



Town of Shrewsbury

MASSACHUSETTS 01545-5398

October 7, 2016

To: Insurance Advisory Committee (IAC)

From: Daniel J. Morgado

Re: Next Meeting

The IAC will meet on **Tuesday, October 18, 2016 at 3:00 PM** in the Selectmen's Meeting Room to consider the following:

AGENDA

1. Call to Order.
2. Introductions.
3. Reorganization of the Committee
4. Accept minutes of March 2, 2016 (attached).
5. Report of the Town Manager
 - a. Review of the October 7, 2016 memo from the town manager to the IAC
 - b. Report on the renewal of Senior Plans for calendar year 2017 (Materials to be provided under separate cover)
6. Action of the Insurance Advisory Committee relative to a recommendation regarding the Medicare Eligible Retiree (Senior Plans) renewal for calendar year 2017 (draft letter attached)
7. Other business
8. Adjourn.

Please advise with any questions.

Cc Union/Association Presidents
Interested Parties
Michael Hale
Carolyn Marcotte
Mary Thompson

Kristen Las
Christine Fowler
Barbara Malone
Patrick Collins

Referenced materials

Minutes of March 2, 2016
Memo to the IAC dated October 7, 2016
Senior Plan renewal materials

**Insurance Advisory Committee
March 2, 2016
Selectmen's Meeting Room**

PRESENT:

Member(s)	Organization(s)
John Pitro	Police Patrol Officers (IBPO) Police Superior Officers Association Police Dispatchers (Teamsters)
Larry Leone, Keith Baldinger & Robert Marengo	Public Works (SEIU) Custodians (AFSCME)
Scott Stark & Bob Lavallee	SELCO (IBEW)
Brian Liporto, Lori Blasioli, Chuck Allen, Noreen Christie	Shrewsbury Education Association (MTA) Shrewsbury Paraprofessional Association (MTA) Assistant Principals (MTA)
Norman Ludovico; Robert Tozeski	Non-Unionized Employees
Robert Pine	Retirees

GROUPS NOT REPRESENTED: David Hodgerney (IAFF), Patti Saniuk (Cafeteria - AFSCME)

ALSO PRESENT: Christine Fowler, Kristen Las, Michael Hale, Patrick Collins, Barbara Malone, Mary Thompson, Daniel Morgado

IN ADDITION: Jason Fortin (Fallon), Joseph Anderson (Fallon)

Mr. Hodgerney was unable to attend so acting Chair Robert Tozeski convened the meeting at 3:05 PM working off of a meeting notice and agenda dated February 24, 2016 (Revised).

Introductions were made and it was noted that John Pitro will now represent the police groups in place of Ryan Chartrand.

On a motion by Mr. Ludovico, second by Mr. Pine, the minutes of the October 28, 2015, meeting were approved. All in favor.

Mr. Morgado reviewed the agenda and attached materials. He then reviewed his memo February 24, 2016, with attachments which focused on three main topics.

1. The current status of membership and financial issues associated with the WSHG.
2. A review of the FY 2017 rate setting process
3. The Health Insurance Program (HIP) proposal for FY 2017

Each of the topics was reviewed in detail and the membership of the Committee reviewed the associated exhibits outlining each of the topics. There were periods of general discussion throughout this review.

There was focus on the rate increases which for Fallon are 4.5% for the Rate Saver plans. There is no increase for the Fallon Benchmark plans. Increases for the Harvard-Pilgrim, Tufts and Blue Cross plan offerings were reviewed.

Mr. Morgado focused on the plan design changes for the Benchmark plans were as adopted by the WSHG Board to keep pace with the GIC. Mr. Fortin pointed out that in the case of Fallon, the Benchmark offering is far better for the subscriber than the comparable GIC plan despite equalization of the deductible amounts and some co-pays.

Mr. Fortin provided handouts on the Benchmark plan design and on the Fallon network. He noted a typographical error on the mail order Rx as being \$25/\$75/\$165 not \$20/\$60/\$165 as shown. This will be corrected.

Mr. Morgado summarized his HIP proposal for FY 2017 as status quo except for premium changes as presented and changes to the Benchmark plan designs as shown in the materials. He emphasized that the bulk of the Benchmark subscribers while seeing an increase in the deductibles limit, co-pays and some prescriptions, (121 of 137 current subscribers) would have no rate increase.

As for FY 2018, Mr. Morgado advised that he expected no major changes other than premiums. The big change will be FY 2019 when it is expected that the Rate Saver plans will be phased out and all membership will then be moved to the Benchmark plans. Communities unwilling to make this transition will not be able to purchase coverage through the WSHG. He stressed that the information he was providing was the best available today and is subject to change.

Mr. Morgado advised that the WSHG situation is far more stable today than what it was back in the Fall but vigilance is required by all parties.

Mr. Morgado asked for a recommendation on his FY 2017 HIP proposal.

On a motion by Mr. Pine, second by Mr. Baldinger, the Committee voted to recommend to the Board of Selectmen the adoption of the HIP proposal and to authorize the Chair to sign a letter to the Board of Selectmen to that effect. The vote was unanimous.

Mr. Morgado advised that unless something drastic happens, the next meeting of the IAC will be in August/September when he would like to report on the fiscal year close-out of the WSHG, the Senior Plan renewal process and any information he may have concerning the FY 2018 HIP.

After a period of discussion, the meeting adjourned at 4:10 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel J. Morgado". The signature is fluid and cursive, with a large initial "D" and "M".

Daniel J. Morgado
Town Manager

Referenced & Provided Materials

Meeting notice with attachments dated February 24, 2016

Meeting notice with attachments dated February 24, 2016 (Revised)

Minutes of the October 28, 2015, IAC meeting

Memo dated February 24, 2016

Materials provided by Jason Fortin on plan design and the Fallon network



Town of Shrewsbury

MASSACHUSETTS 01545-5398

DRAFT

October 18, 2016

Mr. Maurice M. DePalo, Chair
Board of Selectmen
100 Maple Avenue
Shrewsbury, MA 01545

Dear Mr Depalo:

At our meeting on Tuesday, October 18, 2016, the Insurance Advisory Committee (IAC) met with Mr. Morgado to review the proposed changes to the retiree (Medicare eligible) health insurance plans, effective January 1, 2017.

The proposed changes are as outlined in Mr. Morgado's memo to the IAC dated October ____, 2016 (attached).

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

I'm available should you have any questions.

Truly yours

_____, Chair
Insurance Advisory Committee

Cc IAC Members