

HOLLISTON BOARD OF SELECTMEN

January 19, 2012
8:30 P.M.

Town Hall
Room 201 (Kitchen)

Present, Lay Leary, Vice Chairman; Kevin Conley, Clerk and Paul D. Le Beau, Town Administrator. Jay Marsden, Chairman and Andrea Minihan, Administrative Assistant was absent.

Also present, Mary Bousquet, Town Treasurer/Collector and William Dowd, 95 Shaw Farm Road

There were no comments from the Board or the public.

EMPLOYEE HEALTH INSURANCE, SECTIONS 21-23 OF THE CHAPTER 32B OF THE GENERAL LAWS

Mr. Le Beau gave a copy of the existing plans and the expenses to the Board. He also presented the Board with the projected savings to the Town. He said that with the proposed plan, the co-pay and deductibles and out of pocket expense can't exceed those offered by the most heavily subscribed plan under the GIC. Mr. Le Beau said that they also have to file a mitigation plan. He said that Ms. Bousquet has put together a package for a proposal. Mr. Le Beau said that we are a member of the West Suburban Health Group and we have been for over 20 years. Mr. Le Beau said that we have not gotten a confirmation on all the plans; he said that they are missing Blue Cross Blue Shield. Mr. Le Beau said that the West Suburban Health Group is meeting next week and they hope to have all the final details.

Ms. Bousquet said that they will have the premium but not the design of the plan.

Mr. Leary asked how many different plans do the GIC offer compared to the West Suburban Health Care plans. Mr. Leary asked if the GIC offers more plans than the West Suburban Health Plans. Ms. Bousquet said that GIC offers more plans.

Mr. Le Beau said that they do not offer a Blue Cross plan. Ms. Bousquet said that they offer a Unicare plan.

Mr. Le Beau said that there are 2 to 3 different Unicare plans they offer. Ms. Bousquet said that they offer 2 Fallon, 2 Harvard Pilgrim, Health New England and 2 Tufts Health Plans.

Mr. Le Beau said that as he understands this the Town would still have to offer the PPO product. He said that the statute requires it. Mr. Leary asked about the reference from a teacher who lives in Millis and works in Holliston, will it take 19 people to not make the savings if they all have PPO's. Mr. Le Beau said that his number is 37. He said that it would have to be a family plan.

Mr. Le Beau said that they would be doubling there out of pocket costs.

Ms. Bousquet said that we have 5 individuals on the PPO plan and no-one on the family PPO.

Mr. Le Beau said that if we go to the Benchmark plan the savings to the Town and the employee is nearly identical to the savings that could be achieved if we go to the GIC. Mr. Leary said that there would be fewer restrictions because the GIC is restricted. Ms. Bousquet said that the GIC has a 90 day waiting period.

Mr. Le Beau said that if you go with the GIC you can't change for three years. He said that in addition there is administration expense and is assessed by the GIC. He said that the administration expense is only 1% or 2% but has to be paid by the Town.

Mr. Leary said that would have to be calculated against the savings. Mr. Le Beau said that the savings calculated includes the administrative fee. Mr. Le Beau said that if we shift to the GIC we would have to pay 60% of the premium and then absorb the administrative fee.

Mr. Leary asked if the GIC offers a PPO.

Ms. Bousquet said yes. Ms. Bousquet said that if we leave the West Suburban Health Group we have a share of the fund balance we would be losing over one million dollars.

Mr. Le Beau said that is to protect run off claims. Ms. Bousquet said it is a percentage of the fund balance.

William Dowd, 95 Shaw Farm Road, asked if there had been any unpaid claims. He said that when a group changes from one to another they do need protection for payments to be made.

Mr. Dowd said that the GIC automatically changes the update for a co-payment from \$20.00 to \$25.00 with out having a meeting or going to a committee.

Mr. Leary said that he does not like it because they can change at any time.

Mr. Leary asked if the West Suburban Health Group looked to standardize by saying if the GIC changes we will change with it to keep in line.

Ms. Bousquet said that they try. She said that when they make changes at the West Suburban Health Group everything has to be collectively by bargaining.

Ms. Bousquet said that West Suburban Health Group knows what the GIC is doing.

Mr. Leary said that the GIC can change the cost of a copayment for a prescription at any time and they do not have to notify you. Mr. Leary called it a re-tier of drugs.

Mr. Le Beau said that they have to prove a 5% additional savings if they move everyone over to GIC and if it does not meet that test the review panel can reject the proposal.

Mr. Conley introduced his daughter Kerry Conley who just joined the meeting.

Mr. Le Beau said that the savings from the GIC look alike would be slightly more than the savings going to the GIC. He said that the GIC look alike comes in under the total expense. Mr. Le Beau said that the Town proposal has to show the first years savings.

Ms. Bousquet said that she has been told that GIC will not have a premium increase this year.

Mr. Leary asked what West Suburban Health plans look like.

Ms. Bousquet said that they usually rate all the plans together. But this year they will be rating the plans separately.

Mr. Le Beau said that they have to look at all the plans to include employees and retirees.

Mr. Dowd asked how can there be lower co-pays and a lower premium.

Mr. Leary said that there will be a higher deductible.

Ms. Conley said that there is a tool on the computer that will let you compare rates between the rate saver and the GIC. Ms. Conley said that she found this with a random search through Google.

Mr. Le Beau said that we should start the process by early February. Mr. Le Beau said that a few years ago they did a presentation to the unions with the suggestion that they move over to rate saver plans. He said that Ms. Bousquet did a break down of average utilization. Mr. Le Beau said that with average utilization a subscriber could come out hundreds of dollars ahead. Mr. Leary said that most people do not want to pay for upfront costs. He said that the savings could be huge.

Mr. Leary said that when he chose to go to a rate saver plan at work for his employees everyone made out well. He said that he has saved a ton of money.

Mr. Dowd said that we should be gradually reducing the rates. He said that if they are over 50 leave them alone, if they are between 40 and 50 you change the contribution to the years of service under age 40 they should pay more and part time employees should pay a pro rated rate of their schedule work hours.

Mr. Le Beau said that he hopes that he has given the Board the documentation that will help with the proposal. He said that he will have more information after the 24th of January.

Mr. Le Beau said that he will sit down with anyone who needs help breaking this all down.

Ms. Bousquet gave out packets of information and gave a brief summary of each of the plans.

Mr. Leary said that the last meeting the retirees were most concerned.

Ms. Bousquet said that the retirees that are on the senior plan, should see no change at all. She said that the retirees that are on active plans will move to the benchmark plan.

Ms. Bousquet said that there are 203 on the senior plan and 81 on active plans.

Mr. Leary asked what active plan means.

Ms. Bousquet said they are under 65 or they do not qualify for Medicare part A or B.

Mr. Le Beau said that if we were to go to GIC there would be a significant change.

Mr. Le Beau said that they GIC does not offer a Blue Cross plan.

Mr. Leary asked if the Town was responsible to offer a plan anyplace in the country.

Mr. Le Beau said we only have to offer a plan.

Mr. Dowd said that Blue Cross interchanges with many states.

Ms. Bousquet said that all the proposed plans have a cost at the top of the page. The only one that they could not get was the rate for Blue Cross.

Mr. Leary asked if there are mail order requests for medications on the GIS and West Suburban Health group.

Ms. Bousquet said yes on both. Ms. Bousquet said that there are certain drugs that they can get that are generic and you can get it free for a year, she said that it could come from Canada.

Ms. Bousquet said that they have offered a walking program, yoga, Jazzercise and Zumba through the Suburban Health group.

Mr. Le Beau said that there has been vision checks and skin screening.

Ms. Conley asked how many towns have switched over to the GIC.

Mr. Le Beau said about 25 towns.

Mr. Leary said that they need 70% of the union to say that it is ok to go to the GIC.

Ms. Conley asked if the Town saves money if employees are enrolled in a GIC.

Mr. Le Beau said that the next step is to submit a proposal to the Insurance Advisory Committee. He said that they offer 2 plans from each of the providers. He said a traditional plan and a rate saver plan. He said that some of those rate saver plans have deductibles that exceed the GIC standard. Ms. Bousquet said in some cases by \$5.00 per visit or prescription.

Mr. Le Beau said that Suburban Health Group has agreed to put together a slate of what they are calling benchmark rate savers plans and they mirror the requirements of the GIC. He said that they will make it available for members of the West Suburban Health Group. He said that we have not gotten confirmation on all the plans. He said that we are missing Blue Cross.

Mr. Dowd asked for a copy of the rate saver plans and the GIC plans.

Mr. Leary said that he would like to wait till the Insurance Advisory Committee sees it first. Mr. Leary said that they have not even approved anything yet.

Ms. Conley asked if there was going to be a Power Point presentation with the IAC.

Mr. Leary said that the IAC will get a copy of the presentation and then they will discuss it.

Ms. Bousquet said that she can e-mail the IAC the proposal.

AT 9:48 P.M. MR. CONLEY MOVED TO ADJOURN. THE MOTION WAS SECONDED BY MR. LEARY. TWO IN FAVOR. MR. MARSDEN WAS ABSENT.

Respectfully submitted,

Donna A. Muzzy

approved_____