

**SUPPLEMENTAL AGREEMENT**

Parties to this agreement are CITY OF DULUTH (Employer) and the CONFIDENTIAL UNIT of the City of Duluth represented by UNITE HERE LOCAL 150 (Union).

The parties acknowledge the following:

A. Each is bound by a collective bargaining agreement for 2007, 2008, 2009 to the extent provided for by law.

B. The Employer desires to establish a prescription drug program that will encourage the utilization of generic prescriptions by providing for a zero co-pay for generic prescriptions. In order to maximize the prescription drug program's cost savings, the prescription drug co-pay structure needs to be uniform across all bargaining units.

Therefore, in consideration of the parties' mutual promises to each other, the parties agree as follows:

1. Article 13.8 shall be nullified and of no force or effect and the following provisions of this addendum shall be enforced instead:

The insured shall be responsible for the following prescription drug co-pays or co-insurance; Zero dollars (\$0) for generic and approved over the counter (OTC) prescriptions (Tier One), fifteen dollars (\$15) for preferred brand name prescriptions (Tier Two), and a 30% co-insurance with a minimum thirty dollar (\$30)/maximum one hundred dollar (\$100) co-insurance payment per non-preferred brand name prescription (Tier Three). When the prescribing physician recommends a Tier Three medication over a Tier Two medication for medical necessity, the insured shall be responsible for the Tier Two co-pay.

2. All other articles of the collective bargaining agreement shall remain in full force and effect. This Supplemental Agreement shall be effective October 1, 2007, and shall remain in effect for the same term as the collective bargaining agreement it modifies, or until changed by mutual agreement between the parties, whichever occurs first.

Dated: \_\_\_\_\_

CITY OF DULUTH

CONFIDENTIAL UNIT, represented by  
UNITE-HERE LOCAL 150

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
Business Agent

Attest: \_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
Union Steward

By \_\_\_\_\_  
Chief Administrative Officer

Countersigned:

\_\_\_\_\_  
City Auditor

Approved as to form:

\_\_\_\_\_  
City Attorney