

The Insurance Advisory Committee

Meeting Minutes

APPROVED: October 28, 2020

Date: October 13, 2020

Time: 2:30 PM

Place: Zoom Virtual Meeting

Members present: Liz Allard – Non-Union Employee Personnel Board Representative; Nick Ammesmaki – DPW Representative; James Babu – Police Representative; Janet Vellante – Retirees Representative; Lisa Gagnon – Library Representative; Melissa Niland – Teachers Representative & Mary Zadroga - Non Union School Employees Representative

Absent: Lindsay Ames – Town Hall Representative

Others: Marie Sobalvarro - Assistant Town Administrator/HR Director, Adam Thornton – Blue Cross Blue Shield of Massachusetts, Tara Fafard – Massachusetts Interlocal Insurance Association, Pat Natoli, Andrew Perry & Rick Sicard

Meeting Convened at 2:30 pm

An Election of Officers was held:

On a Liz Allard/Melissa Niland motion the following officers were elected: Chair: Liz Allard, Vice Chair: Melissa Niland and Clerk: Lisa Gagnon. The vote was unanimously in favor of the motion.

History

The Insurance Advisory Committee has been formed to explore the possibility of leaving the Minuteman Nashoba Health Group (**MNHG**) and joining the Massachusetts Interlocal Insurance Association (**MIIA**).

The town has previously approached MIIA for joining but has been denied in the past due to claims history.

With the merger of Harvard Pilgrim and Tufts Healthcare the town is exploring the best value in available insurance options and approached MIIA again. MIIA has prepared an offer.

The Insurance Advisory Committee will vote and make a recommendation to the Select Board.

MIIA Presentation

A presentation was given by MIIA Health Trust, representative, Tara Fafard and Blue Cross Blue Shield of Massachusetts representative Adam Thornton.

The following documents were prepared by MIIA and distributed to the Insurance Advisory Committee members for the meeting:

- MII Health Benefits Trust
- MIIA Well Aware
- MIIA Historical Rate Ranges as of February 1, 2020
- Historical MNHG Rate Increase
- Blue Cross Blue Shield of Massachusetts SmartShopper Incentive Program
- Town of Harvard FY22 Plan Changes
- Town of Harvard Weekly Pay Rate Comparison 6/1/21
- Town of Harvard Rate Comparison for 6/1/21

Overview of MIIA Health Trust

Document presented and discussed: **MIIA Health Benefits Trust**

Highlights noted in discussion:

- The MIIA Health Trust is a large municipal joint purchase collaborative - over 140 towns, schools and water districts.
- There is an advantage to participating in a larger pool of people.
- With MIIA the town would not be rated as one group but rated with all 80,000 members
- In MNHG the rates are the same across the entire group while with MIIA we would be part of large pool but we would have the ability to set our own rates.
- The large claim pool allows individual claims of over \$75,000 to be spread out across the trust and does not entirely affect the renewal rates – it provides a safety net.

MIIA/BCBS Partnership

MIIA has a partnership with Blue Cross Blue Shield of Massachusetts

Document presented and discussed: **Historical MNHG Rate Increase & MIIA Historical Rate Ranges as of February 1, 2020**

Highlights noted in discussion:

- MNHG has three choices (Tufts, Fallon and Harvard Pilgrim)
- MIIA has only once choice - Blue Cross Blue Shield.
- MIIA has been with BCBS for almost thirty years and MIIA has the lowest administrative costs that BCBS gives.
- By going with MIIA, there will also be lower administrative costs because only one carrier, with three carriers we are paying for three administrative costs.

- MIIA's year goes July to June, with MNHG Harvard is on a June to May year. If we choose MIIA, the first year would be 13 months June 21 through June 22.
- The MIIA BCBS rates are announced around the third week of January.
- If Harvard goes with MIIA, for the first renewal (for FY23) MIIA will only have four months of data claims to look at so MIIA will guarantee the trust average for the first renewal. In FY21 that rate was 3.7 percent.
- Medical inflation is generally 6.5 percent - always account for medical inflation.

Programs offered by MIIA/BCBS

Document presented and discussed: **Blue Cross Blue Shield of Massachusetts SmartShopper Incentive Program, MIIA Well Aware & Town of Harvard FY 22 Plan Changes**

MIIA/BCBS offers programs to help keep costs down:

- BCBS SmartShopper -Voluntary incentive based program to have members shop at a lower cost facility.
- MIIA Well AWARE – Offers a variety of healthy living programs.

BCBS Plans Designs and Networks to be offered through MIIA

HMO - Network Blue New England

- \$300 Deductible
- Similar to Harvard Pilgrim Health Care HMO, Fallon Select & Tufts HMO
- Covers all six New England states.

Limited Network – Network Blue Select

- \$300 Deductible
- Similar to Fallon Direct
- Smaller network plan
- Only for those who live in Massachusetts
- Does not have every doctor - Reliant Medical Group is not included.
- It is an HMO Plan

PPO Network – Blue Care Elect

- \$300 deductible
- In network \$300 / Out of network \$900
- A national network.
- It is the most expensive plan and recommended if early retiree, living out of service area or if employee has a college student living out of the area.

- Similar to Harvard PPO & Tufts POS plan

Highlights noted in discussion:

- BCBS plans offer the same deductibles as current plans offered by the town.
- Discussion of whether one of the current Fallon plans may have a lower deductible for max out of pocket expenses for pharmacy.
- BCBS has a standard \$150 fitness benefit and a separate \$150.00 weight loss benefit.
 - Next year virtual fitness classes will be included
 - BCBS does not reimburse for karate classes, school sports programs or bikes etc.
- Dental coverage is not included in any of the plans except for children under 12.
- BCBS can create a voluntary dental plan with no contribution from the town.
- Employees can email Adam directly with private medical questions.

Retirees are offered the following plans:

- **Medex 2 Plan**
 - National network plan
 - Similar to Tufts Medicare Preferred Plus
- **Managed Blue for Seniors**
 - HMO Plan
 - Massachusetts residents only
 - Similar to Tufts Medicare Advantage & Fallon Medical Plus Premier

Rates

Documents presented and discussed: **Town of Harvard Weekly Pay Rate Comparison 6/1/21, Town of Harvard Rate Comparison for 6/1/21, MIIA Historical Rate Ranges as of February 1, 2020 & Historical MNHG Rate Increase**

Highlights noted in discussion:

- Employees currently on the Fallon plans will be have the highest increases in premiums.
- Employees on the Harvard Pilgrim and Tufts plans will likely have premium decreases.
- The discrepancy is likely do to with MNHG subsidizing the Fallon rate by charging more for the employees on Harvard Pilgrim and Tufts plans.
- About half of current employees are on a Fallon plan.
- Many employees have already had increases in premiums with the recent shares adjusted, for many this is an increase on top of an increase.
- It was noted the percent increase on the Fallon plan might not be as high for employees. Historically Fallon rates have gone up 9% (See document presented: Historical MNHG Rate

Increase). The MNHG FY 22 rates will not be known until March. If they were to go up for example 9%, again the difference could only be 2% not 11%.

- Some Towns MIIA and BCBS have worked with doing a similar transition have made up the difference.
- MIIA BCBS Retiree rates are currently being re-evaluated this week. If the retiree rates change, they will come in lower.

Next Steps

Committee representatives will share documents presented and link to the meeting with their constituents.

Decision needs to be made soon.

If choosing to go with MIIA, MNHG must be notified by December 1st.

The last Select Board meeting before December 1st is November 17th.

The next Insurance Advisory Committee meeting is scheduled for Wednesday, October 28th at 3:00.

Adjourn Meeting – Meeting was adjourned at 3:35 pm.

Respectfully submitted,

Lisa V. Gagnon