



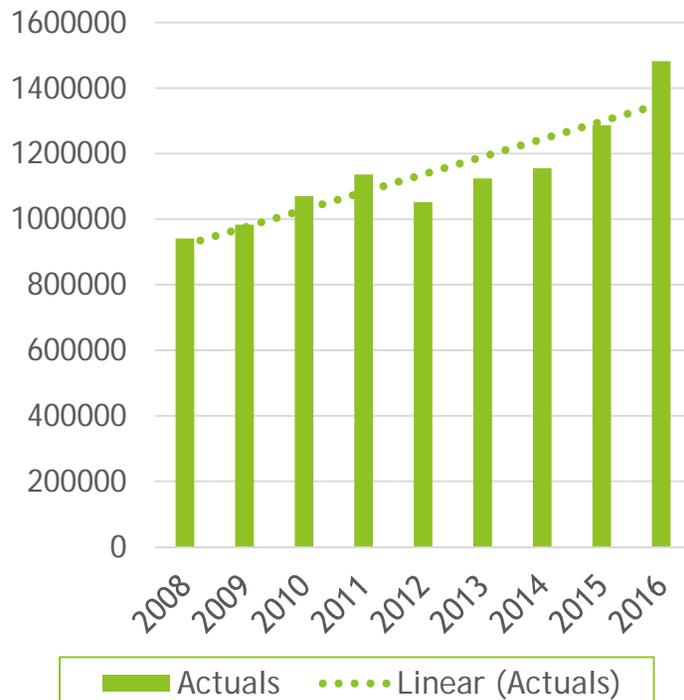
Health Insurance Update

October 15, 2015



Town of Sherborn including Pine Hill School Historical Health Insurance Trends

Fiscal Year Actual Cost



- ▶ 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)



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.