

MEMORANDUM OF AGREEMENT
BETWEEN
THE TOWN OF ASHLAND
AND
THE M.G.L. c. 32B, §§ 21/23 ASHLAND PUBLIC EMPLOYEE
COMMITTEE

TO PROVIDE HEALTH INSURANCE THROUGH
THE GROUP INSURANCE COMMISSION PURSUANT TO M.G.L. c. 32B,
§§ 21/23

(July 1, 2015 through June 30, 2018)

WHEREAS, the Town of Ashland, including the Ashland Public Schools ("Town"), currently provides health insurance benefits to its subscribers pursuant to M.G.L. c. 32B, but not including M.G.L. c. 32B, §§21 through 23; and

WHEREAS, the Town, by a vote of its Board of Selectmen, elected to change health insurance benefits under M.G.L. c. 32B, §§ 21 through 23, as amended by Chapter 69 of the Acts of 2011, for the purpose of implementing changes in health insurance benefits it provides to its subscribers including transferring said subscribers to the Commonwealth's Group Insurance Commission ("GIC") pursuant to M.G.L. c. 32B, §23; and

WHEREAS, the Town and the Public Employee Committee ("PEC") are entering into this written agreement to transfer the Town's subscribers to the GIC pursuant to M.G.L. c. 32B, §23 effective July 1, 2015 through June 30, 2018 ("2015-2018 Agreement");

NOW THEREFORE, the Town and the PEC agree as follows:

Purpose of Agreement

1. The purpose of this 2015-2018 Agreement is to implement changes in health insurance benefits by transferring subscribers to the GIC pursuant to M.G.L. c. 32B, § 23. Accordingly, the PEC agrees that the Town may transfer subscribers to the GIC pursuant to M.G.L. c. 32B, § 23.

Transfer to the GIC

2. The Town will take all necessary and reasonable actions to effectuate the transfer of subscribers to the GIC effective July 1, 2015, including providing proper notice to the GIC by December 1, 2014 of the intent to enter the GIC, and to maintain coverage thereafter for the duration of this "2015-2018 Agreement". Upon successful transfer to the GIC the contribution rate shall be as follows:

ACTIVE EMPLOYEES

PLAN Employee's Premium Contribution

Indemnity Plans* 50% individual and family
Currently: Unicare Basic with and without CIC

HMO Plans* 17% individual and 25% family
Currently: HPHC Primary Choice
Tufts Spirit
Fallon Health Direct Care
Fallon Health Select Care
Neighborhood Health
Health New England

PPO Plans* 30% individual and 35% family
Currently: → HPHC Independence *pos plan*
Unicare PLUS

PPO Exceptions*:
→ Tufts Navigator *pos* 19% individual and 29% family
Unicare Community Choice**
15% individual and family

Any new indemnity, HMO, or PPO that is added to the GIC plans will be at the contributions listed above for each plan type.

* All of the foregoing GIC plans are subject to modification or elimination by the GIC, and the Town shall be under no obligation to bargain the modification or elimination of any specific plan.

**At no point during the term of this agreement will the Town's contribution to Unicare Community Choice exceed the Town's contribution to Tufts Navigator (or whichever plan is deemed to be the Benchmark plan).

RETIRED EMPLOYEES

Indemnity Plans 50% individual and family
Currently: Unicare Basic with and without CIC

HMO Plans 35% individual and 35% family
Currently: HPHC Primary Choice
Tufts Spirit
Fallon Health Direct Care
Fallon Health Select Care
Neighborhood Health
Health New England

PPO Plans 35% individual and family
Currently: HPHC Independence pos
Unicare PLUS
Tufts Navigator pos
Unicare Community Choice

Medicare Supplement Plans 35% individual
Currently: Unicare OME with and without CIC
HPHC Medicare Enhance
Fallon Senior
Tufts Medicare Complement
Tufts Medicare Preferred
Health New England MedPlus

Any new indemnity, HMO, PPO, or Medicare Supplement plan that is added to the GIC plans will be at the contributions listed above for each plan type.

Mitigation Plan

Projected Savings from Transfer: The parties agree that the dollar amount of the total savings as defined by the statute (employer plus employee) achieved by transferring all subscribers to the GIC shall be determined as follows: The actual savings amount shall be calculated after the 2015 open enrollment based on the actual enrollment and after final FY16 rates for both the GIC and West Suburban Health Group have been approved. The Town shall provide a statement of the total savings after the completion of the open enrollment period and no later than July 1, 2015. The parties agree that the total amount of the mitigation fund shall be 25% of the first year savings. The Town will be responsible for administering the mitigation plan through a Health Reimbursement Arrangement (HRA) as described below, with the cost of administration coming from the mitigation fund.

The mitigation fund will be disbursed based on the following criteria:

- All subscribers (both individual and family) must first meet a \$500 threshold of out-of-pocket expenses.

- Once they incur any additional out-of-pocket expense, beyond the first \$500, they will be reimbursed up to \$200 (for total out-of-pocket expenses between \$501 and \$700). Subscribers will submit necessary documentation substantiating their out-of-pocket expenses for the then current fiscal year (July 1-June 30), and will be reimbursed once their claim is processed. Claims documentation must be submitted no later than August 1st for the prior fiscal year.
- Subscribers will also be eligible for a prorated reimbursement of out-of-pocket expenses over \$700, if there is additional mitigation funds remaining after the first \$200 has been reimbursed to all eligible subscribers. Subscribers will submit necessary documentation substantiating their out-of-pocket expenses, however, this tier of reimbursement will only occur once everyone has submitted for reimbursement. The percent of reimbursement will be dependent on the remaining mitigation funds available. Claims documentation under this section must be submitted no later than August 1st for the prior fiscal year.
- In year two, the Town will contribute up to \$75,000 to replenish the mitigation fund, but only to the extent that such contribution will not cause the fund to exceed the original mitigation fund amount.
- In year three, the Town will contribute up to \$50,000 to replenish the mitigation fund, but only to the extent that such contribution will not cause the fund to exceed the original mitigation fund amount.

3. Waiting/Hiatus Period:

a. Waiting/Hiatus Period

New employees of the Town are eligible to enroll in health insurance offered by the GIC in accordance 805 CMR 9.01. Therefore, in accordance 805 CMR 9.01(3), new employees of the Town are eligible to enroll in health insurance offered through the GIC within 10 calendar days of the first date of employment with the Town. GIC health insurance benefits begin on the first day of the month following sixty (60) days or two (2) full calendar months of employment, whichever is less. The period between the date of employment and the effective date of coverage pursuant to 805 CMR 9.01(3) is hereinafter referred to as the "Waiting/Hiatus Period."

b. Waiting/Hiatus Period Stipend

During the "Waiting/Hiatus Period," the Town shall pay a stipend ("Waiting/Hiatus Period Stipend") to those newly hired employees who have notified the Town within 10 calendar days of employment that they have chosen to enroll in one of the health insurance plans through the GIC. The amount of the "Waiting/Hiatus Period Stipend" will be equal to the employee's

portion, up to a maximum of 70%, of the premium or cost for whichever plan the employee has chosen to enroll. To receive the "Hiatus Period Stipend", the employee must show proof of other health insurance coverage during the "Waiting/Hiatus Period," (e.g., COBRA or other alternative health insurance plan).

Newly enrolled employees/subscribers who cancel their GIC coverage within sixty (60) days of the effective date of the GIC coverage shall return the "Waiting/Hiatus Period Stipend" in its entirety to the Town through payroll deduction not to exceed two pay periods.

c. GIC Retroactive Effective Date of Coverage

Subscribers may request retroactive coverage from the GIC in accordance with 805 CMR 9.01(4). Therefore, if a subscriber incurs a medical expense(s) during the "Waiting/Hiatus Period" that in sum exceeds the full-cost health insurance premium of the GIC's elected plan for the "Waiting/Hiatus Period", the subscriber may file a written request to the GIC for approval of health coverage to become effective on the first day of employment. Upon approval by the GIC, coverage shall take effect as of the first day of employment. In this event, the Town shall submit the full-cost health insurance premium for the "Waiting/Hiatus Period" to the GIC in a timely manner. The employee shall reimburse the Town his/her proportional share of the premium and any "Waiting/Hiatus Period Stipend" amount already received through normal payroll deductions.

- d. The provisions of subparagraphs (a), (b) and (c) shall expire if and when the GIC eliminates the "Waiting/Hiatus Period".

Withdrawal From the GIC

4. In accordance with M.G.L. c. 32B, § 23, the Town may withdraw subscribers from the GIC at 3 year intervals. Should the Town decide to withdraw subscribers from the GIC, it shall provide notice of any withdrawal by October 1 of the year prior to the effective date of withdrawal. All withdrawals shall be effective on July 1 following the Town's notice to the GIC and the Town shall abide by all GIC requirements for effectuating such withdrawal, including the notice requirements. In the event the Town withdraws from GIC coverage, such withdrawal shall be binding on all subscribers and the Town and public employee unions shall return to governance of negotiations of health insurance under Chapter 150E and 32B; provided, however, that the political subdivision may transfer coverage to the commission again after complying with the requirements of subsections (b) to (h), inclusive, of section 21.

Severability Clause

5. If any provision or portion of this "2015-2018 Agreement" is found to be unenforceable or unlawful, the remaining provisions or portions shall remain binding.

Scope

6. This "2015-2018 Agreement" shall constitute the whole of the Agreement between the Town and the PEC.

Authorization to Sign Agreement

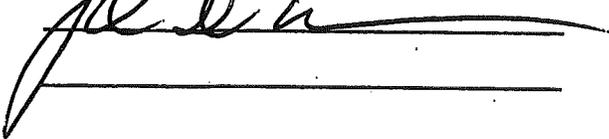
7. Each signatory to this "2015-2018 Agreement" is authorized to bind the entity he/she represents. The PEC represents that it has the authorization and approval of a majority of the weighted votes of the PEC and that this Agreement is binding on all subscribers and their representatives.

The Town of Ashland

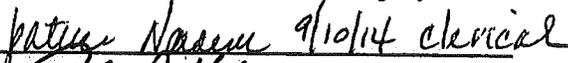






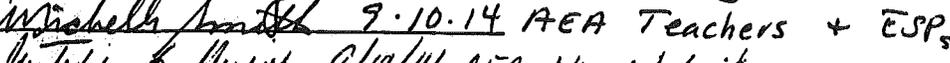


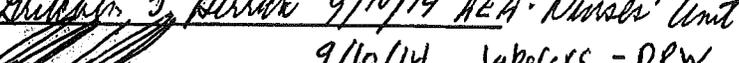
The Town of Ashland Public Employee Committee

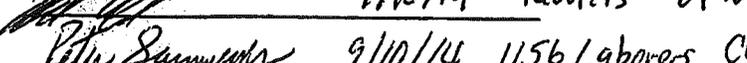
 9/10/14 clerical

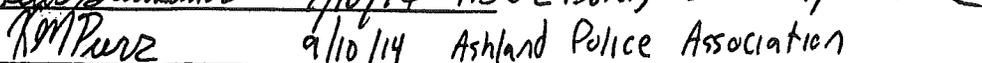
 9/10/14 Bertrons

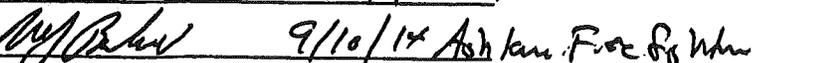
 9/10/14 AEA Secretaries

 9-10-14 AEA Teachers + ESPs

 9/10/14 AEA Nurses' Unit

 9/10/14 laborers - DPW

 9/10/14 1156 Laborers Custodian/maintenance

 9/10/14 Ashland Police Association

 9/10/14 Ashland Firefighters

