Articles 22 and 23

MEMORANDUM OF UNDERSTANDING
BETWEEN
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
AND
FOOTHILL-DE ANZA FACULTY ASSOCIATION

This Memorandum of Understanding is entered into by and between the Foothill-De Anza Community College District ("District") and the Foothill-De Anza Faculty Association ("FA").

The parties agree that the following provisions shall constitute the basis of a tentative agreement on Articles 22 and 23, Paid Benefits. The provisions of this MOU shall be implemented upon ratification by the faculty and approval by the Board itself.

Adjustments in paid medical benefits effective July 1, 2004 to include the following:

1. **District Self-Funded Medical Plan (PPO +)**
   The current District Plan (now called PPO+) coverage remains the same except for increased cost sharing (described directly below) and changes to the Prescription Plan (described in #2 below). There is no deductible in the PPO+ Plan.
   - For employee-only, the PPO+ Plan will be fully funded by the District.
     District contributes $505.87/month, $6,070.44/year (est.).
   - For employees with dependent(s), the PPO+ Plan will require monthly contributions.
     - Employee + One:
       District contributes $934.62/month, $11,215.44/year (est.).
       Employee contributes $77.12/month, $925.44/year (est.).
     - Employee + Family:
       District contributes $1,262.24/month, $15,146.88/year (est.).
       Employee contributes $90.18/month, $1,082.16/year (est.).

2. **District Self-Funded Prescription Drug Plan (for PPO + and PPO Network Only Plan)**
   Change Co-payment: (30 day supply)
   - From: $5 for Generic  $10 for Brand  
   - To: $5 for Generic  no change  
   $15 for Brand
   Mail Order Co-payment: (90 day supply)
   - From: $0 for Generic  $0 for Brand  
   - To: $10 for Generic  $30 for Brand
   $500 per person annual cap on mail order co-pays.
   Mandatory Mail order after third fill of prescription

Add:  Step Therapy Program
   Two classes of Drugs: Proton Pump Inhibitors and Cox 2 Inhibitors
   Physician may override.
3. **Addition of PPO Network-Only Plan as third medical plan option:**

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Network Only PPO</th>
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<tbody>
<tr>
<td>Network Only:</td>
<td>While the current District Plan covers 80% of the usual and customary (UCR) charge for out of network providers, the Network Only plan pays 100% for Network providers only. Employees who go out of the Network pay full cost except in emergencies, when there is no Network Provider within a 30-mile radius, and when there is no specialized provider in the Network.</td>
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**Deductible (Calendar Year)**

- $150/person/$400/family
- Deductibles are waived for adult routine physicals and well woman care (routine physical, pap smear, mammogram and associated lab work obtained outside of an office visit) which are paid at 100% of UCR for network providers up to an annual maximum benefit of $300. Deductibles are waived for well baby care, which is paid at 100% of UCR for network providers.

**Medical**

- **Office Visits**
  - $20 Copay

- **Hospitalization**
  - $50 Copay, Deductible Applies

- **Outpatient Services**
  - Deductible Applies

- **Preventative Care**
  - $20 Copay

- **Chiropractic Care**
  - $20 Copay

- **Chiropractic Maximum**
  - 10 visits per year

- **Lifetime Maximum**
  - $2,000,000 (carryover from District Plan)

- **Urgent Care**
  - $20 Copay

- **Emergency Room**
  - $50 Copay (if admitted, waived)
  - Deductible Applies
  - 80% if emergency criteria not met

**Mental Health**

- **Inpatient**
  - $50 Copay, Deductible Applies
  - 30 Days

- **Outpatient**
  - $20 Copay

- **Outpatient Maximum**
  - 25 Visits

**Substance Abuse**

- **Inpatient**
  - $50 Copay, Deductible Applies
  - 30 Days

- **Outpatient**
  - Plan Pays 50% of UCR

- **Outpatient Maximum**
  - $2,000 Per Year, $50 Per Visit

**Non-traditional Providers**

- Up to 10 visits/year @ 80% of UCR

  - For example, Acupuncture and Acupressure, Naturopathy, etc.
4. **Kaiser Plan**  
   No change to Plan. Plan remains fully funded by the District for employees and dependents.

5. **Healthcare Waiver Allowance**  
   Two Year Trial Basis- The District will pay an allowance of $150 per month (taxable income- separate from base salary) to any employee who waives medical coverage for themselves and dependents. The employee must show proof of coverage in another group medical plan. The employee may not re-enroll except during Open Enrollment or if the employee loses coverage in the group plan. Employees who receive the allowance are eligible for vision and dental coverage.

6. **Medical Benefits Reserve**  
   The District shall establish a Medical Benefits Reserve fund that shall be used to offset the cost of future increases in medical benefits.

Dated: **April 12, 2004**  
Revised: **April 21, 2004**