

## Insurance Advisory Committee Meeting

Wednesday, April 16, 2020

Virtual: Zoom Meeting

IAC Members Present: Cheryl Mann, Bonnie Ricardelli, Sgt. Eric Hoar, David Tully, Chief James Dow

IAC Members Non Present: Mary Beth Pallis

Others Present: Brian Palaia, Jake Voelker, Kevin Paicos, Ken Lombardi, Joy Landon

Call to Order: The meeting was called to order at approximately 1:12 pm.

Kevin Paicos of NFP brokers reported that he had meant with police union representatives between meetings to explain the health insurance renewal options the Committee had been considering, the dental plan renewals, and the Flexible Spending Account.

Brian Palaia reported that he had heard from the Police Union President Shawn Drinkwine the prior day and that Drinkwine reported the Union endorsed moving the health insurance renewal with the \$500/\$1000 deductible with the Health Reimbursement Arrangement.

Paicos reviewed again for the members the difference between the renewal with the existing plan structure and the \$500/\$1000 deductible options from his power point presentation dated April 16, 2020 (attached).

Based upon these discussions, changes to the current MIIA BCBS plan will occur for FY '21. The parties agree that all plan designs and benefits shall remain the same, except for a new \$500/\$1,000 deductible.

Savings due to employee premium reduction will be used to offset employee deductible costs first as follows: HMO Network Blue NE Ind. \$\$109, Family \$294 and Blue Choice NE Ind. \$70, Fam. \$212.

Once an employee's individual or family deductible costs exceed these amounts, the employee will be eligible to be reimbursed for 25% of their deductible costs in the following amounts: HMO Network Blue NE Ind. \$125, Family \$250 and Blue Choice NE Ind. \$125, Fam. \$250.

Joy Landon reviewed the dental plan renewal options and flexible spending account arrangements. There was discussion amongst the members about whether to choose a different dental insurance plan. The consensus was to opt for a dental insurance plan with a greater maximum benefit of \$1250 per member (Option 5 from the powerpoint slide).

Cheryl Mann made a motion to recommend to the Board of Selectmen that the Town opt for the deductible health insurance plans with the \$500/\$1000 deductible, the MIAA Dental Blue Freedom Plan with the \$1250 maximum annual member benefit, and the Flexible Spending Account benefit, seconded by Sergeant Hoar. The motion passed unanimously.

The next step is for recommendation to be considered and voted on by the Board of Selectmen.

The meeting was adjourned at approximately 2:00 pm.



Town of  
**Dunstable**  
*Massachusetts*

Town of Dunstable  
Insurance Renewal UPDATE



### **Medical Overview – MIIA**

- Dunstable has been provided with a 3.18% increase effective 7/1/20 for the “As Is” plan options
- Competitive bidding did not provide market place options for consideration
- The IAC is being asked to consider an alternative plan design to actually reduce the current cost for FY21 compared to FY20 – recall medical care trend is 7%-9% so this opportunity is significant
- The Town is reviewing the option of adding a “Health Reimbursement Arrangement” funded out of Town premium savings to help reimburse any increase in out-of-pocket costs members may experience resulting from this benefit change
- The combination of reduced premium plus the addition of a tax advantaged program (the FSA) can help improve the employee benefit program

### **Health Reimbursement Arrangement**

- Proposed HRA plan design is based on 25% of the deductible level
- **NFP had educational virtual meeting with 2 members of Police Union on 4/14/20**

### **Flexible Spending Account**

- FSA proposals were obtained from TASC and Benefit Strategies
- This can be implemented for July 1<sup>st</sup> and be included in the Town’s Open Enrollment

# MIIA – AS IS Renewal 3.18% increase

Town of Dunstable - AS IS Renewal 7.1.20						
Medical Plan Benefits	Current MIIA HMO Plan Network Blue NE			Current MIIA POS Plan Choice (ref in net)		Blue
Routine Well Care	\$0 - Covered In Full			\$0 - Covered In Full		
Office Visit: PCP / Specialist	\$20 PCP/Specialist			\$20 PCP/Specialist		
Deductible	N/A			\$250/\$500 Self-Referred Cal Year Ded		
Out-of-Pocket Maximum	Medical: \$2,500 / \$5,000 Pharmacy: \$1,000/\$2,000			Medical: \$2,500 / \$5,000 Pharmacy: \$1,000/\$2,000		
Coinsurance	N/A			20% Out-of-Network		
Emergency Room	\$75 Copay			\$75 Copay		
IN-PT Hospital Admission	Covered In Full			Covered In Full		
Out-Patient Surgery	Covered In Full			Covered In Full		
Lab & X-rays	Covered In Full			Covered In Full		
CAT Scans, MRI, PET Scans	Covered In Full			Covered In Full		
RX - 30 Day Retail 90 Day Mail Order Delivery	\$10 / \$20 / \$35 \$20 / \$40 / \$70			\$10 / \$20/\$35 \$20 / \$40 / \$70		
	Single	2 person	Family	Single	2 person	Family
Current Enrollment	6	5	6	1	1	1
Current Rates	\$784.64	\$2,110.70	\$2,110.70	\$832.19	\$2,238.58	\$2,238.58
Current Monthly Premium	\$27,925.54			\$5,309.35		
Grand Total Annual Premium	\$398,818.68					
Renewal Rates	\$809.59	\$2,177.82	\$2,177.82	\$858.65	\$2,309.77	\$2,309.77
Renewal Monthly Premium	\$28,813.56			\$5,478.19		
Grand Total Renewal Premium	\$411,501.00					
Cost Difference	\$12,682.32					
Percentage Difference	3.18%					
3-Tier Rates	\$821.95	\$1,643.89	\$2,548.04	\$871.76	\$1,743.51	\$2,702.45

# MIIA – Alternative 2: \$500 / \$1,000 Deductible – 1.23% Decrease

Town of Dunstable - AS IS Renewal 7.1.20						
Medical Plan Benefits	MIIA HMO Blue NE 500/1000			MIIA PPO Blue Choice NE 500/1000		
Routine Well Care	\$0 - Covered In Full			\$0 - Covered In Full		
Office Visit: PCP / Specialist	\$20 PCP/Specialist			\$20 PCP/Specialist		
Deductible	\$500 / \$1,000			\$500 / \$1,000		
Out-of-Pocket Maximum	Medical: \$2,500 / \$5,000 Pharmacy: \$1,000/\$2,000			Medical: \$2,500 / \$5,000 Pharmacy: \$1,000/\$2,000		
Coinsurance	N/A			20% Out-of-Network		
Emergency Room	\$75 Copay			\$75 Copay		
IN-PT Hospital Admission	Covered In Full after Deductible			Covered In Full after Deductible		
Out-Patient Surgery	Covered In Full after Deductible			Covered In Full after Deductible		
Lab & X-rays	Covered In Full after Deductible			Covered In Full after Deductible		
CAT Scans, MRI, PET Scans	Covered In Full after Deductible			Covered In Full after Deductible		
RX - 30 Day Retail 90 Day Mail Order Delivery	\$10 / \$20 / \$35 \$20 / \$40 / \$70			\$10 / \$20/\$35 \$20 / \$40 / \$70		
	Single	2 person	Family	Single	2 person	Family
Current Enrollment	6	5	6	1	1	1
Current Rates	\$784.64	\$2,110.70	\$2,110.70	\$832.19	\$2,238.58	\$2,238.58
Current Monthly Premium	\$27,925.54			\$5,309.35		
Grand Total Annual Premium				\$398,818.68		
Renewal Rates	\$773.16	\$2,079.82	\$2,079.82	\$832.31	\$2,238.91	\$2,238.91
Renewal Monthly Premium	\$27,516.98			\$5,310.13		
Grand Total Renewal Premium				\$393,925.32		
Cost Difference				-\$4,893.36		
Percentage Difference				-1.23%		
3-Tier Rates	\$773.16	\$1,547.09	\$2,537.51	\$832.31	\$1,665.45	\$2,731.64

## Impact of adding the HRA program

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- The Town and members increase in annual premium under the As Is renewal:
  - Total: \$12,682
  - Town: \$9,512
  - Members: \$3,170
- The Town and members decrease in annual premium under the \$500/\$1000 deductible:
  - Total: (\$4,893)
  - Town: (\$3,669)
  - Members: (\$1,222)
- Members annual savings compared to the As Is 3.18% Increase
  - HMO Ind (\$109)
  - HMO Fam (\$294)
  - BC Ind (\$79)
  - BC Fam (\$212)

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Deductible exposure minus premium savings after HRA

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Election status	Deductible	Minus Town HRA	Minus Prem Sav	Net Exposure
HMO Ind	\$500	\$125	\$109	\$266
HMO Fam	\$1000	\$250	\$294	\$456
BC Ind	\$500	\$125	\$79	\$297
BC Fam	\$1000	\$250	\$212	\$537



Flexible Spending Account



Flexible Spending Accounts (FSAs) provide significant savings to employees and employers alike. Healthcare and dependent care enrollees save nearly 30% on eligible expenses. And employers save on payroll taxes for every dollar of employee participation, often enough to cover the plan's cost.

Our innovations make TASC services one of a kind! Participants use the exclusive TASC Card to substantiate and pay for eligible FSA expenses, with just a swipe. And for times when a participant can't use the TASC Card, reimbursements load into its MyCash account automatically, to be used wherever Mastercard is accepted or withdrawn via an ATM.

<b>Set-Up Fee (one-time charge)*</b>	<b>\$400.00</b>
Includes:	
<input checked="" type="checkbox"/> Enrollment support for employers and employees. <input checked="" type="checkbox"/> Online enrollment. <input checked="" type="checkbox"/> Direct deposit set-up	
<b>Administration Fee (per Participant, per month) – OR –</b>	<b>\$4.50</b>
<b>Minimum Administration Fee (per month) -- whichever is greater</b>	<b>\$65.00</b>
<ul style="list-style-type: none"> <li>Based on the number of employees participating in at least one FSA, or the minimum administration fee, <u>whichever is greater</u>.</li> <li>Due for the full Plan Year for each employee who elects to participate, regardless of his or her employment status.</li> <li>FlexSystem Plans without the TASC Card may incur an additional fee of \$0.25 per Participant, per month.</li> </ul>	
Includes:	
<input checked="" type="checkbox"/> Plan enrollment and implementation. <input checked="" type="checkbox"/> Plan funding services. <input checked="" type="checkbox"/> Compliance services. <input checked="" type="checkbox"/> Employee enrollment and education. <input checked="" type="checkbox"/> Participant services (from page 3).	
<b>Annual Renewal Fee</b>	<b>\$150.00</b>
<ul style="list-style-type: none"> <li>Applied to each Plan renewal invoice, beginning with your second Plan Year.</li> </ul>	
Includes:	
<input checked="" type="checkbox"/> Plan compliance. <input checked="" type="checkbox"/> Plan re-enrollment and support. <input checked="" type="checkbox"/> Plan design changes and enhancement.	

## FSA Health Care Benefits \$2,750 Annual Maximum

Below is a partial list of reimbursable expenses that may be incurred by you, your spouse, or qualified dependents.

NOTE: If you (or your spouse) enroll in an HSA Plan, you may only enroll in a Limited-Purpose Healthcare FSA (LPHSA). The eligible expenses under an LPHSA are limited to Dental and Vision expenses only.

### Eligible Medical Expenses

- Acupuncture
- Artificial limbs
- Bandages
- Birth control, contraceptive devices
- Birthing classes/Lamaze – only the mother's portion (not the coach/spouse) and the class must be only for birthing instruction, not child rearing
- Blood pressure monitor
- Chiropractic therapy/exams/adjustments
- Contact lens and contact lens solutions
- Co-payments
- Crutches (purchased or rented)
- Deductibles and co-insurance
- Diabetic supplies
- Eye exams
- Eyeglasses, contacts, or safety glasses (prescription)
- Flu shots
- Hearing aids and hearing aid batteries
- Heating pad
- Incontinence supplies
- Infertility treatments
- Insulin
- Lactation expenses (breast pumps, etc.)
- Laser eye surgery; LASIK
- Legal sterilization
- Medical supplies to treat an injury or illness
- Mileage to and from doctor appointments
- Nasal strips
- Optometrist's or ophthalmologist's fees
- Orthopedic inserts
- Physical exams
- Physical therapy (as medical treatment)

- Physician's fee and hospital services
- Pregnancy test
- Prescription drugs and medications
- Psychotherapy, psychiatric and psychological services
- Sales tax on eligible expenses
- Sleep apnea services/products (as prescribed)
- Smoking cessation programs
- Treatment for alcoholism or drug dependency
- Vaccinations
- Wrist supports, elastic wraps
- X-ray fees

### Eligible OTC Medicines and Drugs

As of January 1, 2020, over-the-counter (OTC) medicines and drugs are reimbursable via FSA, HRA, and HSA.

- Bengay, Flexall, pain relieving creams or gels
- Calamine lotion
- Canker/cold sore relievers
- Cold medicines
- Corn removal
- Diaper rash ointment
- GasX, baby gas drops
- Hemorrhoid creams and treatments
- Hydrogen peroxide or rubbing alcohol
- Indigestion or anti-acid relievers
- Laxatives
- NEW: Menstrual care products
- Nicotine patch
- Pain relievers (Tylenol, Advil, Aspirin, etc.)
- Sinus medicines
- Suppositories
- Teething gel
- Wart removal medication

*Continued on next page*

### Eligible Dental Expenses

- Braces and orthodontic services
- Cleanings
- Crowns
- Deductibles, co-insurance
- Dental implants
- Dentures, adhesives
- Fillings

### Eligible Dependent Care Expenses

- Fees for licensed day care or adult care facilities
- Before and after school care programs for dependents under age 13
- Amounts paid for services (including babysitters or nursery school) provided in or outside of your home
- Nanny expenses attributed to dependent care
- Nursery school (preschool) fees
- Summer Day Camp – primary purpose must be custodial care and not educational in nature
- Late pick-up fees
- Does not cover medical costs; use Healthcare FSA for medical expenses incurred by you or your dependents

MIA Dental Renewal

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### Dental Renewal

- MIIA dental is a -6.6 decrease to current rates
- Dental Enrollment is low
- The Deductible is high given the Calendar Year Max of \$750 and exclusion of Type 3 Services
  - Type 3 Services consist of Crowns, Bridges, Dentures and Single Tooth Implants
- NFP did limited marketing to check plan design and rates and requested a proposal from Altus Dental
  - Altus Dental has a large foot print in the municipal marketspace and recently wrote a regional school system nearby
  - Altus provided a proposal that matches current plan design and an upgraded proposal as well
- The Standard was not solicited for a dental proposal, however one was sent to NFP
- Recommend enhancing the dental benefits either by increasing calendar year maximum, including Type 3 services, or both
  - **At last IAC meeting members requested rates for increase of Calendar Year Max to \$1,250 and \$1,500**
  - **These figures are included in this presentation**

## MIIA Dental Renewal & Alternatives

Town of Dunstable Dental Renewal 7.1.2020 - 2 Tier Rates						
Dental Plan		Current Plan	Renewal Plan	Option 1	Option 5	Option 6
Carrier		MIIA Dental Blue Freedom	MIIA Dental Blue Freedom	MIIA Dental Blue Freedom	MIIA Dental Blue Freedom	MIIA Dental Blue Freedom
In-Network Coverage						
Deductible		\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150
Deductible Waived for Preventive?		Yes	Yes	Yes	Yes	Yes
Annual Max. Per Member		\$750	\$750	\$1,000	\$1,250	\$1,500
Preventative/Type A Coinsurance		100%	100%	100%	100%	100%
Basic/Type B Coinsurance		80%	80%	80%	80%	80%
Major/Type C Coinsurance		NA	NA	NA	NA	NA
Ortho/Type D Coinsurance		NA	NA	NA	NA	NA
Orthodontics Lifetime Maximum		NA	NA	NA	NA	NA
Out-of-Network Coverage						
Deductible		\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150
Deductible Waived for Preventive?		Yes	Yes	Yes	Yes	Yes
Annual Max. Per Member		\$750	\$750	\$1,000	\$1,250	\$1,500
Preventative/Type A Coinsurance		100%	100%	100%	100%	100%
Basic/Type B Coinsurance		80%	80%	80%	80%	80%
Major/Type C Coinsurance		NA	NA	NA	NA	NA
Ortho/Type D Coinsurance		NA	NA	NA	NA	NA
Orthodontics Lifetime Maximum		NA	NA	NA	NA	NA
Vision Plan		NA	NA	NA	NA	NA
Minimum Participation		NA	NA			
Monthly Rates						
	Lives	MIIA Dental Blue Freedom	MIIA Dental Blue Freedom	MIIA Dental Blue Freedom	MIIA Dental Blue Freedom	MIIA Dental Blue Freedom
Employee Only	5	\$44.10	\$41.19	\$43.17	\$45.24	\$47.41
Employee + Family	8	\$93.37	\$87.21	\$91.40	\$95.78	\$100.38
Total Monthly Cost		\$967	\$904	\$947	\$992	\$1,040
Total Annual Gross Cost		\$11,610	\$10,844	\$11,365	\$11,909	\$12,481.39
Difference From Current (\$)		N/A	(\$766)	(\$245)	\$300	\$872
Difference From Current (%)		N/A	-6.60%	-2.11%	2.58%	7.51%
Difference From Renewal (\$)		N/A	N/A	\$521	\$1,065	\$1,638
Difference From Renewal (%)		N/A	N/A	4.81%	9.83%	15.10%

Disclaimer: This is a brief summary of the plans to compare the plans and do not include all provisions and exclusions under the plan.

Notes:



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