OFFICE OF THE
TOWN MANAGER

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Town of Shrewsbury

MASSACHUSETTS 01545-5398

September 22, 2014

To: Insurance Advisory Committee (IAC)

From: Daniel J. Morgado

Re: Next Meeting

The IAC will meet on Tuesday **September 30, 2014 at 3:00 PM** in the Selectmen's Meeting Room to consider the following:

AGENDA

1. Call to Order
2. Introductions
3. Accept minutes of March 25, 2014 (attached)
4. Report of the Town Manager
   a. Current plan enrollment
   b. Report on the wellness program
   c. Report on the flexible spending program
   d. Information from/action taken at the September 18, 2014, Board Meeting of the WSHG
   e. Renewal of Senior Plans for 2015
5. Action of the Insurance Advisory Committee relative to a recommendation regarding the Senior Plan renewal for 2015
6. Other business
7. Adjourn

Please advise with any questions.

Cc Union/Association Presidents
Thomas Gregory
Carolyn Marcotte
Mary Thompson
Christine Fowler
Cecelia Wirzbicki
Barbara Malone
Carol Cormier

Referenced materials

Minutes of March 25, 2014
Memo with attachments from Daniel Morgado dated September 22, 2014
Draft Letter dated September 30, 2014

Insurance Advisory Committee
March 25, 2014
Selectmen's Meeting Room

PRESENT:

Member(s)	Representing
David Hodgerney (3:20 PM)	Fire
Ryan Chartrand	Police/Dispatchers
Brian Liporto; Noreen Christie; Joseph Armenti; Chuck Allen	School Teachers/ Paraprofessionals
Scott Stark	SELCO Linemen
Norman Ludovico; Mary Grillo; Robert Tozeski	Non-Unionized
Keith Baldinger; Robert Marengo	Public Works/Custodians

ALSO PRESENT: Christine Fowler, Daniel Morgado, Thomas Gregory, Jason Fortin (Fallon), Carolyn Marcotte, Mary Thompson

Mr. Tozeski convened the meeting at 3:00 PM and chaired the meeting until Mr. Hodgerney's arrival.

On a motion by Mr. Ludovico, second by Mr. Stark, the minutes of the March 18, 2014 meeting were approved. All in favor.

Mr. Fortin was present to provide a review of out-of-pocket exposure for Town of Shrewsbury Fallon subscribers between January 2013 and February 2014. The average individual out-of-pocket payment total during this period was $228; the average family out-of-pocket payment total during this period was $268. Out of 719 contracts, 160 made out-of-pocket payments totaling between $50 and $1,000. According to Mr. Fortin, Town of Shrewsbury Fallon subscribers are tracking in the middle of Fallon's book of business.

Mr. Morgado then reviewed his memorandum dated March 23, 2014 which contains the following revised Health Insurance Proposal (HIP) for FY2015 and FY2016:

1. Effective July 1, 2014, all existing and active employees and existing non-Medicare eligible retirees have the option of moving to the WSHG Benchmark plans that will maintain the current contribution ratios or they may remain on the current Rate Saver plans with new contribution rations established for the Fallon Plan of 71.5% / 28.5% (from 73% / 27%) for the Select program and 76.5% / 23.5% (from 78% / 22%) for the Direct program.

2. Effective July 1, 2014, all new hires and new non-Medicare eligible retirees must enroll into one of the Benchmark programs. For those employees retiring, the conversion to the

Benchmark program would be at the next open enrollment after the effective date of retirement.

3. The Harvard Pilgrim PPO and Tufts POS premiums will increase by 8.0%. The current contribution ratios would continue.

4. Renew all senior plans as offered through the West Suburban Health Group (WSHG) with contribution percentage changes for the Fallon Senior Plan and Tufts Medicare Preferred moving from 75% / 25% to 70% / 30%. This contribution percentage change would take place on January 1, 2015.

5. That this program remain in effect for a two year period commencing July 1, 2014 with no other changes to be made other than plan design changes requested by the respective carriers and changes in monthly premiums resulting from the FY2016 premium rating process. In the case of the Fallon dental plan design element, this may go away in FY2016.

6. That the out-of-pocket maximums (OOP) for the Harvard Pilgrim PPO (in-network) be established at $2,000 / $4,000. Not is made that the OOP for the Fallon Select and Fallon Direct Rate Saver Plans is $1,000 / $2,000 which is different from every other plan which is $2,000 / $4,000. This lower amount should have resulted in a 1% increase in premiums which is not being collected by the WSHG. The matter of OOP will be revisited prior to next year's renewal and will result in some changes.

7. That the Tufts Health Plan establishes a new tiering structure for hospitals as mandated by the Group Insurance Commission (GIC) as outlined in the attached.

8. That effective January 1, 2015, the Town's Flexible Spending Account (FSA) adopt a $500 roll-over provision consistent with Federal law at that time and in the future in order to provide a better opportunity for employees and retirees to adapt to a deductible and high co-pay plan design.

A period of general discussion took place. At 3:45 PM, the management representatives left the meeting to enable the employee groups to further the discussion.

At 4:10 PM, management representatives returned to the room. Mr. Morgado provided copies of G. L. c. 32B, s. 3 for those present. He explained that the purpose of today's vote was to meet the requirements of Chapter 32B and that notice will need to be provided to each of the applicable groups relative to impact bargaining. On a motion by Mr. Ludovico, second by Mr. Tozeski, the Insurance Advisory Committee voted recommend for the purposes of G. L. c. 32B, s. 3, the Health Insurance Program as outlined above with the following amendment to #4 above: that the 5% contribution percentage shift for Fallon Senior and Tufts Medicare Preferred take effect only if House Bill 59 passes with the contribution freeze provision; and that, should the contribution freeze provision not take effect, that the contribution percentage shift be 1.5%. The police representative, Mr. Chartrand was the only "no" vote.

The meeting adjourned at 4:20 PM.

Respectfully submitted,

Thomas M. Gregory
Assistant to the Town Manager

Referenced Materials
Minutes dated March 18, 2014
Memorandum to the IAC dated March 23, 2014 re: Update
G. L. c. 32B, s. 3

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Town of Shrewsbury

MASSACHUSETTS 01545-5398

September 22, 2014

To: Insurance Advisory Committee (IAC)
From: Daniel J. Morgado
Re: WSHG Board Meeting of September 18, 2014
Senior Plan Renewals for 2015

WSHG Board Meeting

Last Thursday, I attended both the Steering Committee meeting and full WSHG Board Meeting (Board) where the following materials were reviewed and certain actions took place involving the Senior Plan renewals for 2015:

1. I was elected chairman of the WSHG Steering Committee.

2. The Board reviewed the year end unaudited statement (summary attached) which indicates a reduction in the fund balance to $7,925,356 as of June 30, 2014. By comparison, the fund balance on June 30, 2012, was $22,771,078. A $7.9 Million fund balance is at the low end of the range of what the Board would like to see.

3. The Board reviewed the June 30, 2014, funding analysis (summary page attached) which showed losses among the plans except for the Fallon, HPHC Medicate Enhanced and BCBS Medex programs. The Board also reviewed the first month of this fiscal year (summary page attached) which showed an overall loss of ($378,832).

4. The wellness program budget was set for the WSHG with Shrewsbury budgeted at $13,200 (budget attached) and a contracted Wellness Coordinator was authorized to be brought under contract at 20 hours per week.

5. The Board reviewed large claims (attached).

6. The Board set the rates for the various Senior Plans as follows:

    a. Fully Insured Plans – Rates quoted ranged from $262 for Tufts Medicare Preferred HMO to $330 for Tufts Medicare Prime Supplement (summary attached). There is a change in plan design for the Fallon Senior Plan increasing the Tier 3 drug co-pays from $45 to $50 for a 30-day supply and $90 to $100 for

a 90-day supply. There is a $0.30 co-pay increase under catastrophic coverage (out of pocket Rx above $4,700).

b. Self-Insured Plans – After review of projected rates provided both by the carriers and GBS, the Board voted to increase the BCBS Medex rate to $340/month and to keep the HPHC Medicate Enhanced at $328.33.

c. Among the (6) plans increases for 2015 range from 0.0% to 10.6% (rate sheet attached).

7. The Board learned that there are three communities in the WSHG considering the GIC option. I subsequently learned that the Town of Westwood will leave the WSHG for the GIC on June 30, 2015.

Senior Plan Renewals for 2015

I am proposing that the Town renew all of the Senior Plans for calendar 2015 at the premiums as adopted by the WSHG Board with the plan design changes as required by the respective carriers. The most significant change is that of the Fallon Senior plan involving Tier 3 drug co-pays going from $45 to $50 for a 30-day supply and $90 to $100 for 90-day supply. There is a $0.30 co-pay increase under catastrophic coverage (out of pocket Rx above $4,700).

I have attached the proposed employer and retiree contributions for 2015. Please note that there is a 1.5% shift in the contribution percentage for the Fallon Senior Plan and Tufts Medicare Preferred HMO. House Bill 59 failed to be enacted during the most recent legislative session.

Finally, I propose that the retiree contribution percentages not change in 2016.

I have taken the liberty of preparing a draft letter for the Chair's signature for your consideration at your meeting on September 30, 2014.

Please advise me directly with any questions.

Cc Union/Association Presidents
Thomas Gregory
Carolyn Marcotte
Mary Thompson
Christine Fowler
Cecelia Wirzbicki
Barbara Malone
Carol Cormier

Various Attachments As Noted Above

WEST SUBURBAN HEALTH GROUP

SUMMARY OF ACTIVITY

Comparing June FY13 to June FY14

	FY 2013 June 06/30/13	FY 2014 June 06/30/14
Fund Balance Beginning of year	22,771,078	18,023,940
Fund Balance end of month Unaudited FS	18,023,940	10,098,584
Increase (decrease) in Fund Balance	(4,747,138)	(7,925,356)
-		
Member Assessment	121,835,836	127,080,569
Self insured claims:		
Tufts, HP, Fallon	91,924,021	99,318,317
BCBS	19,865,478	19,287,336
LMD BCBS	-	-
Total Claims	111,789,499	118,605,653
COBRA reimbursement (add back)	(375,245)	(257,765)
Reinsurance Recoveries (add back)	(362,614)	(706,073)
Claims net of Reimbursements	111,051,640	117,641,815
Premiums Paid	7,070,860	9,610,577
Total Claims & Premiums net of reimbursements	118,122,500	127,252,392
Member Assessments over Claims & Premiums	3,713,336	(171,823)
Other expenses and income:		
Administrative expenses - Providers & GBS	5,827,406	5,556,640
Reinsurance Premiums	697,092	807,483
Retiree Drug Subsidy 2008 Distribution	1,353,785	
Accounting, Legal, Misc, other*	2,067,166	2,310,809
Total Administrative costs	9,945,449	8,674,932
	(6,232,113)	(8,846,755)
Retiree Drug Subsidy	1,227,473	626,028
Medicare Reimbursement		
Interest earned on investments & Cash Balances	257,502	295,371
Net Gain (Loss)YTD	(4,747,138)	(7,925,356)
Change in IBNR		
Increase (decrease) in Fund Balance	(4,747,138)	(7,925,356)

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

July, 2014

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/13 - 6/30/14
(Analysis for 12-mos., 7/13-6/14)

FUNDING ANALYSIS SUMMARY FOR SELF-FUNDED HEALTH PLANS

HEALTH PLAN	*Estimated Funding (rates x enrollments)*	*Estimated Plan * NET Costs*		*Estimated Funding Surplus/(Shortfall)*
Harvard Pilgrim EPO	$ 1,223,709	$ 1,336,899	**109.2%**	($113,190)
Harvard Pilgrim Rate Saver/Benchmark	59,397,522	63,368,497	**106.7%**	($3,970,975)
Harvard Pilgrim PPO	1,353,863	891,606	**65.9%**	$462,257
BCBS Network Blue	591,444	607,729	**102.8%**	($16,285)
BCBS Network Blue Rate Saver/Benchmark	11,920,142	13,710,714	**115.0%**	($1,790,572)
Fallon EPO Legacy	45,576	39,684	**87.1%**	$5,892
Fallon EPO Rate Saver	14,686,283	14,496,963	**98.7%**	$189,320
Fallon EPO Benchmark	44,096	14,980	**34.0%**	$29,116
Tufts EPO	526,627	534,567	**101.5%**	($7,940)
Tufts Rate Saver	20,461,729	21,113,611	**103.2%**	($651,882)
Tufts POS/Navigator Benchmark	67,632	13,825	**20.4%**	$53,807
HPHC Medicare Enhance	5,014,871	4,632,039	**92.4%**	$382,832
BCBS Medex	6,046,778	6,042,729	**99.9%**	$4,049
	$ 121,380,272	$ 126,803,843		($5,423,572)
% COSTS/FUNDING:			**104.5%**	

Retiree Drug Subsidy payments to date based on Plan Year Incurred:

FY07-08	**FY09**	**FY10**	**CY11****	**CY12**	**CY13**
$2,709,600.85	**$1,411,545.85**	**$1,375,702.09**	**$2,056,645.42**	**$1,160,328.00**	**$1,122,206.67**
FINAL	**FINAL**	**FINAL**	**FINAL**	**TO DATE**	**TO DATE**

**Includes 7/1/10-12/31/10
$655,536.02
1/1/11-12/31/11
$1,357,259.41

NOTES: ** NET Costs include paid claims, carrier administration, reinsurance premium, and reinsurance reimbursements.*
Other "Program Costs" such as GBS Management fee, GBS COBRA fee, WSHG Treasurer and Assistant Treasurer fees, Claims Audit fee, and legal and miscellaneous costs are not included in the above analysis.
*** Plan year changed from fiscal year to calendar year on 1/1/2011.*

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

August, 2014

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/13 - 6/30/14
(Analysis for 1-mos., 7/14)

FUNDING ANALYSIS SUMMARY FOR SELF-FUNDED HEALTH PLANS

HEALTH PLAN	*Estimated Funding (rates x enrollments)*	*Estimated Plan * NET Costs*		*Estimated Funding Surplus/(Shortfall)*
Harvard Pilgrim Rate Saver/Benchmark	5,424,343	6,069,532	**111.9%**	($645,189)
Harvard Pilgrim PPO	103,311	173,898	**168.3%**	($70,587)
BCBS Network Blue Rate Saver/Benchmark	1,113,311	910,715	**81.8%**	$202,596
Fallon EPO Rate Saver	1,299,124	1,540,573	**118.6%**	($241,449)
Fallon EPO Benchmark	13,776	1,605	**11.6%**	$12,171
Tufts Rate Saver/Benchmark	1,911,490	1,637,453	**85.7%**	$274,037
Tufts POS	6,087	3,195	**52.5%**	$2,892
HPHC Medicare Enhance	402,861	353,209	**87.7%**	$49,652
BCBS Medex	428,803	391,759	**91.4%**	$37,044
	$ 10,703,106	$ 11,081,938		($378,832)
% COSTS/FUNDING:			**103.5%**	

Retiree Drug Subsidy payments to date based on Plan Year Incurred:

FY07-08	**FY09**	**FY10**	**CY11****	**CY12**	**CY13**
$2,709,600.85	**$1,411,545.85**	**$1,375,702.09**	**$2,056,645.42**	**$1,160,328.00**	**$1,122,206.67**
FINAL	**FINAL**	**FINAL**	**FINAL**	**TO DATE**	**TO DATE**

**Includes 7/1/10-12/31/10
$655,536.02
1/1/11-12/31/11
$1,357,259.41

NOTES: ** NET Costs include paid claims, carrier administration, reinsurance premium, and reinsurance reimbursements.*
Other "Program Costs" such as GBS Management fee, GBS COBRA fee, WSHG Treasurer and Assistant Treasurer fees, Claims Audit fee, and legal and miscellaneous costs are not included in the above analysis.
*** Plan year changed from fiscal year to calendar year on 1/1/2011.*

WEST SUBURBAN HEALTH GROUP

Wellness Budgets for FY15*	
Employer	**FY15 Budgets** *(Not less than $2.5K nor more than $14K)*
Accept Collaborative	$ 2,500
Ashland	$ 7,000
Dedham	$ 10,500
Dover	$ 3,000
Dover Sherborn RSD	$ 3,000
Holliston	$ 7,000
Natick	$ 14,000
Needham	$ 14,000
TEC	$ 2,500
Sherborn	$ 2,500
Shrewsbury	$ 13,200
Walpole	$ 10,000
Wayland	$ 10,000
Wellesley	$ 14,000
Westwood	$ 8,000
Wrentham	$ 3,800
So. Middlesex Voc-Tech	$ 2,500
Total wellness stipend budget	$ 127,500

* Same amounts as FY14

WEST SUBURBAN HEALTH GROUP
Report of Excess Stop-Loss Claims

ACCOUNT NAME: WEST SUBURBAN HEALTH GROUP
REINSURANCE CARRIER: Blue Cross Blue Shield
POLICY DATES: 07/01/13 - 06/30/14
PAID DATES: 07/01/13- 06/30/15
STOP LOSS DEDUCTIBLE: $300,000
Excess Claims

PAID THROUGH AUGUST 2014

Claims last updated 09/15/14 — *reimbursements since 05/21/14*

Carrier	Dep#	Previous Month Total Claims	Additions/ Deletions	Updated Total Paid Claims	Policy Year Deductible	Excess Amt	Claims Applied to Agg. Spec. Prem. ($500,000)	Previously Reported Reimbursements	New Reimbursements	Total Reimbursements	Outstanding Reimbursements	Plan	ICD9 Code	Notes
THP	0	$ 315,756.00	$ 5,369.00	$ 321,125.00	$ 300,000.00	$ 21,125.00	$ 13,263.00	$ -	$ 7,850.64	$ 7,850.64	$ 11.36	TERS	20280	fy11 50%
HPHC	0	$ 589,410.51	$ -	$ 589,410.51	$ 300,000.00	$ 289,410.51	$ 289,410.00	$ -	$ -	$ -	$ 0.51	HPHC RS	5712	deceased 8/29/13
HPHC	2	$ 432,019.72	$ 4,712.97	$ 436,732.69	$ 300,000.00	$ 136,732.69	$ 130,057.00	$ -	$ 5,776.96	$ 5,776.96	$ 896.73	HPHC RS	v3001	
HPHC	1	$ 546,147.64	$ 68,533.36	$ 614,681.00	$ 300,000.00	$ 314,681.00	$ -	$ -	$ -	$ -	$ 314,681.00	HPHC RS	515	
FCHP	1	$ 374,535.50	$ 101,820.20	$ 476,355.70	$ 300,000.00	$ 176,355.70	$ 65,209.00	$ -	$ 63,281.36	$ 63,281.36	$ 47,865.34	FCHP SC	v58.12	fy12 50%, fy13 excess
HPHC	0	$ 318,208.82	$ 99,352.18	$ 417,561.00	$ 300,000.00	$ 117,561.00	$ -	$ -	$ 116,789.29	$ 116,789.29	$ 771.71	HEPO RS	1974	
HPHC	0	$ 428,046.09	$ 109,856.17	$ 537,902.26	$ 300,000.00	$ 237,902.26	$ -	$ -	$ 221,149.25	$ 221,149.25	$ 16,753.01	HEPO RS	v554	
BCBS	3	$ 300,722.19	$ 32,218.81	$ 332,941.00	$ 300,000.00	$ 32,941.00	$ 2,061.00	$ -	$ 30,880.28	$ 30,880.28	$ (0.28)	NWB RS		
HPHC	0	$ 297,601.06	$ 45,628.30	$ 343,229.36	$ 300,000.00	$ 43,229.36	$ -	$ -	$ 43,229.36	$ 43,229.36	$ -	HEPO RS	5070	deceased 4/14/14
HPHC	1	$ 234,134.54	$ 251,388.02	$ 485,522.56	$ 300,000.00	$ 185,522.56	$ -	$ -	$ -	$ -	$ 185,522.56	HEPO RS	4162	fy05, fy11, fy13 excess, / fy10, fy11 50%
HPHC	1	$ 223,664.85	$ 89,346.31	$ 313,011.16	$ 300,000.00	$ 13,011.16	$ -	$ -	$ -	$ -	$ 13,011.16	HEPO RS	1531	
		$ 4,060,246.92	$ 808,225.32	$ 4,868,472.24		$ 1,568,472.24	$ 500,000.00	$ -	$ 488,959.14	$ 488,959.14	$ 579,513.10			
							$ (500,000.00)				$ -			
							$ -				$ 579,513.10			

11 claimants

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GROUP BENEFITS STRATEGIES

9/15/2014

WEST SUBURBAN HEALTH GROUP
Report of Claims at 50%+

ACCOUNT NAME: WEST SUBURBAN HEALTH GROUP
REINSURANCE CARRIER: Blue Cross Blue Shield
POLICY DATES: 07/01/13 - 06/30/14
PAID DATES: 07/01/13- 06/30/15
STOP LOSS DEDUCTIBLE: $300,000

PAID THROUGH AUGUST 2014

Claims last updated 09/15/14

Carrier	Dep#	Previous Month Total Claims	Additions/ Deletions	Updated Total Paid Claims	ICD9 Plan Type	Code	
THP	0	$ 164,145.90	$ -	$ 164,145.90	THP RS	***deceased 12/31/13***	
THP	0	$ 168,070.23	$ -	$ 168,070.23	THP RS	***deceased 11/19/13***	
FCHP	0	$ 192,173.74	$ 18,504.26	$ 210,678.00	FCHP SC	*733.13*	
HPHC	1	$ 199,586.99	$ 15,574.36	$ 215,161.35	HEPO RS	*1961*	
HPHC	0	$ 271,458.62	$ 164.64	$ 271,623.26	HEPO RS	*4210*	*fy12 50%*
HPHC	0	$ 208,069.50	$ 985.61	$ 209,055.11	HEPO RS	***termed 4/30/14***	
FCHP	0	$ 246,810.65	$ 25,843.47	$ 272,654.12	FCHP SC	*162.3*	
BCBS	1	$ 171,677.18	$ 3,167.62	$ 174,844.80	NWB RS	***termed 7/31/14***	
BCBS	0	$ 165,102.63	$ -	$ 165,102.63	NWB	***deceased 1/17/14***	
HPHC	0	$ 161,633.53	$ 591.07	$ 162,224.60	HEPO	*1623*	
HPHC	1	$ 172,197.85	$ 71,062.68	$ 243,260.53	HEPO RS	*1501*	
HPHC	1	$ 182,398.80	$ 4,151.95	$ 186,550.75	HEPO RS	*0389*	
HPHC	0	$ 192,279.72	$ 4,824.77	$ 197,104.49	HEPO RS	*9828*	
HPHC	0	$ 208,602.60	$ 2,388.34	$ 210,990.94	HEPO RS	*72403*	
HPHC	0	$ 182,251.00	$ 7,644.71	$ 189,895.71	HEPO RS	*51189*	
HPHC	0	$ 202,213.79	$ 58,594.34	$ 260,808.13	HEPO RS	*1809*	
HPHC	0	$ 249,708.22	$ 8,039.05	$ 257,747.27	HEPO RS	*5780*	
HPHC	0	$ 155,033.98	$ 45,540.85	$ 200,574.83	HEPO RS	*44023*	
FCHP	1	$ 154,112.08	$ 34,409.85	$ 188,521.93	FCHP SC	*v58.11*	
HPHC	0	$ 155,473.08	$ 102,413.57	$ 257,886.65	HEPO RS	*41401*	
BCBS	1	$ 189,471.28	$ 7,017.64	$ 196,488.92	NWB RS		
THP	0		$ 160,063.14	$ 160,063.14	THP RS	*5581*	
FCHP	0		$ 193,706.30	$ 193,706.30	FCHP SC	*338.3*	*fy13 50%*
FCHP	0		$ 240,559.00	$ 240,559.00	FCHP SC	*v58.11*	
HPHC	0		$ 178,211.67	$ 178,211.67	HEPO RS	*55321*	
HPHC	0		$ 194,632.90	$ 194,632.90	HEPO RS	*1749*	
HPHC	0		$ 195,823.59	$ 195,823.59	HEPO RS	*27702*	
HPHC	1		$ 168,908.08	$ 168,908.08	HEPO RS	***deceased 4/24/14***	
HPHC	1		$ 158,167.42	$ 158,167.42	HEPO RS	*72141*	
THP	0		$ 150,296.93	$ 150,296.93	THP RS	*1541*	
BCBS	0		$ 237,362.43	$ 237,362.43	NWB RS		
HPHC	3		$ 207,631.61	$ 207,631.61	HEPO RS	*74510*	
HPHC	0		$ 183,849.20	$ 183,849.20	HEPO RS	*56723*	
HPHC	0		$ 250,690.93	$ 250,690.93	HEPO RS	*40391*	
HPHC	0		$ 190,974.66	$ 190,974.66	HEPO RS	*v5482*	
HPHC	1		$ 157,659.05	$ 157,659.05	HEPO RS	*1749*	
		$ 3,992,471.37	$ 3,279,455.69	$ 7,271,927.06			

37 claimants

Prepared by
GROUP BENEFITS STRATEGIES

9/15/2014

WEST SUBURBAN HEALTH GROUP

Senior Plan Rates effective January 1, 2015 - December 31, 2015

Insured Health Plans	CY14 Monthly Rate	CY15 Monthly Rate	*% incr/decr from CY13*	Financial Arrangement
Managed Blue for Seniors*	$ 267.18	$ 295.63 *	*10.6%*	fully insured
Fallon Senior Plan* [Medicare Advantage plan]**	$ 278.00	$ 299.00	*7.6%*	fully insured
Tufts Medicare Prime Supplement with PDP Plus	$ 320.00	$ 330.00	*3.1%*	fully insured
Tufts Medicare Preferred HMO [Medicare Advantage plan]	$ 252.00	$ 262.00	*4.0%*	fully insured

* Medical component is $161.69 and Rx component is $133.94.

NOTE: Since of 1/1/14, WSHG Senior plan members have not been eligible for My Medication Advisor RX programs or Diabetes Rewards Program.

fallonhealth

Fallon Senior Plan™ Premier HMO
2015 rate & benefits renewal agreement
Sponsor – West Suburban Health Group

Benefit plan year: Jan. 1 through Dec. 31, 2015

Premium: $299 per member/month

Federal tax ID: _____

Benefit	Member cost
Office visit	$15 primary care provider/ $25 specialist
Inpatient hospital care	$0 copay per hospital stay (includes acute, substance abuse, mental health and rehabilitation admissions.)
Skilled nursing facility	$0 per day for days 1–100
Worldwide emergency care	$50 copay each visit ($0 if admitted within 72 hours for the same condition.)
Urgently needed care	$15 copay per visit
Outpatient surgery	$75 copay per visit (waived if admitted)
Ambulance services	$0 per service
Lab and imaging services	$0 per service
Vision care	$25 per annual supplemental routine vision exam
Hearing services	$0 per annual supplemental routine hearing exam
Prescription drug coverage—Medicare Part D drugs No deductible/No donut hole	**Retail (up to a 30-day supply)** Tier 1 $10 Tier 2 $25 **Tier 3 $50** **Mail order (90-day supply)** Tier 1 $20 Tier 2 $50 **Tier 3 $100**
Catastrophic coverage—Medicare Part D drugs	After total Rx costs reach $4,700 during the benefit year (amount paid by the member and Fallon Health), members pay the greater of: • 5% coinsurance, or • A $2.65 copay for generic (including brand drugs treated as generic) and a $6.60 copay for all other drugs. For drugs covered on the formulary which are not normally covered by Part D, members will pay standard copays throughout the year.
Plan highlights	• Free gym membership through SilverSneakers® Fitness program • Free membership in Weight Watchers® for 13-consecutive weeks • $150 toward the purchase of eyewear, every year • $500 toward the purchase of hearing aids, every 36 months • Preventive dental care

This document is a simple outline of benefits & services available with this Medicare Advantage group HMO plan. Details about specific coverage limitations are found in the plan Summary of Benefits or Evidence of Coverage. Eligibility and participation must follow CMS enrollment and termination requirements. Signature on this agreement, or receipt by Fallon Health of the first new year plan premium payment from the plan Sponsor, acknowledges the following: Agreement to renew, acceptance of the Plan's Administrative Guidelines accompanying this agreement; that the Sponsor meets Massachusetts Department of Consumer Affairs and Business Regulation requirements as a valid public or private enterprise; will allow Fallon Health to share the Sponsor's Federal Employer ID number with appropriate federal and state agencies; the Sponsor complies with federal regulations pertaining to the use of Medicare health coverage for active employees and dependents. Refer to the Plan's Administrative Guidelines for other operational details related to this Plan. Benefit designs are subject to change each January 1st. Fallon Health is a health plan with a Medicare contract.

_____ _____ _____
Name (print) Signature Date

_____ _____
Street address City, State, ZIP

Your organization type is: ☐ DBA ☐ LLP ☐ LLC ☐ Inc ☐ Other _____

Does your organization designate an annual open enrollment period for this product? ☐ Yes ☐ No

If yes, what is the timeframe? _____

Broker / Agency affiliation _____

This document is not intended for distribution to Plan members/Medicare beneficiaries.

RWi0 – MAPD SP

14-686-148 Rev. 00 8/14

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

HPHC Medicare Enhance ANTICIPATED CLAIMS AND PROJECTED RATES FOR CALENDAR YEAR 2015

Medicare Enhance with PDP - GBS projections	8/12-7/13	8/13-7/14	
Medicare Enhance Medical Cost/Contract:	$ 125.69	$ 107.40	
Trended thru 12/2014 (5% annualized for 29/17 mos.)	$ 141.80	$ 115.27	
Weights used:	*30%*	*70%*	
GBS Expected Medicare Enhance claims/mo. CY15	$ 123.23		
HPHC Proposed Administrative Fee, CY15 (5% decrease):	32.98	*-5.0%*	
GBS fee, CY15:	$ 4.13		
GBS- Proposed funding rate for Medical + Fee, CY15:	$ 160.34		
Coventry 1st Health Medicare Part D premium, CY15:	$ 153.40	*3.6%*	*increase*
Proposed Full Funding Rate, CY15:	**$ 313.74**	*-4.4%*	*increase*

Medicare Enhance with PDP - HPHC projections			
HPHC Medicare Enhance expected claims/mo. CY15:	$ 130.98	*4.7% Annualized Trend*	
HPHC Proposed Administrative Fee, CY 15 (5% decrease) :	32.98	*-5.0%*	
GBS fee, CY15:	4.13		
HPHC-Proposed funding rate for Medical + Fees, CY15 :	$ 168.09		
MEDICARE PART D/First Health Part D Premium, CY15	$ 153.40	*3.6%*	*increase*
Proposed full funding rate, CY15:	**$ 321.49**	*-2.1%*	*increase*

Current (CY14) Full funding rate, CY14	$ 328.33

GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP

BCBS MEDEX ANTICIPATED CLAIMS AND PROJECTED RATES FOR CALENDAR YEAR 2015

MEDEX 2 RENEWAL - GBS Projections + PDP premium	7/12-6/13	7/13-6/14
*Medex **Medical** Cost/Contract:*	$ 175.98	$ 173.32
Trended thru 12/2015 (5.0% annualized for 29/17 mos.)	$ 198.54	$ 186.01
Weights used:	*30%*	*70%*
GBS EXPECTED MEDICAL CLAIMS/mo. CY15:	**$ 189.76**	
BCBS Proposed Administrative Fee, CY15 (0% increase):	23.34	
GBS fee for CY15:	4.02	
CY15 Proposed funding rate for Medical + Fees	$ 217.12	
CY15 Medicare Blue Rx premium:	$ 133.94	
CY15 GBS-Proposed Full funding rate:	**$ 351.06**	*12.7% increase*

MEDEX 2 *with Medicare PDP premium*		
BCBS EXPECTED MEDICAL CLAIMS/mo. CY15:	**$ 172.14**	
BCBS Proposed Administrative Fee, CY15 (0% increase):	23.34	
GBS fee for CY15:	4.02	
CY15 Proposed funding rate for Medical + Fees	$ 199.50	
CY15 Medicare Blue Rx premium:	$ 133.94	
CY15 BCBS-Proposed full funding rate:	**$ 333.44**	*7.0% increase*

Current (CY14) rate:	$ 311.63	
		% Increase
Proposed CY15 Level Monthly Deposit for Medex 2 (Medical):	**$ 269,600**	*1.7%*
Current (CY14) Medex 2 LMD:	$ 265,000	

WEST SUBURBAN HEALTH GROUP

Senior Plan Rates effective January 1, 2015 - December 31, 2015

Insured Health Plans	CY14 Monthly Rate	CY15 Monthly Rate	% incr/decr from CY13	Financial Arrangement
BCBS Medex	$ 311.63	$ 340.00	*9.1%*	self-funded
HPHC Medicare Enhance	$ 328.33	$ 328.33	*0.0%*	Self-funded
Managed Blue for Seniors	$ 267.18	$ 295.63 *	*10.6%*	fully insured
Fallon Senior Plan* [Medicare Advantage plan]**	$ 278.00	$ 299.00	*7.6%*	fully insured
Tufts Medicare Prime Supplement with PDP Plus	$ 320.00	$ 330.00	*3.1%*	fully insured
Tufts Medicare Preferred HMO [Medicare Advantage plan]	$ 252.00	$ 262.00	*4.0%*	fully insured

Town of Shrewsbury West Suburban Health Group Senior Plans Rates as of January 1, 2015				
% Paid Town/Retiree		Total Monthly	Town Monthly	Retiree Monthly
Medicare Supplement Plans				
Freedom Of Choice				
Harvard Pilgrim - Medicare Enhance With First Health Part D				
50/50	**Subscriber**	$328.33	$164.17	***$164.17***
50/50	Surviving Spouse	$328.33	$164.17	***$164.17***
BC/BS - Medex II With Blue Medicare Rx				
50/50	**Subscriber**	$340.00	$170.00	***$170.00***
50/50	Surviving Spouse	$340.00	$170.00	***$170.00***
Tufts - Medicare Prime Supplement With PDP Plus				
50/50	**Subscriber**	$330.00	$165.00	***$165.00***
50/50	Surviving Spouse	$330.00	$165.00	***$165.00***
HMO Medi-Wrap Plans				
BC/BS - Managed Blue For Seniors				
60/40	**Subscriber**	$295.63	$177.38	***$118.25***
50/50	Surviving Spouse	$295.63	$147.82	***$147.82***
Medicare Advantage HMO Plans				
Fallon - Senior Plan				
73.5/26.5	**Subscriber**	$299.00	$219.77	***$79.24***
50/50	Surviving Spouse	$299.00	$149.50	***$149.50***
Tufts - Medicare Preferred HMO				
73.5/26.5	**Subscriber**	$262.00	$192.57	***$69.43***
50/50	Surviving Spouse	$262.00	$131.00	***$131.00***

TOWN OF SHREWSBURY WEST SUBURBAN HEALTH GROUP SENIOR PLANS RATES AS OF January 1, 2014				
% PAID **Town/Retiree**		***TOTAL MONTHLY***	***TOWN MONTHLY***	***RETIREE MONTHLY***
MEDICARE SUPPLEMENT PLANS				
FREEDOM OF CHOICE				
HARVARD PILGRIM - MEDICARE ENHANCE WITH FIRST HEALTH PART D PLAN				
50/50	**SUBSCRIBER**	$329.00	$164.50	***$164.50***
50/50	SURVIVING SPOUSE	$329.00	$164.50	***$164.50***
BC/BS - MEDEX II WITH BLUE MEDICARE Rx				
50/50	**SUBSCRIBER**	$312.00	$156.00	***$156.00***
50/50	SURVIVING SPOUSE	$312.00	$156.00	***$156.00***
TUFTS - MEDICARE PRIME SUPPLEMENT WITH PDP PLUS				
50/50	**SUBSCRIBER**	$320.00	$160.00	***$160.00***
50/50	SURVIVING SPOUSE	$320.00	$160.00	***$160.00***
HMO MEDI-WRAP PLANS				
BC/BS - MANAGED BLUE FOR SENIORS				
60/40	**SUBSCRIBER**	$364.00	$218.40	***$145.60***
50/50	SURVIVING SPOUSE	$364.00	$182.00	***$182.00***
MEDICARE ADVANTAGE HMO PLANS				
FALLON - SENIOR PLAN				
75/25	**SUBSCRIBER**	$278.00	$208.50	***$69.50***
50/50	SURVIVING SPOUSE	$278.00	$139.00	***$139.00***
TUFTS - MEDICARE PREFERRED HMO				
75/25	**SUBSCRIBER**	$252.00	$189.00	***$63.00***
50/50	SURVIVING SPOUSE	$252.00	$126.00	***$126.00***

INSURANCE
ADVISORY
COMMITTEE

Richard D. Carney Municipal Office
Building
100 Maple Avenue

Town of Shrewsbury

MASSACHUSETTS 01545-5398

DRAFT

September 30, 2014

Mr. James F. Kane, Chairman
Board of Selectmen
100 Maple Avenue
Shrewsbury, MA 01545

Dear Mr. Kane:

At our meeting on Tuesday, September 30, 2014, the Insurance Advisory Committee (IAC) met with Mr. Morgado to review the proposed changes to the senior health insurance plans, effective January 1, 2015.

The proposed changes are as outlined in Mr. Morgado's memo to the IAC dated September 22, 2014 (attached).

After considering these proposals, the IAC voted to recommend to the Board of Selectmen that the changes be adopted as proposed.

The IAC notes that the contribution ratios will remain as shown for both calendar 2015 and calendar 2016.

I'm available should you have any questions.

Truly yours

David Hodgerney, Chairman
Insurance Advisory Committee

Cc IAC Members