

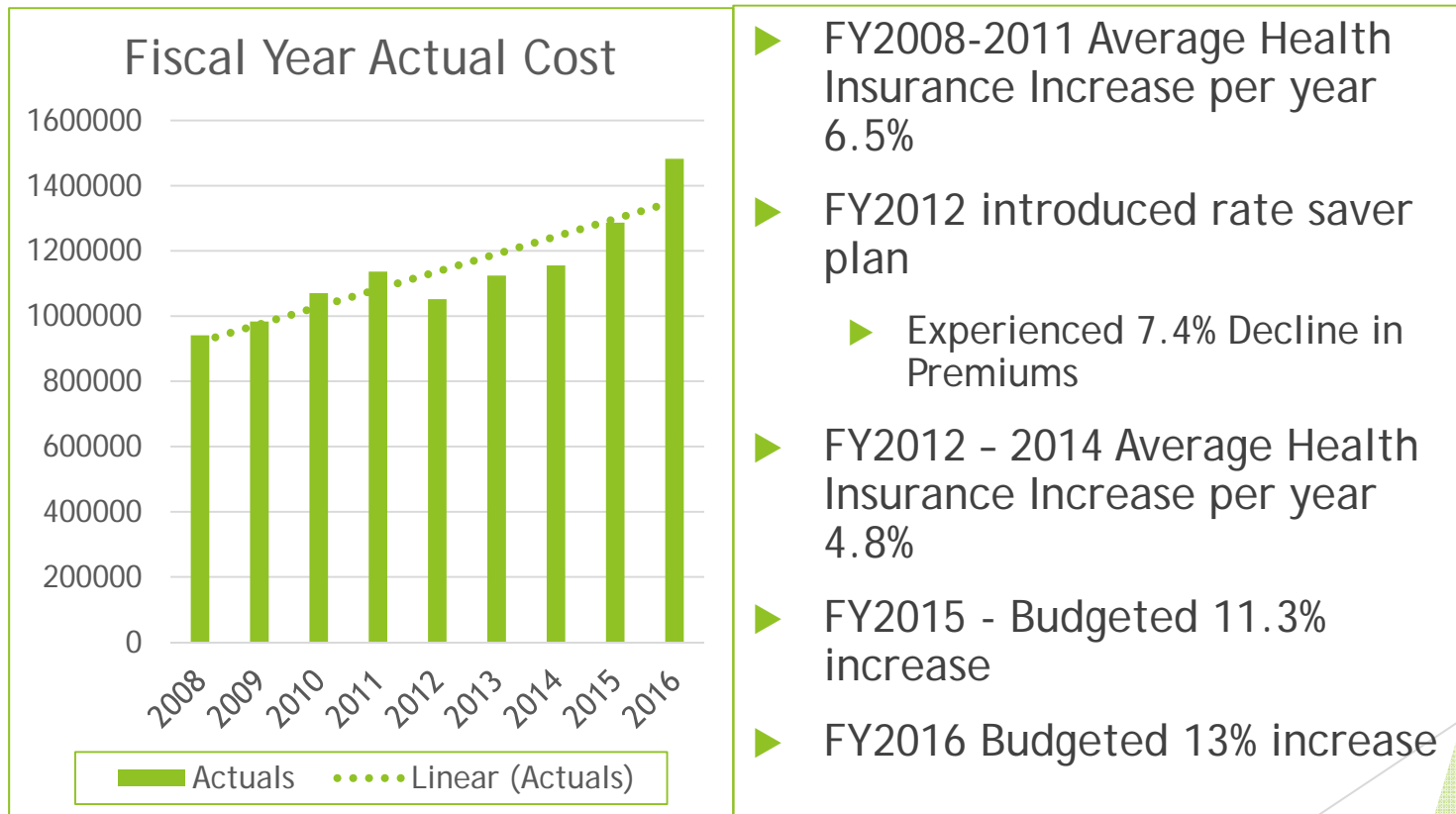


# Health Insurance Update

October 15, 2015



# Town of Sherborn including Pine Hill School Historical Health Insurance Trends







# Options Under Review

- ▶ West Suburban Health Group (WSHG)
- ▶ Government Insurance Commission (GIC)
- ▶ Massachusetts Interlocal Insurance Association (MIIA)



# West Suburban Health Group (WSHG)

- ▶ \*September 24, 2015 - Board voted plan changes as follows:
  - ▶ *"Effective July 1, 2016 - Current benchmark plan will be changed to that of the GIC's benchmark plan 300 / 900 deductible design.*
  - ▶ *Effective July 1, 2018 - Rate Saver plan will be eliminated. Only benchmark plans will be available.*
  - ▶ *Employers are free to bargain out the Rate Saver plans earlier than July 1, 2018 if they wish to do so."*\*
- ▶ If the Town of Sherborn moves from WSHG or switches to the benchmark plan, notification must be made by February 28, 2016 for July 1, 2016 effective date.
- ▶ If the Town of Sherborn moves to WSHG new benchmark plan; estimated 2016 savings would be \$123,169
  - ▶ \$86,161 Town
  - ▶ \$37,000 Employees

\*Source: West Suburban Health Group communication to all members via email on 10/07/2015.





# GIC

- ▶ Current benchmark plan 300 / 900 Deductible
- ▶ Early discussions of 400 / 1,000 Deductible as of 7/1/2016.
- ▶ If the Town of Sherborn moves to GIC benchmark plan; two enrollment periods based upon notification by December 1, 2015 or May 31, 2016.
- ▶ If the Town of Sherborn moves to GIC benchmark plan; estimated 2016 savings would be \$200,486.
  - ▶ \$127,451 Town
  - ▶ \$73,035 Employees



# MIIA

- ▶ Offers Blue Cross Blue Shield Only
- ▶ The Town received projected rates for FY2016 and Comparatives for FY2015
  - ▶ Projected rates based upon Town and Pine Hill School's utilization.
  - ▶ Offering competitive "WSHG rate-saver like" plan.
  - ▶ Offering competitive "GIC benchmark like" plan.
- ▶ Health Insurance Consultant currently working on the estimated savings for the Town of Sherborn with MIIA's proposed plans.
- ▶ If the Town of Sherborn moves to MIIA, notification needs to be made by March 31, 2016.





# Next Steps

- ▶ Remainder of October 2015 - March 2016
  - ▶ Board of Selectmen (BOS) to consider adopting MGL Chapter 32B, Sections 21-23
    - ▶ These sections do not obligate the BOS to make any change but permit negotiations directly with the Public Employee Committee.
  - ▶ Identify potential savings with option provided by MIIA
  - ▶ Review options with Insurance Advisory Committee
  - ▶ Finance Director provides update to the Board of Selectmen on Insurance Advisory Committee recommendations.