Town of Sherborn including Pine Hill School

Historical Health Insurance Trends

- FY2008-2011 Average Health Insurance Increase per year 6.5%
- FY2012 introduced rate saver plan
  - Experienced 7.4% Decline in Premiums
- FY2012 - 2014 Average Health Insurance Increase per year 4.8%
- FY2015 - Budgeted 11.3% increase
- FY2016 Budgeted 13% increase
Options Under Review

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