. Please refer to your benefit brochure for a list of rules that determine payment.

Emergency Care: Inside the service area, your plan will cover treatment by a physician or hospital for a 24-hour period or longer to allow time for you to come under the care of one of our providers. You will receive the higher level of benefits only if you notify us within 24 hours or as soon as is reasonably possible, and you agree to follow our managed care guidelines. Otherwise, you will receive the lower level of benefits.

Care Outside the Service Area: You have the same coverage and limitations for care outside our service area as you do within the extended network. However, any benefit payable at 60% will be paid at 80%. Any additional charges will be your responsibility and you may have to submit your own claims. If you live in the service area and are admitted to a hospital while traveling outside the service area, your inpatient care will be covered at the higher level of benefits provided you notify us within 24 hours of the admission and move under the care of a Selections provider when directed by the Company. Preadmission approval is required for all inpatient admissions outside the service area if you seek care from providers that have not contracted with a Blue Cross and/or Blue Shield plan, except for emergency services or maternity admissions. When you need health care outside of the United States or its territories, call the BlueCard Worldwide Service Center at 1-800-810-BLUE (2583) or call collect at 1-804-673-1177.

Waiting Periods: No benefits are provided for treatment relating to a transplant until you have been covered under this or a prior plan with the Company for six consecutive months. There is a preexisting condition waiting period that must be met prior to benefits being available. Refer to your benefits brochure for details regarding this waiting period. Maternity benefits and PKU benefits are not subject to the waiting periods of this plan.

This is a brief summary of benefits. It is not a certificate of coverage. For full coverage provisions, including a description of waiting periods, limitations, and exclusions, refer to your benefits brochure and the contract on file with your group. Your feedback is important to us. If you have suggestions about the benefits covered under this plan, you may contact us at 1-800-458-3523 or visit our Web site at www.wa.regence.com and complete the Suggestion Box form located on the Contact page.

GroupHealth OPTIONS, INC.

Options Health Plan
Summary of Benefits

City of Tacoma

Effective Date 1/1/2007 **Ref** 0760965001

This is a brief summary of benefits and limitations. THIS IS NOT A CONTRACT. For a more detailed description of your benefits and exclusions, refer to your certificate of coverage or contact your employer or benefits administrator. Benefit descriptions in this document are subject to Washington and federal regulations and may change.

Benefit	Inside Network	Outside Network
Network	When care is provided or referred by the Managed Health Care Network (MHCN). **Benefit allowances utilized inside the Network cannot be duplicated outside the Network.**	When care is not provided by or referred by the Managed Health Care Network. **Benefit allowances utilized outside the Network cannot be duplicated inside the Network.**
Hospital Admission Certification	Not required.	All scheduled inpatient hospital admissions must be authorized by GHO at least seventy-two (72) hours in advance.
Annual Deductible	No annual deductible.	$100 per Member or $200 per family unit per calendar year.
Plan Coinsurance	No plan coinsurance.	80% of the Usual, Customary and Reasonable (UCR) charges are covered.
Lifetime Maximum	$2,000,000 per Member.	$2,000,000 per Member.
Hospital Services Covered inpatient medical and surgical services, including acute chemical withdrawal (detoxification)	Covered in full.	Covered at the plan coinsurance after the annual deductible is satisfied.
Covered outpatient hospital surgery (including ambulatory surgical centers)	Covered subject to the applicable outpatient services copayment.	Covered at the plan coinsurance after the annual deductible is satisfied.
Outpatient Services (Office Visits) Covered outpatient medical and surgical services	$5 copayment per Member per visit.	Covered at the plan coinsurance after the annual deductible is satisfied.
Allergy testing	Covered subject to the applicable outpatient services copayment.	Covered at the plan coinsurance after the annual deductible is satisfied.
Oncology (radiation therapy, chemotherapy)	Covered subject to the applicable outpatient services copayment.	Covered at the plan coinsurance after the annual deductible is satisfied.
Drugs – Outpatient (including mental health drugs, contraceptive drugs and devices and diabetic supplies) Prescription drugs, medicines, supplies and devices for a supply of thirty (30) days or less when listed in the GHO drug formulary	Covered subject to the lesser of the MHCN's charge or a $5 copayment.	Covered at the plan coinsurance.
Over-the-counter drugs and medicines	Not covered.	Not covered.

Allergy serum	Covered subject to the applicable prescription drug cost share for each thirty (30) day supply.	Covered subject to the applicable prescription drug cost share for each thirty (30) day supply.
Injectables	Injections that can be self-administered are subject to the applicable prescription drug cost share.	Injections that can be self-administered are subject to the applicable prescription drug cost share.
Mail order drugs and medicines	Covered subject to the applicable prescription drug cost share for each thirty (30) day supply or less.	Not covered.
Growth hormones	Covered in full subject to a twelve (12) month waiting period.	Covered at the plan coinsurance after the annual deductible is satisfied, subject to a twelve (12) month waiting period.
Out-of-Pocket Limit (Stop Loss)	Limited to an aggregate maximum of $1,000 per Member or $2,000 per family per calendar year. Except as otherwise noted, total out-of-pocket expenses for the following Covered Services are included in the out-of-pocket limit: • Inpatient services • Outpatient services • Emergency services at a MHCN Facility • Ambulance services	Limited to an aggregate maximum of $2,000 per Member or $4,000 per family per calendar year. Except as otherwise noted, total out-of-pocket expenses for the following Covered Services are included in the out-of-pocket limit: • Plan coinsurance • Emergency services at a non-MHCN Facility
Acupuncture	Covered subject to the applicable outpatient services copayment for self-referrals to a MHCN Provider up to a maximum of eight (8) visits per Member per medical diagnosis per calendar year. When approved by GHO, additional visits are covered subject to the applicable outpatient services copayment.	Covered at the plan coinsurance after the annual deductible is satisfied.
Ambulance Services Emergency ground/air transport	Covered at 80%.	Covered at 80%.
Non-emergent ground/air interfacility transfer	Covered at 80% for MHCN-initiated transfers, except hospital-to-hospital ground transfers covered in full.	Covered at 80% for transport from one medical facility to the nearest facility equipped to render further Medically Necessary treatment when prescribed by the attending physician. Services are not subject to the annual deductible. Coinsurance does not apply to the out-of-pocket limit.
Chemical Dependency Inpatient services	Covered subject to the applicable inpatient services copayment.	Covered at the plan coinsurance after the annual deductible is satisfied.
Outpatient services	Covered subject to the applicable outpatient services copayment.	Covered at the plan coinsurance after the annual deductible is satisfied.
Benefit period allowance	$13,500 maximum per Member per any twenty-four (24) consecutive calendar month period. Acute detoxification covered as any other medical service. Charges incurred are not subject to the twenty-four (24) month maximum.	$13,500 maximum per Member per any twenty-four (24) consecutive calendar month period. Acute detoxification covered as any other medical service. Charges incurred are not subject to the twenty-four (24) month maximum.

Summary of Benefits

Devices, Equipment and Supplies (for home use) Covered items include: • Durable medical equipment • Orthopedic appliances • Post-mastectomy bras limited to two (2) every six (6) months	Covered at 80%.	Covered at 80% after the annual deductible is satisfied.
• Ostomy supplies • Prosthetic devices	Covered at 80%.	Covered at 80% after the annual deductible is satisfied.
Diabetic Supplies	Insulin, needles, syringes and lancets - see Drugs-Outpatient. External insulin pumps, blood glucose monitors, testing reagents and supplies - see Devices, Equipment and Supplies. When Devices, Equipment and Supplies have a dollar maximum, diabetic supplies are not subject to this maximum benefit limit.	Insulin, needles, syringes and lancets - see Drugs-Outpatient. External insulin pumps, blood glucose monitors, testing reagents and supplies - see Devices, Equipment and Supplies. When Devices, Equipment and Supplies have a dollar maximum, diabetic supplies are not subject to this maximum benefit limit.
Diagnostic Laboratory and Radiology Services	Covered in full.	Covered at the plan coinsurance after the annual deductible is satisfied.
Emergency Services	Covered subject to a $75 copayment per Member per emergency visit at a MHCN Facility. Copayment is waived if the Member is admitted as an inpatient to the hospital directly from the emergency department. Emergency admissions are covered subject to the applicable inpatient services cost share.	Covered subject to a $125 deductible per Member per emergency visit at a non-MHCN Facility (world-wide). Deductible is waived if the Member is admitted as an inpatient to the hospital directly from the emergency department. Emergency admissions are covered subject to the applicable inpatient services cost share. The Member must notify GHO within twenty-four (24) hours following admission and agree to have care managed by the MHCN in order to have inpatient services covered under the MHCN benefit level. If the Member does not notify GHO within twenty-four (24) hours following admission, or declines to have care managed by the MHCN, all inpatient services are covered subject to the applicable inpatient services cost share.
Hearing Examinations and Hearing Aids	Hearing examinations to determine hearing loss are covered subject to the applicable outpatient services copayment. Hearing aids, including hearing aid examinations, are not covered.	Hearing examinations to determine hearing loss are covered at the plan coinsurance after the annual deductible is satisfied. Hearing aids, including hearing aid examinations, are not covered.
Home Health Services	Covered in full. No visit limit.	Covered at the plan coinsurance after the annual deductible is satisfied.
Hospice Services	Covered in full.	Covered at the plan coinsurance after the annual deductible is satisfied.

Infertility Services (including sterility)	General diagnostic services are covered subject to the applicable outpatient services copayment. Specific diagnostic services, treatment and outpatient prescription drugs are covered at 50% of the total charges. Diagnosis or treatment of sexual dysfunction is not covered.	General diagnostic services are covered at the plan coinsurance after the annual deductible is satisfied. Specific diagnostic services and treatment are covered at 50% of the total charges after the annual deductible is satisfied. Outpatient prescription drugs are covered at 50% of the total charges. Diagnosis or treatment of sexual dysfunction is not covered.
Manipulative Therapy	Covered subject to the applicable outpatient services copayment for self-referrals to a MHCN Provider for manipulative therapy of the spine and extremities up to a maximum of ten (10) visits per Member per calendar year. When approved by GHO, additional manipulation visits are covered subject to the applicable outpatient services copayment.	Covered at the plan coinsurance for manipulative therapy of the spine or extremities up to a maximum of ten (10) visits per Member per calendar year after the annual deductible is satisfied.
Maternity and Pregnancy Services Delivery and associated hospital care	Covered subject to the applicable inpatient services copayment.	Covered at the plan coinsurance after the annual deductible is satisfied.
Routine prenatal and postpartum care	Covered subject to the applicable outpatient services copayment.	Covered at the plan coinsurance after the annual deductible is satisfied.
Mental Health Services Inpatient services	Covered subject to the applicable inpatient services copayment for up to twelve (12) days per Member per calendar year at a GHO-approved mental health care facility. Copayment does not apply to the out-of-pocket limit.	Covered subject to the applicable inpatient services cost share for up to twelve (12) days per Member per calendar year. Coinsurance does not apply to the out-of-pocket limit.
Outpatient services	Covered subject to the applicable outpatient services copayment for up to twenty (20) visits per Member per calendar year. Copayment does not apply to the out-of-pocket limit.	Covered subject to the applicable outpatient services cost share for up to twenty (20) visits per Member per calendar year. Coinsurance does not apply to the out-of-pocket limit.
Naturopathy	Covered subject to the applicable outpatient services copayment for self-referrals to a MHCN Provider up to a maximum of three (3) visits per Member per medical diagnosis per calendar year. When approved by GHO, additional visits are covered subject to the applicable outpatient services copayment.	Covered at the plan coinsurance, after the annual deductible is satisfied.
Optical Services Routine eye examinations	Covered subject to the applicable outpatient services copayment once every twelve (12) months, except as Medically Necessary.	Not covered. Eye examinations for eye pathology are covered when Medically Necessary.
Lenses, including contact lenses, and frames	Not covered. One contact lens per diseased eye, when in lieu of an intraocular lens, is covered in full following cataract surgery, provided the Member has been continuously covered by GHO since such surgery.	Not covered. One contact lens per diseased eye, when in lieu of an intraocular lens, is covered at the plan coinsurance after the annual deductible is satisfied following cataract surgery, provided the Member has been continuously covered by GHO since such surgery.

Summary of Benefits

Organ Transplants	Covered subject to the applicable copayment up to a $250,000 lifetime benefit maximum (including organ acquisition, matching and donor costs up to $50,000). Coverage for all transplants, including follow-up care, is excluded until the Member has been continuously enrolled under a GHO or Group Health Cooperative (GHC) plan for six (6) months.	Covered at the plan coinsurance up to a $250,000 lifetime benefit maximum (including organ acquisition, matching and donor costs up to $50,000), after the annual deductible is satisfied. Coverage for all transplants, including follow-up care, is excluded until the Member has been continuously enrolled under a GHO or Group Health Cooperative (GHC) plan for six (6) months. Transplant services must be received at a facility authorized in advance by GHO.
Pre-Existing Condition	Covered subject to the applicable cost share, with no wait.	Covered subject to the applicable cost share, with no wait.
Preventive Services (well adult and well child physicals, immunizations, pap smears, mammograms)	Covered in full when in accordance with the well-care schedule established by GHO. Excluded are physicals for travel, employment, insurance, license. Services provided during a preventive care visit which are not in accordance with the well-care schedule are subject to the applicable outpatient services copayment.	Not covered, except for routine mammography services covered at the plan coinsurance after the annual deductible is satisfied. Excluded are physicals for travel, employment, insurance, license.
Rehabilitation Services Inpatient physical, occupational and restorative speech therapy services combined, including services for neurodevelopmentally disabled children age six (6) and under	Covered subject to the applicable inpatient services copayment for up to sixty (60) days per calendar year.	Covered at the plan coinsurance for up to sixty (60) days per calendar year, after the annual deductible is satisfied.
Outpatient physical, occupational and restorative speech therapy services combined, including services for neurodevelopmentally disabled children age six (6) and under	Covered subject to the applicable outpatient services copayment for up to sixty (60) visits per calendar year	Covered at the plan coinsurance for up to sixty (60) visits per calendar year, after the annual deductible is satisfied.
Skilled Nursing Facility (SNF)	Covered in full up to sixty (60) days per Member per calendar year.	Covered at the plan coinsurance up to sixty (60) days per Member per calendar year, after the annual deductible is satisfied.
Sterilization (vasectomy, tubal ligation)	Covered subject to the applicable copayment. Procedures to reverse a sterilization are not covered.	Covered at the plan coinsurance after the annual deductible is satisfied. Procedures to reverse a sterilization are not covered.
Temporomandibular Joint (TMJ) Services Inpatient and outpatient TMJ services Lifetime benefit maximum	Covered subject to the applicable copayment up to a $1,000 maximum per Member per calendar year. Covered up to $5,000 per Member.	Covered at the plan coinsurance up to a $1,000 maximum per Member per calendar year after the annual deductible is satisfied. Covered up to $5,000 per Member.

Summary of Benefits

Tobacco Cessation Individual/group sessions Approved pharmacy products	Covered in full. Covered subject to the lesser of the MHCN's charge or the applicable prescription drug cost share for a supply of thirty (30) days or less of a prescription or refill when prescribed by a MHCN Provider and obtained at a MHCN Facility.	Not covered. Not covered.
Limitations	Coverage for cosmetic services is limited to breast reconstruction following mastectomy, and reconstructive breast reduction on non-diseased breast.	Coverage for cosmetic services is limited to breast reconstruction following mastectomy, and reconstructive breast reduction on non-diseased breast.
Exclusions	Services or programs not provided or authorized by MHCN staff (except as specified); travel medications; investigational or experimental procedures, drugs and devices; dental care; arch supports including custom shoe modifications or inserts and their fittings except for therapeutic shoes, modifications and shoe inserts for severe diabetic foot disease; convalescent or custodial care; cardiac rehabilitation programs; services covered by first-party insurance; services covered by government and military programs; employment, license, immigration or insurance examinations or reports. Unless otherwise noted as covered, the following services are also excluded: diagnostic testing of sterility, infertility or sexual dysfunction; work-related conditions (including self-employment, L&I and worker's compensation).	Travel medications; investigational or experimental procedures, drugs and devices; dental care; arch supports including custom shoe modifications or inserts and their fittings except for therapeutic shoes, modifications and shoe inserts for severe diabetic foot disease; convalescent or custodial care; cardiac rehabilitation programs; services of unlicensed practitioners; services covered by first-party insurance; services covered by government and military programs; employment, license, immigration or insurance examinations or reports. Unless otherwise noted as covered, the following services are also excluded: diagnostic testing of sterility, infertility or sexual dysfunction; work-related conditions (including self-employment, L&I and worker's compensation); routine eye examinations; most preventive care services.

GroupHealth

Options
Summary of Benefits

City of Tacoma		
Effective Date 1/1/2008		**Ref** 0860965001
This is a brief summary of benefits and limitations. THIS IS NOT A CONTRACT. For a more detailed description of your benefits and exclusions, refer to your certificate of coverage or contact your employer or benefits administrator. Benefit descriptions in this document are subject to Washington and federal regulations and may change.		
Benefit	**Inside Network**	**Outside Network**
Network	When care is provided or referred by the Managed Health Care Network (MHCN). **Benefit allowances utilized inside the Network cannot be duplicated outside the Network.**	When care is not provided by or referred by the Managed Health Care Network. **Benefit allowances utilized outside the Network cannot be duplicated inside the Network.**
Hospital Admission Certification	Not required.	All scheduled inpatient hospital admissions must be authorized by GHO at least seventy-two (72) hours in advance.
Annual Deductible	No annual deductible.	$100 per Member or $200 per family unit per calendar year.
Plan Coinsurance	No plan coinsurance.	80% of the Usual, Customary and Reasonable (UCR) charges are covered.
Lifetime Maximum	$2,000,000 per Member.	$2,000,000 per Member.
Hospital Services Covered inpatient medical and surgical services, including acute chemical withdrawal (detoxification)	Covered in full.	Covered at the plan coinsurance after the annual deductible is satisfied.
Covered outpatient hospital surgery (including ambulatory surgical centers)	Covered subject to the applicable outpatient services copayment.	Covered subject to the applicable outpatient services cost share.
Outpatient Services (Office Visits) Covered outpatient medical and surgical services	$5 copayment per Member per visit.	Covered at the plan coinsurance after the annual deductible is satisfied.
Allergy testing	Covered subject to the applicable outpatient services copayment.	Covered subject to the applicable outpatient services cost share.
Oncology (radiation therapy, chemotherapy)	Covered subject to the applicable outpatient services copayment.	Covered subject to the applicable outpatient services cost share.
Drugs – Outpatient (including mental health drugs, contraceptive drugs and devices and diabetic supplies) Prescription drugs, medicines, supplies and devices for a supply of thirty (30) days or less when listed in the GHO drug formulary	Covered subject to the lesser of the MHCN's charge or a $5 copayment.	Covered at the plan coinsurance.

Coverage provided by Group Health Options, Inc.

Over-the-counter drugs and medicines	Not covered.	Not covered.
Allergy serum	Covered subject to the applicable prescription drug cost share for each thirty (30) day supply.	Covered subject to the applicable prescription drug cost share for each thirty (30) day supply.
Injectables	Injections that can be self-administered are subject to the applicable prescription drug cost share.	Injections that can be self-administered are subject to the applicable prescription drug cost share.
Mail order drugs and medicines	Covered subject to the applicable prescription drug cost share for each thirty (30) day supply or less.	Not covered.
Growth hormones	Covered in full subject to a twelve (12) month waiting period.	Covered at the plan coinsurance after the annual deductible is satisfied, subject to a twelve (12) month waiting period.
Out-of-Pocket Limit (Stop Loss)	Limited to an aggregate maximum of $1,000 per Member or $2,000 per family per calendar year. Except as otherwise noted, total out-of-pocket expenses for the following Covered Services are included in the out-of-pocket limit: • Inpatient services • Outpatient services • Emergency services at a MHCN Facility • Ambulance services	Limited to an aggregate maximum of $2,000 per Member or $4,000 per family per calendar year. Except as otherwise noted, total out-of-pocket expenses for the following Covered Services are included in the out-of-pocket limit: • Plan coinsurance • Emergency services at a non-MHCN Facility
Acupuncture	Covered subject to the applicable outpatient services copayment for self-referrals to a MHCN Provider up to a maximum of eight (8) visits per Member per medical diagnosis per calendar year. When approved by GHO, additional visits are covered subject to the applicable outpatient services copayment.	Covered subject to the applicable outpatient services cost share.
Ambulance Services Emergency ground/air transport	Covered at 80%.	Covered at 80%.
Non-emergent ground/air interfacility transfer	Covered at 80% for MHCN-initiated transfers, except hospital-to-hospital ground transfers covered in full.	Covered at 80% for transport from one medical facility to the nearest facility equipped to render further Medically Necessary treatment when prescribed by the attending physician. Services are not subject to the annual deductible. Coinsurance does not apply to the out-of-pocket limit.
Chemical Dependency Inpatient services	Covered subject to the applicable inpatient services copayment.	Covered subject to the applicable inpatient services cost share.
Outpatient services	Covered subject to the applicable outpatient services copayment.	Covered subject to the applicable outpatient services cost share

Benefit period allowance	$13,500 maximum per Member per any twenty-four (24) consecutive calendar month period. Acute detoxification covered as any other medical service. Charges incurred are not subject to the twenty-four (24) month maximum.	$13,500 maximum per Member per any twenty-four (24) consecutive calendar month period. Acute detoxification covered as any other medical service. Charges incurred are not subject to the twenty-four (24) month maximum.
Devices, Equipment and Supplies (for home use) Covered items include: • Durable medical equipment • Orthopedic appliances • Post-mastectomy bras limited to two (2) every six (6) months	Covered at 80%.	Covered at 80% after the annual deductible is satisfied.
• Ostomy supplies • Prosthetic devices	Covered at 80%.	Covered at 80% after the annual deductible is satisfied.
Diabetic Supplies	Insulin, needles, syringes and lancets - see Drugs-Outpatient. External insulin pumps, blood glucose monitors, testing reagents and supplies - see Devices, Equipment and Supplies. When Devices, Equipment and Supplies have a dollar maximum, diabetic supplies are not subject to this maximum benefit limit.	Insulin, needles, syringes and lancets - see Drugs-Outpatient. External insulin pumps, blood glucose monitors, testing reagents and supplies - see Devices, Equipment and Supplies. When Devices, Equipment and Supplies have a dollar maximum, diabetic supplies are not subject to this maximum benefit limit.
Diagnostic Laboratory and Radiology Services	Covered in full.	Covered at the plan coinsurance after the annual deductible is satisfied.
Emergency Services	Covered subject to a $75 copayment per Member per emergency visit at a MHCN Facility. Copayment is waived if the Member is admitted as an inpatient to the hospital directly from the emergency department. Emergency admissions are covered subject to the applicable inpatient services cost share.	Covered subject to a $125 deductible per Member per emergency visit at a non-MHCN Facility (world-wide). Deductible is waived if the Member is admitted as an inpatient to the hospital directly from the emergency department. Emergency admissions are covered subject to the applicable inpatient services cost share. The Member must notify GHO within twenty-four (24) hours following admission and agree to have care managed by the MHCN in order to have inpatient services covered under the MHCN benefit level. If the Member does not notify GHO within twenty-four (24) hours following admission, or declines to have care managed by the MHCN, all inpatient services are covered subject to the applicable inpatient services cost share.
Hearing Examinations and Hearing Aids	Hearing examinations to determine hearing loss are covered subject to the applicable outpatient services copayment. Hearing aids, including hearing aid examinations, are not covered.	Hearing examinations to determine hearing loss are covered subject to the applicable outpatient services cost share. Hearing aids, including hearing aid examinations, are not covered.

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Summary of Benefits

Home Health Services	Covered in full. No visit limit.	Covered at the plan coinsurance after the annual deductible is satisfied.
Hospice Services	Covered in full.	Covered at the plan coinsurance after the annual deductible is satisfied.
Infertility Services (including sterility)	General diagnostic services are covered subject to the applicable outpatient services copayment. Specific diagnostic services, treatment and outpatient prescription drugs are covered at 50% of the total charges. Diagnosis or treatment of sexual dysfunction is not covered.	General diagnostic services are covered subject to the applicable cost share. Specific diagnostic services and treatment are covered at 50% of the total charges after the annual deductible is satisfied. Outpatient prescription drugs are covered at 50% of the total charges. Diagnosis or treatment of sexual dysfunction is not covered.
Manipulative Therapy	Covered subject to the applicable outpatient services copayment for self-referrals to a MHCN Provider for manipulative therapy of the spine and extremities up to a maximum of ten (10) visits per Member per calendar year. When approved by GHO, additional manipulation visits are covered subject to the applicable outpatient services copayment.	Covered subject to the applicable outpatient services cost share for manipulative therapy of the spine or extremities up to a maximum of ten (10) visits per Member per calendar year.
Maternity and Pregnancy Services Delivery and associated hospital care	Covered subject to the applicable inpatient services copayment.	Covered subject to the applicable inpatient services cost share.
Routine prenatal and postpartum care	Covered subject to the applicable outpatient services copayment.	Covered subject to the applicable outpatient services cost share.
Mental Health Services Inpatient services	Covered subject to the applicable inpatient services copayment for up to twelve (12) days per Member per calendar year at a GHO-approved mental health care facility. Copayment does not apply to the out-of-pocket limit.	Covered subject to the applicable inpatient services cost share for up to twelve (12) days per Member per calendar year. Coinsurance does not apply to the out-of-pocket limit.
Outpatient services	Covered subject to the applicable outpatient services copayment for up to twenty (20) visits per Member per calendar year. Copayment does not apply to the out-of-pocket limit.	Covered subject to the applicable outpatient services cost share for up to twenty (20) visits per Member per calendar year. Coinsurance does not apply to the out-of-pocket limit.
Naturopathy	Covered subject to the applicable outpatient services copayment for self-referrals to a MHCN Provider up to a maximum of three (3) visits per Member per medical diagnosis per calendar year. When approved by GHO, additional visits are covered subject to the applicable outpatient services copayment.	Covered subject to the applicable outpatient services cost share.
Optical Services Routine eye examinations	Covered subject to the applicable outpatient services copayment once every twelve (12) months, except as Medically Necessary.	Not covered. Eye examinations for eye pathology are covered when Medically Necessary.

Lenses, including contact lenses, and frames	Not covered. One contact lens per diseased eye, when in lieu of an intraocular lens, is covered in full following cataract surgery, provided the Member has been continuously covered by GHO since such surgery.	Not covered. One contact lens per diseased eye, when in lieu of an intraocular lens, is covered at the plan coinsurance after the annual deductible is satisfied following cataract surgery, provided the Member has been continuously covered by GHO since such surgery.
Organ Transplants	Covered subject to the applicable copayment up to a $250,000 lifetime benefit maximum (including organ acquisition, matching and donor costs up to $50,000). Coverage for all transplants, including follow-up care, is excluded until the Member has been continuously enrolled under a GHO or Group Health Cooperative (GHC) plan for six (6) months.	Covered at the plan coinsurance up to a $250,000 lifetime benefit maximum (including organ acquisition, matching and donor costs up to $50,000), after the annual deductible is satisfied. Coverage for all transplants, including follow-up care, is excluded until the Member has been continuously enrolled under a GHO or Group Health Cooperative (GHC) plan for six (6) months. Transplant services must be received at a facility authorized in advance by GHO.
Pre-Existing Condition	Covered subject to the applicable cost share, with no wait.	Covered subject to the applicable cost share, with no wait.
Preventive Services (well adult and well child physicals, immunizations, pap smears, mammograms)	Covered in full when in accordance with the well-care schedule established by GHO. Excluded are physicals for travel, employment, insurance, license. Services provided during a preventive care visit which are not in accordance with the well-care schedule are subject to the applicable outpatient services copayment.	Not covered, except for routine mammography services covered at the plan coinsurance after the annual deductible is satisfied. Excluded are physicals for travel, employment, insurance, license.
Rehabilitation Services Inpatient physical, occupational and restorative speech therapy services combined, including services for neurodevelopmentally disabled children age six (6) and under	Covered subject to the applicable inpatient services copayment for up to sixty (60) days per calendar year.	Covered subject to the applicable inpatient services cost share for up to sixty (60) days per calendar year.
Outpatient physical, occupational and restorative speech therapy services combined, including services for neurodevelopmentally disabled children age six (6) and under	Covered subject to the applicable outpatient services copayment for up to sixty (60) visits per calendar year	Covered subject to the applicable outpatient services cost share for up to sixty (60) visits per calendar year.
Skilled Nursing Facility (SNF)	Covered in full up to sixty (60) days per Member per calendar year.	Covered at the plan coinsurance up to sixty (60) days per Member per calendar year, after the annual deductible is satisfied.
Sterilization (vasectomy, tubal ligation)	Covered subject to the applicable copayment. Procedures to reverse a sterilization are not covered.	Covered subject to the applicable cost share. Procedures to reverse a sterilization are not covered.

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Summary of Benefits

Temporomandibular Joint (TMJ) Services Inpatient and outpatient TMJ services Lifetime benefit maximum	Covered subject to the applicable copayment up to a $1,000 maximum per Member per calendar year. Covered up to $5,000 per Member.	Covered subject to the applicable cost share up to a $1,000 maximum per Member per calendar year. Covered up to $5,000 per Member.
Tobacco Cessation Individual/group sessions Approved pharmacy products	Covered in full. Covered subject to the lesser of the MHCN's charge or the applicable prescription drug cost share for a supply of thirty (30) days or less of a prescription or refill when prescribed by a MHCN Provider and obtained at a MHCN Facility.	Not covered. Not covered.
Exclusions	Services or programs not provided or authorized by MHCN staff (except as specified); travel medications; investigational or experimental procedures, drugs and devices; dental care; arch supports including custom shoe modifications or inserts and their fittings except for therapeutic shoes, modifications and shoe inserts for severe diabetic foot disease; convalescent or custodial care; cardiac rehabilitation programs; services covered by first-party insurance; services covered by government and military programs; employment, license, immigration or insurance examinations or reports. Unless otherwise noted as covered, the following services are also excluded: diagnostic testing of sterility, infertility or sexual dysfunction; work-related conditions (including self-employment, L&I and worker's compensation).	Travel medications; investigational or experimental procedures, drugs and devices; dental care; arch supports including custom shoe modifications or inserts and their fittings except for therapeutic shoes, modifications and shoe inserts for severe diabetic foot disease; convalescent or custodial care; cardiac rehabilitation programs; services of unlicensed practitioners; services covered by first-party insurance; services covered by government and military programs; employment, license, immigration or insurance examinations or reports. Unless otherwise noted as covered, the following services are also excluded: diagnostic testing of sterility, infertility or sexual dysfunction; work-related conditions (including self-employment, L&I and worker's compensation); routine eye examinations; most preventive care services.