

The Insurance Advisory Committee

Meeting Minutes

APPROVED: September 21, 2021

Date: March 25, 2021

Time: 4:00 PM

Place: Zoom Virtual Meeting

Members present: Lindsay Ames –Finance Department Representative; James Babu – Police Representative, Lisa Gagnon – Library Representative; Melissa Niland – Teachers Representative; Janet Vellante – Retirees Representative & Mary Zadroga - Non- Union School Employees Representative

Absent: Liz Allard - Non-Union Employee Personnel Board Representative & Nick Ammesmaki – DPW Representative

Others Present: Marie Sobalvarro - Assistant Town Administrator/HR Director, Rick Sicard – Fire Chief, Jared Mullane –Town Finance Director, Pat Natoli, Andrew Perry, Adam Thornton – Blue Cross Blue Shield of Massachusetts; Tara Fafard – Massachusetts Interlocal Insurance Association

Meeting Convened at 4:01 pm

Minutes: On a Lisa Gagnon motion and a Janet Vellante second, the minutes of the November 16, 2020 meeting were approved.

Discussion of Town of Harvard Health Plans

Marie Sobalvarro - Assistant Town Administrator/HR Director updated the IAC Committee with the upcoming Minuteman Nashoba Health Group FY 22 rates.

The document titled **Town of Harvard Health Plans** was shared.

- This document has been uploaded to the town's website under Human Resources - Benefits with the open enrollment information.
 - Open enrollment is from April 1, 2021 through April 27, 2021

Minuteman Nashoba Health Group (MNHG) Rates FY22

- **MNHG** applied half of the surplus (the difference between the premiums that had been paid and the healthcare expenses incurred) to offset the health plans' calculated increase in FY22 rates.
 - Health care expenses remained low due to the pandemic
 - Without this calculated offset rates would have been 2.0% to 4.5% higher than listed.
 - Tufts and Harvard rates are running comparably very well

- Fallon without the offset would have been 9.8% increase
 - The rates in the upcoming fiscal year are listed in the document.
- At the time of the last IAC Committee meeting in the fall, the **MNHG** FY 22 rates were unknown.

Presentation and discussion with

Massachusetts Interlocal Insurance Association (MIIA), representative, Tara Fafard
and Blue Cross Blue Shield of Massachusetts representative Adam Thornton.

- Last fall left off waiting to see what happened with the decision of whether to move from **MNHG** to **MIIA**.
- Starting process earlier this year so the decision does not feel so rushed.
 - Still working with the same lag time for **MNHG's** release of rates.
- The size of **MNHG** is shrinking
 - Last year two towns (Tyngsboro and Lancaster) left **MNHG**.
 - Two more towns/groups are leaving this year, town of Carlisle (going to **MIIA**) and Lincoln-Sudbury (going somewhere else).

Document shared **Town of Harvard Rate Comparison for 6/1/21.**

- Presentation and discussion of the comparison of the FY22 MIIA Rates verses the FY22 MNHG Rates:
 - Harvard Pilgrim HMO
 - **MNHG** increase +1%
 - **MIIA** decrease of -10.40%
 - Fallon Select
 - Bulk of enrollment
 - **MNHG** increase of +5.5%
 - **MIIA** increase of +6.49%
 - Fallon Direct
 - **MNHG** increase of +5.5%
 - **MIIA** increase of +2.73%
 - Tufts HMO
 - **MNHG** increase of +1.5%
 - **MIIA** decrease of -6.41%

Retirees

- Tufts Medicare Preferred Plus
 - Bulk of retiree enrollment
 - **MNHG** increase of +1.6%
 - **MIIA** decrease of -18.90%
- Tufts Medicare Advantage
 - **MNHG** increase of +4.3%
 - **MIIA** decrease of -1.65%

Overall if Harvard was with MIIA in FY22

- Active employees would have saved an average decrease on rates of -1.36%
- Retirees would have saved an average decrease on rates of -16.07%
- Overall decrease of -3.77%
- The town would have saved \$114,521.65
- Employees would have saved \$49,080.71

General discussion on thoughts going forward followed.

- Concerns of the **IAC** and what the **IAC** would like to see
 - Melissa Niland – Teachers Representative
 - Not enough time has passed – nothing has changed
 - Not enough savings and hits the Fallon group
 - Does not feel can go back to the teachers with it - too much on their plates
 - Tara Fafard (MIIA), Representative
 - Reminder there is a merger happening this year between Tufts and Harvard Pilgrim
 - MNHG will have two carriers instead of three next year and with Fallon's increases being subsidized from the other carriers the Fallon rates may be hit a little harder next year.
 - Mary Zadroga - Non- Union School Employees Representative
 - One of the concerns last time was the dental coverage
 - Fallon plan includes dental and would have been a big loss for some people.
 - Can MIIA offer dental program?

- Tara Fafard (MIIA), Representative
 - At the last minute after the last IAC meeting, MIIA was able to locate a rider to put on a Blue Cross Blue Shield plan that included some dental coverage similar to the Fallon plan such as preventive dental cleaning.
- Marie Sobalvarro - Assistant Town Administrator/HR Director
 - Town will not allow standalone dental plan
- Adam Thornton Blue Cross Blue Shield of Massachusetts Representative
 - Able to put a dental rider on to the HMO New England and the Limited Network plans.
 - Cannot add dental to the PPO Plan
 - Will not affect rates – will embed it into the medical plan and it would not be a standalone plan.
- Mary Zadroga - Non- Union School Employees Representative
 - Confusion last time on the differences between the three plans MIIA offered - especially with local versus out-of-state coverages
 - Can we get scenarios to play out which one best for “me”?
- Tara Fafard (MIIA), Representative
 - Tara just prepared something similar to scenarios for Carlisle – with detailed information to help people choose
 - Plans are all the same - it’s just based on networks
 - Majority would go to the New England plan.
- Janet Vellante – Retirees Representative
 - Two things most affect the retirees:
 - Total cost
 - Ability to access doctors other than local doctors
- Tara Fafard (MIIA), Representative
 - MIIA offers the MedEx Plan
 - Majority of retiree members would fall under this plan
 - It is a national plan
 - As long as provider accepts Medicare they will accept this plan.
 - MIIA’s MedEx plan rate is almost 19% lower than the current retiree Tufts plan.
 - No primary care doctor selection needed or referrals
 - Broader plan and an ability for nationwide

- MIIA also offers the HMO Managed Blue for Seniors
 - It is an HMO plan - only BCBS Massachusetts network
 - Primary care doctors required and referrals for network required
- Tara Fafard (MIIA), Representative
 - Wanted to let the IAC know MIIA did something similar to MNHG rate surplus discussed at the beginning of the meeting.
 - In FY21
 - MIIA gave its members a ½ month premium holiday for medical
 - FY 22
 - MIIA gave a full month's premium medical and dental holiday.
 - All of MIIA's groups for July 1st will not receive a bill
 - MIIA likes to give back to the membership
 - It was a part of reserves and does not affect FY23 rate

Timeline going forward

- Same timeline as last fall
- Deadline December 1st to notify MNHG if leaving
 - With MIIA towns/groups only have to give 60 day notice (example notify by May 1st to leave July 1st).
- Change not happening this year (FY 22).
- It was suggested IAC members wait until after April enrollment before re-introducing it to town employees - may cause confusion since we are discussing FY 23 and open enrollment is for FY 22
- MIIA will not have rates for FY23 until end of this August/September

Set Date/Time for Next Meeting

The next meeting will be at the end of August/September when MIIA's rates come out for FY23.

Adjourn Meeting – Meeting was adjourned at 4:24 pm.

Respectfully submitted,

Lisa V. Gagnon