

APPENDIX A

LETTER OF UNDERSTANDING - ARTICLE 8 (#4)

In recognition of the several disputes which have arisen between the Department of State Police and individual members of the bargaining unit over the interpretation of Article 8, Part A, Sections 6 and 9-f, of the Collective Bargaining Agreement, and in an effort to promote the orderly and timely conducting of Discipline Panels, Discipline Appeal Board, and arbitrations involving discipline, the parties hereby stipulate and agree as follows:

1. The defendant(s) and employee witnesses, regardless of who calls them, shall be entitled to straight-time pay when required to attend a Discipline Panel, Discipline Appeal Board, or arbitration involving discipline. In addition, they shall be entitled to compensatory time at the rate of time-and-one-half if actual time spent in the hearing, and actual necessary travel time exceeds eight hours. Witnesses are eligible for travel and per diem expenses pursuant to Article 17, Part B, of the Collective Bargaining Agreement. It is understood that employee witnesses are entitled to pay and expenses only if their testimony is directly related to the charges made against an accused employee.
2. An Association employee representative and Association members of the Discipline Panel or Discipline Appeal Board shall be entitled to straight-time pay for time spent at such proceedings and actual necessary travel time to and from the proceedings. In addition, they shall be entitled to compensatory time at the rate of time-and-one-half if actual time spent in the hearing, actual necessary travel time, and other hours worked exceeds eight hours. It is understood that such employees will be provided the use of a department vehicle or will be reimbursed for necessary mileage at the Employer's option, pursuant to Article 17, Part B, of the Collective Bargaining Agreement.
3. The Employer will endeavor to schedule Discipline Panels and Discipline Appeal Boards with sufficient notice to permit the orderly work scheduling of witnesses, employee representatives and Association members of the Discipline Panels and Discipline Appeal Boards.
4. Prior to any disciplinary hearing, the parties will exchange a list of witnesses and the employee representative they intend to call, if any, with sufficient notice to permit the scheduling of the employees. The parties also agree to utilize stipulations, depositions, or transcripts prepared by a certified shorthand reporter in lieu of witness testimony when reasonably requested by the opposing party.

The cost of transcripts shall be borne by the requesting party. A party who intends to submit a transcript to the arbitrator shall provide the opposing party with a

copy of the transcript before submitting it to the arbitrator.

The parties further agree that this letter of understanding shall be supplemental to the Collective Bargaining Agreement except to the extent it specifically conflicts with the provisions of Article 8, Part A, Section 6 and 9-f, in which case this letter of understanding shall supersede the Agreement.

APPENDIX B

In order to implement alternative schedules and address potential problems, the parties agree to the following qualifications of Articles 18, 19, and 33 of the Collective Bargaining Agreement:

1. **Holidays:** Pursuant to the provisions of Articles 19 and 33, each employee receives payment or compensatory time at the overtime rate for hours worked in addition to the 8 hours of straight-time pay for each holiday and, when a holiday falls on a pass day, each employee receives another pass day within the pay period subject to the provisions of Article 19, Section 4.

The parties acknowledge that the provisions of Articles 19 and 33 can result, for employees who are working alternative schedules, in less than 80 scheduled hours for bi-weekly pay periods containing a holiday.

To resolve this discrepancy, the Employer shall at the employee's option:

- a) Allow the employee to use annual leave and/or compensatory leave time credits, and/or
- b) Schedule the employee for additional hours at the straight time rate, including shift differential if applicable, to any continuous regular workday within the pay period in which the holiday occurs so that the employee is scheduled for a full 80 hours during the bi-weekly pay period. (To any extent an employee who is working on the holiday agrees to resolve the discrepancy by working longer on the holiday than the overtime period being offered by the Employer, the extension will be paid at the straight-time rate.)
- c) The preceding paragraph (a) providing affected employees the option of using annual leave or compensatory leave time credits will not apply to a pay period with more than one holiday. Instead, the Employer shall have the option to either (1) revert back to an 8-hour schedule for the affected pay period; or (2) schedule affected employees for additional hours at the straight-time rate, including shift differential if applicable, within the pay period in which the holidays occur so that the employee is scheduled for a full 80 hours

during the bi-weekly pay period. When scheduling additional straight-time hours for this purpose, the Employer may lengthen or shorten one or more of an affected employee's normal workdays as needed within the pay period, and/or schedule a workday on what would otherwise have been a pass day (subject to the provisions of Article 19, Section 4), provided that each affected employee is scheduled at least five pass days in addition to the holidays and that each scheduled workday is at least 8 hours but not more than 12 hours in duration. Other than by agreement of the employee or in accordance with a local agreement (see Sec. 4, below), the additional straight-time hours will not be scheduled on a holiday. Workdays that are lengthened, shortened, or added as described above will each be considered a "regularly scheduled shift or workday" as that term is used in Article 19, Section 2.b, but applicability of "double-back" provisions will not otherwise be limited.

2. **Training:** When necessary to assign an employee to a training or re-certification school, the following guidelines will be followed:
 - a) Employees working alternative schedules who are assigned to midnight or afternoon shifts may be reassigned to a day shift to attend a one or two day training school, or by mutual agreement such employees may be allowed to attend the training school for compensatory time providing that compensatory time is used within the same work period in which it was earned.
 - b) For training schools of a week or more in duration, employees working alternative schedules on any shift may be placed on a five-day work week of 8-hour workdays for the purpose of attending the school, with all rights per the existing agreement between the State of Michigan and MSPTA. The Employer, when possible, will give the employee the day off prior to and after the training school.
 - c) The above provisions are not intended to limit or preclude the Employer from other options consistent with the current Collective Bargaining Agreement that it may have for the scheduling of training.
3. **Vacations:** When necessary for scheduling and planning, it may be required that allowance of summer and winter annual leave days for employees working alternative schedules be determined by multiplying the number of days designated by Article 30, Part A, Section 6.b of the contract by eight, and then dividing the resulting number by the number of hours in the employee's normal workday in order to determine the equivalent number of vacation days at the 8-hour rate. When the resulting number includes a fraction of a day, the number of vacation days will be rounded up to the next full day.

4. **Local Agreements:** The parties agree that the use of alternative schedules are meant to be as cost-neutral as possible relative to its benefits and that the Employer is not expected to incur unreasonable expense or burden due to alternative schedules that would not generally be expected with traditional eight-hour schedules, especially in relation to overtime liability or excessive difficulty in scheduling and maintaining service to the public. To that end, the parties at individual worksites may enter into reasonable local agreements, subject to the approval of the both the Employer and the Association, to accommodate greater proportions of employees on alternative schedules than that which is required by the current Collective Bargaining Agreement or to provide for the use of alternative schedules at worksites where they are not otherwise required.

APPENDIX C*

LETTER OF UNDERSTANDING - ARTICLE 19 (#24)

COMPENSATION FOR CARE AND MAINTENANCE OF DEPARTMENTAL CANINE

Having given appropriate consideration to recent interpretations of the Fair Labor Standards Act by the United States Department of Labor, the parties do hereby mutually agree to implement the following procedure to insure the appropriate compensation of Department Canine Handlers for the care and maintenance of canine assigned to them.

1. Canine Handlers will receive seven tenths of an hour (42 minutes) of compensation, for the care and maintenance of a single canine, for each calendar day of their 28-day work period, heretofore established by the Department pursuant to the provisions of Section 7(k) of the Fair Labor Standards Act. Handlers will receive an additional three tenths of an hour (18 minutes) of compensation per calendar day for each additional canine assigned to them.
2. 16 hours of the compensation for canine care and maintenance services performed in a 28-day work period will be paid to each Handler in the form of one additional eight hour day off, with pay, in each of the two biweekly pay periods making up the 28-day work period. Compensation for canine care and maintenance services performed in excess of eight hours in a given 14-day/biweekly pay period, shall be paid at the applicable overtime rate.
3. An "additional day off", as provided for above, shall be reported for

timekeeping purposes as eight hours Administrative Leave on the Biweekly Time and Attendance Report. These hours are the hours that were actually worked throughout the 28-day period in 42-minute increments and, as such, count as hours worked for the purposes of determining when the FLSA overtime threshold has been reached (171 hours in a 28-day period). (Exemplary Biweekly Time and Attendance Report attached).

4. Except in instances of demonstrated need or by mutual agreement, an "additional day off", as provided for above, shall be treated as a "pass day" for purposes of consecutive scheduling under the provisions of Article 19, Section 4 of the Collective Bargaining Agreement.
5. Work performed on an "additional day off", other than canine care and maintenance, shall be paid at the applicable overtime rate.
6. Canine Handlers shall record, on their Officer's Daily Report, all time spent on canine care and maintenance outside their regular scheduled work hours. In no case shall a Handler's average time spent in a given 28 day work period for canine care and maintenance exceed the allotted time provided for in paragraph 1; e.g., 42-minutes per calendar day for a single canine, without prior supervisory approval.
7. All provisions of the Collective Bargaining Agreement not in conflict with this Letter of Understanding shall remain in full force and effect. Any provision of the Collective Bargaining Agreement in conflict with this Letter of Understanding shall be superseded by this letter.

*Pending changes to reflect expanded alternative schedule language.

APPENDIX D **LETTER OF UNDERSTANDING - ARTICLE 19 (#10)**

To further clarify Article 19, Section 3-c in the matter of scheduled overtime distribution among employees at a work unit at the same classification on an equal basis, the following issues are being resolved by the adoption of these outlined procedures.

This Letter of Understanding replaces Letter of Understanding #10. However, Article 19, Section 3 of the original Collective Bargaining Agreement between the parties remains in full force and effect except as modified by this letter.

1. **Scheduled Overtime.** Scheduled overtime as used in Article 19,

Section 3c is defined as overtime (either cash payment or compensatory time) which results from work which is of the type typically performed by any bargaining unit member within a classification and which is known and posted on the schedule at least 72 hours prior to the beginning of a pay period.

2. **Offering Overtime.** When work which will result in scheduled overtime (as defined above) is assigned, the employer will offer the option to work the overtime assignment to the employee or employees who have the least number of hours on the list, in ascending order, until the overtime assignment is covered, provided that the employee or employees on the list are reasonably available for scheduling and work.
3. **Reasonable Availability.** An employee shall be considered reasonably available for purposes of equalization of overtime unless he or she is in one or more of the following circumstances:
 - a) Already scheduled to work regular hours during the overtime assignment period (employee may be available for those portions on an overtime assignment not in conflict with regular hours).
 - b) If the overtime assignment would cause the employee to work more than 16 hours in any 24 hour period.
 - c) If an employee is on a scheduled vacation period (including pass days and any holidays occurring during this vacation period).
 - d) If the employee is on sick leave or physically unable to perform the work required during the overtime period.
 - e) If the employee is on temporary assignment as provided in paragraph 9.
 - f) If the employee is on Departmental ordered suspension.
 - g) If the employee is on Departmental approved administrative leave.
 - h) If the employee is on lay-off status.
4. **Ordering Overtime.** Should the supervisor exhaust the entire equalization overtime roster in an attempt to assign and cover scheduled overtime, and is unable to gain an acceptance, then the

least senior employee within the appropriate classification shall be directed to work the assignment, subject to reasonable availability. Under no circumstances will an employee be credited with both overtime refused and overtime worked for the same hours.

5. **Association Access to Equalization Roster.** Upon reasonable request, any authorized Association Representative shall be granted access to the overtime equalization roster.
6. **Working out of Classification.** Except as provided herein, any bargaining unit member working out of classification shall be equalized with other bargaining unit members in the employee's permanent classification. However, an employee who has established eligibility for a higher rate of pay for working out of classification as provided in Article 23, Part B, and who is returned to the lower paid classification solely for the purpose of overtime equalization, shall not lose his/her eligibility for the higher rate of pay for the remainder of the time worked out of classification.
7. **Overtime Posted less than 72 Hours Prior to the Beginning of a Pay Period.** Although this agreement does not require the employer to utilize the overtime equalization roster when available overtime is not posted at least 72 hours prior to the beginning of a pay period, the employer will endeavor to do so whenever practicable. For overtime posted less than 72 hours before the beginning of the pay period, an employee who declines to work this overtime shall not be credited with hours refused for purposes of overtime equalization. However, an employee who works this overtime shall be credited with the hours worked.
8. **Minimum Hours.** For purposes of equalization of overtime, only time in the amount of one hour or more shall be credited in the time-keeping procedure.
9. **Temporary Assignments.** Employees temporarily assigned to a work unit other than his or her official work unit in excess of two full pay periods will equalize scheduled overtime at the temporary assignment only. Upon being assigned back to the employee's official work unit, the employee will be given a placement on the overtime equalization roster that represents the average of the work unit.

Persons on temporary assignment for two full pay periods or less shall not be equalized while on temporary assignment but shall remain at their previous status on the overtime equalization roster when they return.

10. **Transfers.** Upon receiving an official departmental transfer from one work unit to another, an employee will be given placement on the overtime equalization roster, at the new location, which represents the average of the work unit. For purposes of overtime equalization, a reassignment or change in classification will be handled the same as a transfer.
11. **Shift Change or Doubleback Hours.** Work hours that are paid at the overtime rate solely because they meet the contractual definition of doubleback (Article 19, Section 2) shall not be counted on the equalization roster.

Overtime or compensatory time resulting from shift changes or doubleback shall continue to be subject to the appropriate controlling provisions of the Collective Bargaining Agreement between the parties and is not affected by this Letter of Understanding.

12. **Leaves of Absence.** Employees on authorized leaves of absence (as defined by contract), light duty status, layoff or extended sick leave in excess of two full pay periods, shall not be equalized while on leave or in this status and shall be added to the overtime equalization roster on their return at the average of the work unit. Persons on leaves of absence, light duty status, layoffs or extended sick leave for two full pay periods or less shall not be equalized while on leave, light duty status, layoff or extended sick leave but shall remain at their previous status on the overtime equalization roster when they return.
13. **Special Assignments.** Work which is generated as a result of an individual employee's regular assignment (e.g., court appearance, shift extension, etc.) or as a result of unique qualifications and/or special training (canine handler, skin diver, foreign language skills, etc.) shall not be counted for purposes of overtime equalization.

Work which must be assigned to a particular individual outside the individual's regular assignment for legitimate operational reasons (e.g., need for particular gender, ethnic background, etc.) need not be distributed as scheduled overtime, however, these hours will be counted for purposes of compiling an overtime equalization list regardless of when the assignment was made.

14. **Calling-in Sick.** An employee who calls in sick when scheduled to work overtime, including a holiday, shall have the hours counted on the overtime equalization roster as if he/she had worked the overtime.
15. **Roster Adjustment.** Overtime shall be equalized on a continuous basis. However, when discrepancies exist, the overtime equalization

roster for Troopers and Sergeants shall continue to be adjusted annually on October 1 in the following manner:

- a) Determine the number of accumulated overtime hours of the person with the fewest hours on the overtime equalization roster.
- b) Subtract the number of hours determined in number one above from the accumulated overtime hours of each person on the roster.
- c) After the subtraction has been completed, utilize the revised roster as the basis for equalizing overtime for the next 12-month period.

EXAMPLE:

	<u>9/30 Roster</u>	<u>Subtraction of Fewest Hours</u>	<u>10/1 Roster</u>
John Jones	21 hrs.	-16 John Jones	5 hrs.
Barbara Brown	19 ½ "	-16 Barbara Brown	3 ½ "
James Washington	16 "	-16 James Washington	0 "

APPENDIX E

LETTER OF UNDERSTANDING

TEMPORARY ASSIGNMENTS

The Michigan State Police Troopers Association and the Department of State Police, through the Office of the State Employer, agree to the following stipulations concerning temporary assignments of bargaining unit members.

1. A temporary assignment of a bargaining unit employee shall be defined as a transfer of limited duration. Except as provided below, the duration of a temporary assignment shall not exceed six months:
 - a) The parties may extend by mutual agreement;
 - b) A temporary assignment to a grand jury will be for the duration of that grand jury;

- c) Temporary assignments under Sections C and D below may be for a period up to two years, at the discretion of the Employer.
2. The locations from which and to which temporary assignments are made will be at the sole discretion of the employer. Thereafter, except as provided in paragraphs C and D below, volunteers shall be solicited for the temporary assignment:
 - a) Volunteer(s) will be assigned by seniority;
 - b) In the absence of sufficient volunteers, mandatory assignments will be in inverse order of seniority;
 - c) The right to refuse a temporary assignment for employees with more than median seniority shall be the same as the right to refuse any other transfer;
 - d) In situations involving limited duty assignments or other extenuating circumstances, the parties may, by mutual agreement, deviate from the seniority provisions contained herein.
3. Temporary assignments to the Special Investigations Division of less than two full pay periods will be at the prerogative of the Employer. In addition, the selection of employees for temporary assignment to the Training Division, fugitive teams, surveillance and auto theft positions will be at the prerogative of the Employer, regardless of the duration.
4. Employees temporarily assigned to narcotics teams will be selected in the same manner as the permanent assignments (i.e. utilizing the undercover selection process). For those positions filled using the undercover selection process, the Employer agrees to reduce the undercover selection list for that team or concept to 15 names before adding candidates to that list.
5. Temporary assignments will not involve a change in the employee's official workstation. However, equalization of overtime will be in accordance with Appendix D of the current Agreement.
6. Any employee involved in a temporary assignment shall be eligible for any reimbursable travel and per diem expenses provided by Article 17, Part A and B of the current Collective Bargaining Agreement and other applicable provisions of the Standardized Travel Regulations not in conflict with the Collective Bargaining Agreement. However, employees involved in a temporary assignment for the purpose of providing a limited duty assignment necessitated by an off-duty injury

or illness will not be eligible for these benefits.

7. Home to office use of assigned vehicles will be permitted for officers in Federal task forces and cooperative force concepts if both of the following conditions are met;
 - a) Home to office use is approved by the Federal task force or the cooperative force concept's controlling board, and
 - b) All related costs are paid by a source other than the Department of State Police.

Use of concept vehicles shall be subject to any limitations established by the task force or concept board. Limitations and denial of vehicle use by a task force or cooperative force concept shall not be grievable.

APPENDIX F

This table is to be used in conjunction with Article 27, Part D

Score	Pushups (# in 60 seconds)	Grip-Total both hands (kilograms)	165 lb. drag 50 feet (seconds)	95 lb. carry 60 feet (seconds)	½ Mile Run (minutes & seconds)
9	99	200	0.1	0.1	0:00.1
	30	101	9.0	6.9	4:07.0
8	29	100	9.1	7.0	4:07.1
	26	94	9.9	7.7	4:20.6
7	25	93	10.0	7.8	4:20.7
	20	87	11.1	8.7	4:38.0
6	19	86	11.2	8.8	4:38.1
	15	80	12.5	10.2	4:57.3
5	14	79	12.6	10.3	4:57.4
	10	74	14.4	12.4	5:18.7
4	9	73	14.5	12.5	5:18.8
	6	67	17.2	17.5	5:45.7
3	5	66	17.3	17.6	5:45.8

	3	61	22.4	24.2	6:15.0
2	2	60 54	22.5 29.2	24.3 36.4	6:15.1 7:00.1
1	1	53 1	29.3 59.9	36.5 59.9	7:00.2 9:59.9
0	NP	NP	NP	NP	NP

Employees must achieve a minimum score of 25 points, with "NP" (no performance) in not more than one category.

If the employer elects not to use all of these categories in a mandatory fitness program, the minimum score shall be reduced proportionately.

APPENDIX G

REASSIGNMENT - ARTICLES 13 and 14

If the Employer establishes new Metropolitan Freeway Post(s) within 15 miles of the Detroit Freeway Post, and thereafter determines the need to reassign an employee in the trooper classification between these locations, the Employer shall utilize the procedures set forth in Section 4, Article 13, of the current Agreement.

Sergeants and Detective Sergeants assigned to metropolitan freeway posts within 15 miles of the Detroit Post will remain subject to reassignment under Article 14, but they will also be eligible for transfer between these locations under the provisions of Article 13, Section 4 in the event the Employer elects to fill a vacancy by transfer instead of reassignment.

APPENDIX H

LABOR DISPUTES AND UNFAIR LABOR PRACTICE RESOLUTION AND AGREEMENT

The following procedures have been adopted to facilitate collective bargaining between the Michigan State Police Troopers Association and the Department of State Police pursuant to Article XI, Section 5 of the State Constitution:

1. Pursuant to Civil Service Commission Employee Relations Policy, Article I, Part 1.2 (as amended by the Michigan Civil Service Commission on October 12, 1979), resolution of all disputes with reference to the implementation of collective bargaining and arbitration for Michigan State Police Troopers and

Sergeants mandated by the 1978 Amendment to Article XI, Section 5, of the Michigan Constitution of 1963, shall be implemented and provided for pursuant to 1969 PA 312, and shall be through the mediation and arbitration process set forth therein. Mediation and/or arbitration requests shall be processed and handled by the Michigan Employment Relations Commission and shall be resolved in the manner as provided by law for public police and fire departments, except as hereafter provided.

2. The parties further agree to transmit any Collective Bargaining Agreement reached and/or any arbitration award to the Michigan Civil Service Commission pursuant to Article I, Part 1.2 of the Employee Relations Policy, for proceedings consistent with the law and the Constitution.

3. Any unfair labor practice (prohibited practice) charge shall be filed with the Department of Civil Service. Upon receipt of such a charge, the Department shall forthwith: (1) appoint an arbitrator mutually agreed upon by the parties or, absent such agreement, (2) submit to the parties the names of at least five impartial labor arbitrators who are on the rolls of the American Arbitration Association, willing and able to serve as hearing examiners. Each party may, within ten days, strike the names of two said arbitrators, and return the list to the Department. The Department shall then choose by lot from the remaining names, if more than one, or appoint the remaining person as hearing examiner.

The hearing examiner shall thereafter conduct the hearing according to the rules of the Michigan Employment Relations Commission, and shall apply the case law, principles, standards and precedents for unfair labor practice charges developed by the Michigan Employment Relations Commission and the Courts in interpreting and construing Acts 1939 PA 176 and 1947 PA 336, as amended. The decision of the hearing examiner shall be subject to judicial review in the same manner as a decision of the Michigan Civil Service Commission.

APPENDIX I

State Health Plan (PPO) - Benefit Chart - Article 32

	<u>In-Network</u>	<u>Out-of-Network</u>
Preventive Services - Limited to \$750 (\$1,500 in January 2007) per calendar year per person		
Health Maintenance Exam - includes chest X-ray, EKG and select lab procedures	Covered-100%, one per calendar year	Not covered
Annual Gynecological Exam	Covered-100%, one per calendar year	Not covered
Pap Smear Screening-laboratory services only	Covered-100%, one per calendar year	Not covered
Well-Baby and Child Care	Covered-100%	Not covered

	-6 visits per year through age 1 -2 visits per year, age 2 through 3 -1 visit per year, age 4 through 15	
Immunizations (no age limit). Annual flu shot; Hepatitis C Screening covered for those at risk	Covered-100%	Not covered
Fecal Occult Blood Screening	Covered-100%, one per calendar year	Not covered
Flexible Sigmoidoscopy Exam	Covered-100%, one every 5 years	Not covered
Prostate Specific Antigen (PSA) Screening	Covered-100%, one per calendar year	Not covered

Mammography

Mammography screening for standard film. Covers digital up to standard film rate	Covered-100%	Covered-90% after deductible
	One per calendar year, no age restrictions	

Colonoscopy

Colonoscopy Exam	Covered-100%	Covered-90% after deductible
	Beginning at age 50. One every 10 years.	

Childhood Immunizations	Covered-100% for children through age 16	Covered-90% after deductible
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Physician Office Services

Office Visits	Covered - \$10 co-pay	Covered - 90% after deductible, must be medically necessary
Outpatient and Home Visits	Covered - 100% after deductible	Covered - 90% after deductible, must be medically necessary
Office Consultations	Covered - \$10 co-pay	Covered - 90% after deductible, must be medically necessary

Emergency Medical Care

Hospital Emergency Room-approved diagnosis, prudent person rule	Covered 100% for emergency medical illness or accidental injury	Covered 100% for emergency medical illness or accidental injury
Ambulance Services - medically necessary for illness and injury	Covered 100% after deductible	Covered 100% after deductible

Diagnostic Services

Laboratory and Pathology Tests	Covered - 100% after deductible	Covered - 90% after deductible
Diagnostic Test and X-rays	Covered - 100% after deductible	Covered - 90% after deductible
Radiation Therapy	Covered - 100% after deductible	Covered - 90% after deductible

Maternity Services Provided by a Physician

Pre-Natal and Post-Natal Care	Covered – 100% after deductible	Covered – 90% after deductible
	Includes care provided by a Certified Nurse Midwife	
Delivery and Nursery Care	Covered – 100% after deductible	Covered – 90% after deductible
	Includes delivery provided by a Certified Nurse Midwife	

Hospital Care

Semi-Private Room, Inpatient Physician Care, General Nursing Care, Hospital Services and Supplies, and Blood Storage	Covered – 100% after deductible Unlimited Days	Covered – 90% after deductible Unlimited Days
Inpatient Consultations	Covered – 100% after deductible	Covered – 90% after deductible
Chemotherapy	Covered – 100% after deductible	Covered – 90% after deductible

Alternatives to Hospital Care

Skilled Nursing Care	Covered – 100% after in-network deductible	Not Covered
	730 days per confinement	
Hospice Care	Covered – 100%	Not Covered
	Limited to the lifetime dollar max. that is adjusted annually by the state	
Home Health Care	Covered – 100% after in-network deductible	Not Covered
	Unlimited visits	

Surgical Services

Surgery – includes related surgical services	Covered – 100% after deductible	Covered – 90% after deductible
Voluntary Sterilization	Covered – 100% after deductible	Covered – 90% after deductible

Human Organ Transplants

Specified Organ Transplants – in designated facilities only – when coordinated through the TPA	Covered – 100% after deductible	Covered – in designated facilities only
	Up to \$1 million maximum per transplant type	
Bone Marrow – when coordinated through the TPA – specific criteria applies	Covered – 100% after deductible	Covered – 90% after deductible
Kidney, Cornea and Skin	Covered – 100% after deductible	Covered – 90% after deductible

Other Services

Allergy Testing and Therapy	Covered – 100% after deductible	Covered – 90% after deductible
Rabies treatment after initial emergency room treatment	Covered – 100% after deductible	Covered – 90% after deductible
Chiropractic Spinal Manipulation	Covered – 90% after deductible	Covered – 90% after deductible
	Up to 24 visits per calendar year	
Outpatient Physical, Speech and Occupational Therapy		
- Facility and Clinic	Covered – 100% after deductible	Covered 100% after deductible
- Physician's Office – excludes speech and occupational therapy	Covered – 100% after deductible	Covered – 90% after deductible
	Up to a combined maximum of 60 visits per calendar year. Effective January 1, 2007, the maximum will increase to 90 visits.	
Durable Medical Equipment	Covered – 100% of approved charges	Covered – 80% of approved charges
Prosthetic and Orthotic Appliances	Covered – 100% of approved charges	Covered – 80% of approved charges
Private Duty Nursing	Covered – 90% after in-network deductible	Not Covered
Prescription Drugs	Covered under non-BCBSM contract	Covered under non-BCBSM contract
Hearing Care Program	\$10 office visits; more frequent than 36 months if standards met.	

Acupuncture Therapy Benefit – Under the supervision of a MD/DO	Covered – 90% after in-network deductible (up to 20 visits annually)	Not Covered
Weight Loss Benefit	Upon meeting conditions, eligible for a lifetime maximum reimbursement of \$300 for non-medical, weight reduction.	
Wig, wig stand, adhesives	Upon meeting medical conditions, eligible for a lifetime maximum reimbursement of \$300. (Additional wigs covered for children due to growth.)	

Deductible, Co-pays and Dollar Maximums

Deductible	\$200 per member; \$400 per family	\$500 per member; \$1,000 per family
Co-pays		
- Fixed Dollar Co-pays – do not apply toward deductible	\$10 for office visits/consultations	
- Percent Co-pays – MH/SA co-pays do not apply toward deductible – Services without a network are covered at the in-network level	10% for MH/SA outpatient, chiropractic, and private duty nursing	10% for most services;
Annual Dollar Maximums - Fixed Dollar Co-pays – Do not apply toward out-of-pocket maximum	N/A	None
- Percent Co-pays – MH/SA and private duty nursing co-pays do not apply toward out-of-pocket maximum	\$1,000 per member; \$2,000 per family	\$2,000 per member; \$4,000 per family
Dollar Maximums	\$5 million lifetime per member for all covered services and as noted above for individual services	

This is intended as an easy-to-read summary. It is not a contract. Additional limitations and exclusions may apply to covered services. For an official description of benefits, please see the applicable Blue Cross Blue Shield certificate and riders. Payment amounts are based on the Blue Cross Blue Shield approved amount, less any applicable deductible and/or co-pay amounts required by the plan. This coverage is provided pursuant to a contract entered into in the state of Michigan and shall be construed under the jurisdiction and according to the laws of the state of Michigan.

APPENDIX J

LETTER OF UNDERSTANDING – ARTICLE 32

The attached Rules for Network Use will be used by the parties in determining in and out-of-network benefits. In addition, the parties agree to set up a joint committee for the purpose of creating any additional guidelines and reviewing implementation. The committee will also be charged with identifying situations in which access to non-participating providers may be necessary and developing procedures to avoid balance billing in these situations.

The parties have also discussed the fact that there are some state employees who do not live in Michigan. The following are procedures in place for persons living or traveling outside Michigan:

Members who need medical care when away from Michigan can take advantage of the third party administrator's national PPO program. There is a toll-free number for members to call in order to be directed to the nearest PPO provider. The member is not required to pay the physician or hospital at the time of service if he/she presents the PPO identification card to the network provider.

If a member is traveling he/she must seek services from a PPO provider. Failure to seek such services from a PPO provider will result in a member being treated as out-of-network unless the member was seeking services as the result of an emergency.

If a member resides out of state and seeks non-emergency services from a non-PPO provider, he/she will be treated as out-of-network. If there is not adequate access to a PPO provider, exceptions will be handled on a per case basis.

Rules for Network Use

A member is considered to have access to the network based on the type of services required, if there are:

- Primary care -two primary care physicians (PCP) within 15 miles;
- Specialty care -two specialty care physicians (SCP) within 20 miles; and
- Hospital - one hospital within 25 miles.

The distance between the member and provider is the center-point of one zip code to the center-point of the other.

Member Costs Associated with In-Network or Out-of-Network Use

	In-Network	Out-of-Network
Deductible	\$200/individual \$400/family	\$500/individual \$1,000/family
Co-payments	Office Visits \$10 Services 0% or 10% Emergency 0%	Most services 10% (See 2. below)
Preventive Services	Covered at 100% Limited to \$750 per calendar year per person. In January 2007, limit increases to \$1,500	Not covered
Out-of-Pocket Maximum	\$1,000/individual	\$2,000/individual

\$2,000/family

\$4,000/family

1. If a member has access to the network, the member receives benefits at the in-network level when a network provider is used. The member is responsible for the in-network deductible (if any) and co-payment (if any). If a network provider refers the member to an out-of-network SCP the member continues to pay in-network expenses.
2. If a member has access to the network, the member receives benefits at the out-of-network level when a non-network provider is used. The member is responsible for the out-of-network deductible (if any), and co-payment (if any).
 - If the non-network provider is a Blues' participating provider, the provider will accept the Blues' payment as payment in full. The member is responsible for the out-of-network deductible and co-payment. The member will not, however, be balance billed.
 - If the non-network provider is not a Blues' participating provider, the provider does not accept Blues' payment as payment in full. The member is responsible for the out-of-network deductible and co-payment. The member may also be balance billed by the provider for all amounts in excess of the Blues' approved payment amount.

When a member has access to the network and chooses to use an out-of-network provider, amounts paid toward the out-of-network deductible, co-payment or out-of-pocket maximum cannot be used to satisfy the in-network deductible, co-payments or out-of-pocket maximum.

3. If a member does not have access to the network as provided above, the member will be treated as in-network for all benefits. The member will be responsible for the in-network deductible (if any) and co-payment (if any).
4. If a member does not have access to the network but then additional providers join the network so that the member would now be considered in-network, the member will be notified and given a reasonable amount of time in which to seek care from an in-network provider. Care received from a non-network provider after that grace period will be considered out-of-network and the out-of-network deductibles, co-payments and out-of-pocket maximums will apply. If a member is undergoing a course of treatment at the time he becomes in-network, the in-network rules will continue for that course of treatment only pursuant to the PPO Standard Transition Policy. Once the course of treatment has been finished, the member must use an in-network provider or be governed by the out-of-network rules.

If a member is under a course of treatment when the new State Health Plan is

implemented, the member will be treated as in-network until the course of treatment is concluded pursuant to the PPO Standard Transition Policy. After that, the level of benefits will be governed by the in/out-of-network rules of the new State Health Plan.

APPENDIX K

TERMINATION PROVISION – ARTICLES 8 & 18

The substantive provisions that were instituted in the 2002-2005 contract relating to the Discipline Appeal Board in Article 8, Part A, and Alternative Work Schedules in Article 18, Part D will continue in effect until at least December 31, 2008. Thereafter, the parties agree that either or both of the provisions may be unilaterally terminated by either the Employer or the Association. The date of such termination(s) if such is demanded, will be on the 30th day following express written notice of either party to the other of its intent to invoke this option. In the event either or both of the items are terminated under this provision, the previous contract language for the item(s) shall be restored unless the parties mutually agree otherwise.

APPENDIX L

Drug Quantity Management Program – Article 32

The following limits are based on a 34-day supply, but our benefit may provide a different supply. For instance, you may be able to get a 90-day supply of your medication through mail order service. Your doctor could also request a prior authorization. If this request is approved, a prior authorization would let you receive more than the recommended quantity. If the Food and Drug Administration (FDA) approves a generic form of a brand name drug listed below, the said generic drug shall be added as a covered drug to this list.

Drug Quantity Limits

Prescription Drug Benefit

Name of Prescription Drug	Maximum Quantity
Actonel 35 mg	5 tablets
Actonel 5 and 30 mg	34 tablets
Actos 15, 30, 45 mg	34 tablets
Advair Diskus 100/50, 250/50, and 500/50 with device	28, 120 blisters
Aerobid/Aerobid-M 7 grams	3 inhalers
Aerospan 80mcg 8.9 gram	3 inhalers
Aerospan 80mcg 5.1 gram	1 inhaler
Allegra 180 mg	34 tablets
Allegra 30, 60mg	68 tablets

Allegra-D	68 tablets
Allegra-D 24 hour	34 tablets
Alora	10 patches
Alupent 14 grams	3 inhalers
Ambien 5, 10 mg	34 tablets
Amerge 1, 2.5 mg	9 tablets
Anzemet 50, 100 mg	1 tablet
Arava 10 mg, 20 mg	34 tablets
Arava 100 mg	3 tablets
Asmanex 14 inhalation units	1 inhaler
Asmanex 30, 60, 120 inhalation units	2 inhalers
Astelin Nasal Spray (30 ml bottle)	2 bottles
Atrovent HFA 12.9 grams	2 inhalers
Atrovent inhaler 14.7 grams	3 inhalers
Atrovent nasal spray 0.03% (30 grams)	2 bottles
Atrovent nasal spray 0.06% (15 grams)	1 bottle
Avandamet 1 mg/500 mg, 2/500, 4/500, 2/1000, 4/1000	68 tablets
Avandaryl 4mg/1mg	68 tablets
Avandaryl 4mg/2mg	68 tablets
Avandaryl 4mg/4mg	34 tablets
Avandia 2, 4 mg	68 tablets
Avandia 8 mg	34 tablets
Avonex	4 syringes
Axert 6.25 mg	6 tablets
Axert 12.5 mg	12 tablets
Azithromycin 250mg	8 tablets
Azithromycin 500mg	4 tablets
Azmacort 20 grams	3 inhalers
Beconase AQ 25 grams	2 inhalers
Betaseron	15 vials with prefilled diluent syringe
Boniva 2.5 mg	34 tablets
Boniva 150 mg	1 tablet
Butorphanol tartrate Nasal Spray	2 spray bottles
Byetta 1.2 ml (250 mcg/ml)	2 syringes
Byetta 2.4 ml (250 mcg/ml)	2 syringes
Catapres-TTS Patches	5 patches
Caverject	12 vials, kits, or ampules
Chorionic gonadotropin 5000,10000 units, generic	3 vials
* Cialis 5, 10, and 20 mg	10 tablets
Clarinex/Clarinex Reditabs 5 mg	34 tablets
Clarinex 2.5mg Reditabs	34 tablets
Clarinex – D 12 hour	68 tablets
Clarinex-D 24 hour	34 tablets
Claritin 10 mg/Claritin Reditabs 10 mg	34 tablets
Claritin-D 12 Hour	68 tablets
Claritin-D 24 Hour	34 tablets
Climara, Climara Pro	5 patches
Combivent 14.7 grams	3 inhalers
Copaxone 20 mg kit	1 kit (30 prefilled syringes)
Cordran	24 patches (2 boxes)
Cordran Tape	2 rolls of tape
Crestor 40 mg	34 tablets

Depo-Provera Contraceptive Injection 150 mg/ml	1 vial/syringe
Depo-Sub Q Provera 104	1 syringe
Derma Smoothe FS Atopic Pak Kit Topical Oil	10 kits
Diflucan 150 mg	2 tablets
Ditropan XL 5 mg	34 tablets
Dostinex 0.5 mg	10 tablets
Duoneb 3 ml vial	205 vials (package size 3)
Edex	12 vials or kits
Emend 125 mg	1 capsule
Emend 80 mg	2 capsules
Emend Trifold Pack (one 125 mg and two 80 mg capsules)	1 pack (package size 3)
EpiPen, EpiPen Jr.	3 units or 1 twin pack
Esclim	10 patches
Estraderm	10 patches
Estradiol transdermal patch	5 patches
Estragel	1 pump bottle
Estrasorb	68 packets
Factive 320mg	7 tablets
Famvir 125 mg	21 tablets
Famvir 250 mg	68 tablets
Famvir 500 mg	21 tablets
Fexofenadine 180mg	34 tablets
Fexofenadine 30mg and 60mg	68 tablets/capsules
Flonase 16 grams	2 bottles
Flovent HFA 44mcg	2 inhalers
Flovent HFA 110mcg	1 inhaler
Flovent HFA 220mcg	3 inhalers
Fluconazole 150mg	2 tablets
Flunisolide 0.025%	3 inhalers/bottles
Foradil Aerolizer & 12 capsules in blisters	1 package (package size 12) 12 caps
Foradil Aerolizer & 60 capsules in blisters	2 packages (package size 60) 120 caps
Fosamax 35 and 70 mg	5 tablets
Fosamax 5, 10, and 40 mg	34 tablets
Fosamax 70 mg/75 ml oral solution	5 bottles
Fosamax Plus D 70 mg/2800 IU	5 tablets
Frova 2.5 mg	9 tablets
IB Stat oral spray 30 ml	14 bottles
Imitrex Injection (syringes/cartridges)	1 kit (2 syringes)
Imitrex 4mg injection (syringes/cartridges)	1 kit (2 syringes)
Imitrex Injection (vials)	2 vials
Imitrex Nasal Spray 5, 20 mg	6 nasal spray devices
Imitrex tablets 25, 50, and 100 mg	9 tablets
Intal Inhaler 112	2 inhalers
Intal Inhaler 200	2 inhalers
Itraconazole 100mg	34 capsules
Ketoralac 10 mg (generic)	20 tablets
Kytril 1 mg	2 tablets
Kytril solution 2 mg/10 ml	1 bottle
*Levitra 2.5, 5, 10, and 20 mg	10 tablets
Lioresal Intrathecal Refill Kit 1 ampule 10 mg/20 ml 2 ampules 10 mg/5 ml 1 ampule 40 mg/20 ml	1 kit

Lunesta 1mg, 2mg, 3mg	34 tablets
Maxair Autohaler 14 grams	2 inhalers
Maxalt and Maxalt-MLT 5, 10 mg	9 tablets
Menostar	5 patches
Migranal 4 mg/ml	4 ampules/4spray devices
Mobic 7.5 mg	34 tablets
Monistat 1 pre-filled	1 box
Monistat 3 combination pack 200 mg & equivalent	1 box
Monistat 3 suppositories 200 mg & equivalent	3 (1 box)
Monistat 7 combination pack & equivalent	1 box (7 suppositories, 9 gram cream)
Monistat 7 cream and equivalent	45 grams (1 tube)
Monistat 7 cream pre-filled applicators	7 applicators
Monistat 7 suppositories 100 mg & equivalent	7 suppositories (1 box)
Monistat Dual Pak (1200 mg vaginal insert, 9 gram 2% cream)	1 (1 box)
Monistat Dual-Pak (three 200 mg vaginal supp, 15 gram 2% cream)	1 (1 box)
Muse	12 urethral suppositories
Nasacort 10 gram	3 inhalers
Nasacort AQ 16.5 gram	2 bottles
Nasarel 0.025% 25 ml	3 bottles
Nasonex 50 mcg nasal spray 17 gram	2 bottles
NebuPent 300 mg/container	1 container (inhaler)
Neumega	21 vials
Newtek disposable blood glucose meter	2 meters
Nexium 20 mg	34 capsules
Noverel 10,000 unit	3 vials
Omeprazole 10 mg	34 capsules
Oxytrol patch 3.9 mg/week	10 patches
PEG Intron 50 mcg, 80 mcg, 120 mcg, 150 mcg	5 packages (kits) (package size 1)
PEG Intron Pens 50 mcg, 80 mcg, 120 mcg, 150 mcg	5 pens
Pegasys 180 mcg	5 vials (package size 1)
Pegasys 180 mcg Convenience Pack (4 vials)	1 box (package size 1)
Pegasys 180 mcg Convenience Pack (4 prefilled syringes)	1 box (package size 1)
Plan B	2 tablets
Pregnyl 10,000 unit	3 vials
Prevacid 15 mg, Prevacid SoluTab	34 capsules or tablets
Preven Contraceptive Kit	1 kit
Prevpak patient pack	14 units (1 package)
Prilosec 10 mg	34 capsules
Prilosec 20 mg	34 capsules
Proair HFA	3 inhalers
Protonix 20 mg	34 tablets
Proventil Inhaler 17 gram	3 inhalers
Proventil HFA 6.7 gram	3 inhalers
Pulmicort Respules 0.25 mg/2 ml and 0.5 mg/2 ml	70 ampules
Pulmicort Turbuhaler	2 inhalers
Qvar 40, 80mcg (7.3 grams)	3 inhalers
Rebetron Combination, Rebetron 1200, 1000, and 600 Therapy Pak	2 packages
Rebif 22 mcg and 44 mcg	15 syringes
Rebif Titration Pack 4.2ml	1 package
Regranex 0.01% gel 2, 7.5, and 15 gm	1 tube
Relenza 5 mg/blister with inhalation device	20 blisters
Relpax 20 mg and 40 mg	6 tablets

Restasis 0.05%	68 vials
Revatio 20mg	102 tablets
Rhinocort Aqua 32 mcg (120 inhalations) 8.4ml bottle	3 bottles
Serevent Diskus 28 blisters	1 package
Serevent Diskus 60 blisters	2 packages
Sonata 10 mg	68 capsules
Sonata 5 mg	34 capsules
Spiriva Handihaler 6 capsules (1 blister card) with inhaler device	1 package
Spiriva Handihaler 30 capsules (5 blister cards) with inhaler device	2 packages
Sporanox 100 mg	34 capsules
Stadol Nasal Spray 2.5 ml	2 spray bottles
Suboxone 2/.0.5 mg	102 tablets
Suboxone 8/2 mg	102 tablets
Tamiflu 75 mg	10 capsules
Tamiflu for oral suspension, 25 ml	3 bottles
Terazol 3	3 (1 box)
Terazol 3 Cream 0.8%	1 tube (of the 20 gram)
Terazol 7 Cream 0.4%	1 tube (of the 45 gram)
Tilade 16.2 grams	3 inhalers
TOBI 300 mg	56 ampules
Toradol 10 mg	20 tablets
Valtrex 1 gram	34 caplets (tablets)
Valtrex 500 mg	34 caplets (tablets)
Ventolin HFA 90 mcg (18 grams)	3 inhalers
*Viagra 25 mg, 50 mg, and 100 mg	10 tablets
Vivelle	10 patches
Vivelle-Dot	10 patches
Xopenex HFA	3 canisters
Zazole Cream 0.4%	1 pack (45 gram)
Zazole Cream 0.8%	1 pack (20 gram)
Zegerid 20 mg	34 tablets
Zithromax for oral suspension 100 mg/5 ml, 15 ml bottle	2 bottles
Zithromax for oral suspension 200 mg/5 ml, 15 and 22.5 ml bottle	3 bottles
Zithromax for oral suspension 200 mg/5 ml, 30 ml bottle	3 bottles
Zithromax tablet or capsule, 250 mg	8 tablets/capsules
Zithromax tablet, 500 mg	4 tablets
Zmax 60 ml	1 bottle
Zofran 24 mg	1 tablet
Zofran, Zofran ODT 4 and 8 mg	12 tablets
Zofran solution 4 mg/5 ml	3 - 50 ml bottles
Zomig 5 mg	6 tablets
Zomig Nasal Spray 5 mg	6 nasal spray devices
Zomig/Zomig-ZMT 2.5 mg	6 tablets
Zyrtec, Zyrtec chewable 5 and 10 mg	34 tablets
Zyrtec-D 12 Hour	68 tablets

Cialis, Viagra, and Levitra are limited to 10 tablets per 30 days retail and 30 tablets per 90 days mail.

