

STATE OF WISCONSIN

BEFORE THE WISCONSIN EMPLOYMENT RELATIONS COMMISSION

GRAFTON PROFESSIONAL POLICEMEN'S  
ASSOCIATION, ET AL.,

Complainant,

vs.

VILLAGE OF GRAFTON (POLICE DEPARTMENT),

Respondent.

Case III  
No. 20095 MP-572  
Decision No. 14424-A

Appearances:

Goldberg, Previant & Uelmen, Attorneys at Law, by Mr. Robert Gratz,  
appearing on behalf of the Complainant.  
Brigden, Petajan, Lindner & Honzik, Attorneys at Law, by Mr. Roger  
Walsh, appearing on behalf of the Respondent.

FINDINGS OF FACT, CONCLUSION OF LAW AND ORDER

The above-named Complainant having on January 28, 1976 filed a complaint with the Wisconsin Employment Relations Commission alleging that the above-named Respondent committed a prohibited practice within the meaning of the Municipal Employment Relations Act, and the Commission having appointed Peter G. Davis, a member of its staff to act as Examiner and to make and issue Findings of Fact, Conclusion of Law and Order as provided in Section 111.07(5) of the Wisconsin Statutes; and a hearing on said complaint having been held before the Examiner in Port Washington, Wisconsin on April 5, 1976 and May 25, 1976; and the Examiner having considered the evidence and arguments of counsel makes and files the following Findings of Fact, Conclusion of Law and Order.

FINDINGS OF FACT

1. That the Grafton Professional Policemen's Association, herein Complainant, is a labor organization which, at all times material herein, was the exclusive collective bargaining representative of certain law enforcement personnel employed by the Village of Grafton.

2. That the Village of Grafton, herein Respondent, is a municipal employer.

3. That at all times material herein Complainant and Respondent were parties to a collective bargaining agreement effective from January 1, 1976 to December 31, 1976 covering the wages, hours and working conditions of certain law enforcement personnel employed by Respondent; that said agreement contains no grievance procedure nor any provision for the final and binding arbitration of any alleged contractual violations, and that said agreement contains the following provisions:

"ARTICLE IX

INSURANCE

. . .

## Section 2 - Health & Medical Insurance

The Village will continue its plan of health, major medical and accident insurance presently Blue Cross/Blue Shield or an equivalent plan for all officers and their dependents. The premium will be paid in full by the Village."

4. That late in 1975 the Respondent began to consider the possibility of obtaining insurance coverage from a carrier other than Blue Cross/Blue Shield; that Respondent made a comparison of the benefits provided by several carriers with those currently afforded employees through Blue Cross/Blue Shield; that the Respondent determined that the insurance benefits offered by Rural Security Life Insurance Company through the Wisconsin Employers Group were equivalent to those benefits provided by Blue Cross/Blue Shield.

5. That on October 28, 1975 the Complainant notified Respondent that it was aware of the possible change in insurance carriers and recommended that the parties hold a joint meeting with the insurance carriers for the purpose of determining whether the benefits offered through Wisconsin Employers Group were equivalent to those provided by Blue Cross/Blue Shield; and that the Respondent did not reply to said suggestion.

6. That the Complainant attempted to make its own comparison of the benefits offered by Rural Security Life Insurance Company with those provided by Blue Cross/Blue Shield; that the Complainant notified the Respondent by letter on January 18, 1976 of its belief that the Rural Security coverage was not "equivalent" to that provided by Blue Cross/Blue Shield; and that the Respondent subsequently obtained the insurance coverage offered by the Rural Security Life Insurance Company through the Wisconsin Employer's Group.

7. That the Blue Cross/Blue Shield policy provided insurance coverage for the insured's unmarried 19-25 year old dependents if the dependent resides with the insured and if the insured was contributing more than 50% to the dependent's support; and that the Rural Security Life Insurance Company currently provides coverage for the insured's unmarried 19-25 year old dependents primarily supported by the insured but only if said dependents are full-time students.

8. That the Blue Cross/Blue Shield policy provided insurance coverage for the pre-existing conditions of newly hired employees and their dependents; and that Rural Security Life Insurance Company currently provides coverage for newly hired employees and their dependents only after the expiration of one year or the passage of a six month period during which the employee or dependent did not receive treatment for said condition.

9. That the Blue Cross/Blue Shield policy provided 365 days of in-patient hospital coverage per admission; and that the Rural Security Life Insurance Company provides 365 days of in-patient hospital care per admission per injury or illness, with a return to active service or a six month lapse without treatment being required before the number of days of care available for the same injury or illness are renewed.

10. That the insurance coverage currently provided by Rural Security Life Insurance Company is not equivalent to the insurance coverage formerly provided by Blue Cross/Blue Shield.

On the basis of the above and foregoing Findings of Fact, the Examiner makes the following

### CONCLUSION OF LAW

That, by failing to provide an insurance plan equivalent to that formerly provided by Blue Cross/Blue Shield, the Village of

Grafton violated Article IX, Section 2 of its collective bargaining agreement with the Grafton Professional Policemen's Association and thereby committed a prohibited practice within the meaning of Section 111.70(3)(a)5 of the Municipal Employment Relations Act.

On the basis of the above and foregoing Findings of Fact and Conclusion of Law, the Examiner makes the following

ORDER

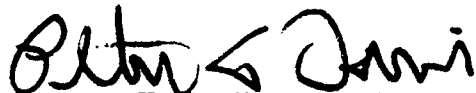
IT IS ORDERED that the Respondent Village of Grafton; its officers and its agents, shall immediately:

1. Cease and desist from:
  - (a) Violating the terms of the collective bargaining agreement which exists between the Village of Grafton and the Grafton Professional Policemen's Association.
2. Take the following affirmative action which the Examiner finds proper:
  - (a) Immediately procur insurance coverage equivalent to that provided to the parties by Blue Cross/Blue Shield during 1975, said coverage to remain in effect until the expiration of the existing collective bargaining agreement.
  - (b) From January 1, 1976 until the date on which equivalent coverage becomes effective or, if said coverage is not obtained, until December 31, 1976; reimburse all employes covered by the instant bargaining agreement for those insurance claims which have been or will be rejected by Rural Security Life Insurance Company which would have been paid by Blue Cross/Blue Shield under the policy in effect during 1975.
  - (c) Notify the Wisconsin Employment Relations Commission in writing within twenty (20) days of the date of this Order as to what steps have been taken to comply herewith.

Dated at Madison, Wisconsin this 27th day of October, 1976.

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

By



Peter G. Davis, Examiner

MEMORANDUM ACCOMPANYING FINDINGS OF FACT,  
CONCLUSION OF LAW AND ORDER

Given the absence of an arbitration provision in the parties' collective bargaining agreement, the Commission will assert its jurisdiction to determine the merits of the Complainant's allegation that the Respondent violated the bargaining agreement, and thus Section 111.70(3)(a)5 of the Municipal Employment Relations Act, by failing to maintain an insurance plan "equivalent" to that provided by Blue Cross/Blue Shield during 1975. Thus the Examiner will proceed to a consideration of the contractual requirements of an "equivalent" insurance plan and ultimately to a determination of whether the Respondent met those requirements when it opted for the insurance coverage provided by Rural Security Life Insurance Company through the Wisconsin Employer's Group.

The Respondent contends that the record establishes the impossibility of obtaining an insurance plan which is precisely the same as its predecessor and thus asserts that to interpret "equivalent" in said manner would render the contractual provision meaningless. It thus urges that the contractual requirements of maintaining "an equivalent plan" can be met if it provides insurance benefits which are reasonably comparable to those provided by Blue Cross/Blue Shield during 1975. The Complainant asserts that benefits currently provided by Rural Security Life Insurance Company must be "virtually identical" to the insurance coverage formerly provided by Blue Cross/Blue Shield if the requirement of "an equivalent plan" is to be met.

The word "equivalent" is a synonym for "equal" and is commonly defined in terms such as "equal in quantity, value, force, meaning, etc." 1/ There is no basis in the record for concluding that the parties herein used the phrase "an equivalent plan" in an attempt to convey anything other than the above-cited common meaning. In addition the parties did not modify their desire for equality by utilizing a phrase such as "a substantially equivalent plan" and thus, absent such a qualification, they must be presumed to have intended that the phrase "an equivalent plan" be interpreted rather literally. On the basis of the foregoing the Examiner concludes that the insurance benefits provided by Rural Security Life Insurance Company through the Wisconsin Employer's Group must in all significant respects be equal to the benefits previously provided by Blue Cross/Blue Shield if a finding of equivalency is to be made. While this standard may be viewed by the Respondent as unreasonable in light of the appalling ability of both insurance carriers to disguise the extent of coverage which is available, the Examiner has no authority to alter the contractual requirement which the parties have themselves established. Furthermore it is noted that the Respondent did not honor the Complainant's request for a joint meeting to compare the coverage offered by the competing carriers before the change was consummated and thus conceivably lost an opportunity to resolve the instant dispute on a voluntary basis. Thus the Examiner will proceed to a comparison of the two insurance plans in light of the contractual standard established by the parties.

The record is riddled with testimony by the representatives of both carriers which reveals that benefits are administratively provided in certain areas which the policy itself appears to exclude from coverage. The record provides no basis for attacking the administrative claims of either carrier and thus in making a comparison of benefits the Examiner

---

1/ Webster's New World Dictionary, Second College Edition, 1974.

was credited all such testimony. The undersigned has also been forced to make certain value judgments as to the equivalency of coverage in certain general areas where the two carriers provide varying benefits. Thus in areas such as the coverage for nervous and mental disorders, the Examiner compared the array of benefits provided by each carrier and found them equal despite the differing approach which the carriers took toward providing coverage in this area. It should be noted that the comparison must be limited to the equality of two plans on their face as the record provides no basis for finding certain types of coverage to be of greater value due to the likelihood of usage by the instant group of employees.

The record indicates that in several significant areas the benefits offered by the Rural Security Life Insurance Company are not equivalent to those previously provided by Blue Cross/Blue Shield. The "student" limitation in Rural Security's definition of a "dependent" was not present in the 1975 Blue Cross/Blue Shield policy and, inasmuch as said restriction eliminates coverage for a certain class of individuals who were formerly eligible for insurance benefits, it must be concluded that the coverage provided by Rural Security is not equivalent to that formerly supplied by Blue Cross/Blue Shield. Unlike Blue Cross/Blue Shield, Rural Security does not immediately provide insurance coverage for treatment of a new hire's pre-existing conditions and thus a finding of equivalency cannot be made in this area. Finally the "per admission per injury or illness" limitation on the days of in-patient hospital care available through Rural Security requires the conclusion that said coverage is not equal to that provided by Blue Cross/Blue Shield. Based upon the foregoing the undersigned can only conclude that the insurance plan currently provided by Rural Security Life Insurance Company is not equivalent to the coverage provided by Blue Cross/Blue Shield in 1975. Thus the Examiner finds that the Respondent violated the parties' bargaining agreement and thereby committed a prohibited practice within the meaning of Section 111.70(3)(a)5 of the Municipal Employment Relations Act.

Dated at Madison, Wisconsin this 20th day of October, 1976.

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

By

  
Peter G. Davis, Examiner