

# INSURNACE ADVISORY COMMITTEE

13 AYER ROAD HARVARD, MA 01451

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**Date:** November 16, 2020

**To:** Select Board Members – Alice Von Loesecke, Kara Minar, Rich Maiore, Stuart Sklar, Lucy Wallace

**From:** Insurance Advisory Committee – Liz Allard (Non-Union Employee Personnel Board Representative), Lindsay Ames (Finance Department Representative), Nick Ammesmaki (DPW Representative), James Babu (Police Representative), Lisa Gagnon (Library Representative), Melissa Niland (Teacher’s Association Representative), Mary Zadroga (Non-Union School Employee Representative), Janet Vellante (Retiree Representative).

**RE:** Insurance Advisory Recommendation

The Insurance Advisory Committee (IAC) was tasked to evaluate and produce a written recommendation to the Select Board as to whether or not it is advisable to move from the Minuteman Nashoba Health Group (MNHG) to the Massachusetts Interlocal Insurance Association (MIIA) Blue Cross Blue Shield of Massachusetts network. The IAC met October 13th, October 28th, November 3rd and November 10th to engage in information seeking, question and answer sessions and to obtain feedback by surveying to reach as many constituents as possible in order to provide the recommendation to the Select Board.

The advantages of moving to MIIA Blue Cross Blue Shield of Massachusetts network include:

- A larger municipal joint purchase collaborative – one of the largest in the country
- Matching Town employee weekly deduction in FY2022 based on the current FY2021 deductions from MNHG
- Annual rate range with maximum rate caps, allowing for the Town to negotiate rates annually
- Lower administrative costs

The disadvantages of moving to MIIA Blue Cross Blue Shield of Massachusetts network include:

- Eliminates the ability for Town employees to choose from a variety of networks, those being Tufts, Harvard Pilgrim and Fallon
- Network Blue Select (Limited Network) is only available to Town employees living in Massachusetts
- Out-of-state employees are limited to two plan choices either the Network Blue New England (HMO) or Blue Care Elect (PPO Network) plans, both at a higher bi-weekly deduction than the Network Blue Select (Limited Network)
- Frequently used providers by Town employees, such as Emerson Hospital, Acton Medical Associates, Mt. Auburn Network, and Massachusetts General are not part of Network Blue Select (Limited Network), but are part of Network Blue New England (HMO) and Blue Care Elect (PPO Network), also at a higher bi-weekly deduction than the Network Blue Select (Limited Network)
- The Network Blue New England (HMO) would increase Town employee’s bi-weekly deduction by ~11% in FY2022 for those currently enrolled in the Fallon Select Plan; which has the largest enrollment rate amongst Town employees
- Plans only provide dental coverage for children under 12 years of age
- Reimburses up to \$150 annually for gym memberships, with an additional \$150 for weight loss programs

The advantages of staying with MNHG network include:

- Maintaining existing providers, especially during the COVID-19 pandemic
- Dental coverage for adults as well as children; Fallon plans only
- Fallon plans provide a “It Fits Health Reimbursement Program”, which reimburses a Town

employee up to \$400 annually for not only gym memberships and weight loss programs, but school and town sport programs, ski lift tickets and passes, other sport activity registrations

The disadvantages of staying with MNHG network include:

- The unilateral changes to the premium without input from the Town

Other considerations included:

- Town employees have already incurred an increase of 5 to 10% in FY21 premium share expenses
- An ~11% increase in the bi-weekly deduction to a majority of the Town-employees could lead to some very difficult choices (those enrolled in Fallon plans)
- With such a tight timeframe for the IAC to provide a recommendation, could this be delayed until next year and could the Town minimize the negative impact this decision will have on Town employees?
- Why now? During a pandemic is not the time to be forcing Town employees to change insurance providers

After receiving feedback from the represented Town employees, the IAC voted 6-1 recommending the Town remain with Minuteman Nashoba Health Group at this time. The representative for the library voted against remaining with Minuteman Nashoba Health Group. The representative for the retirees was not in attendance for this vote. At the time this letter was written the IAC was unsure how this recommendation would affect retirees.

In closing, if the Select Board decides to move forward with the MIA program, the IAC recommends the Board consider how they may minimize the negative impact this decision will have. Most Town-employees have opted for the Fallon Select Plan because that is what they can afford. As previously mentioned, the comparable Network Blue New England (HMO) would increase their bi-weekly deduction by ~11% in FY2022. The Select Board may want to consider subsidizing this increase for these Town employees in FY2022. In addition, are there other benefits that the Select Board could offer to Town employees?

Town employees understand the high cost of health insurance is challenging not only for our community but many throughout the Commonwealth. If this change is instituted, our hope is it will help to stabilize annual increases, maintain deductibles and copays.