

THE TOWN OF MIDDLEBOROUGH

AND

THE MIDDLEBOROUGH PUBLIC EMPLOYEE COMMITTEE

MEMORANDUM OF AGREEMENT [801 CMR 52.04(4)] TO PROVIDE HEALTH  
INSURANCE THROUGH THE GROUP INSURANCE COMMISSION JULY 1, 2014.

WHEREAS, the Board of Selectmen ("Board") of the Town of Middleborough ("Town") voted to change group health insurance under the process authorized by M.G.L. c. 32B, §§ 21-23; and

WHEREAS, the Town provided its Insurance Advisory Committee with notice of its intention to change group health insurance under the process authorized by M.G.L. c. 32B, §§ 21-23; and

WHEREAS, the Town thereafter requested the formation of a Public Employee Committee ("PEC") pursuant to 801 CMR 52.02; and

WHEREAS, a PEC was formed and the Town, delivered its 801 CMR 52.03 Implementation Notice to the PEC representatives. It is attached and incorporated into this Agreement; and

WHEREAS, the negotiations period with the PEC commenced on **September 17, 2013** and is set to expire on **October 17, 2013**; and

WHEREAS, both the Town and the PEC have engaged in negotiations in good faith and desire to enter into a mutually acceptable agreement relative to this subject matter;

NOW THEREFORE, pursuant to 801 CMR 52.04(4), the Town and the PEC agree as follows with respect to changes to the Town's group health insurance plan.

1. Purpose of Agreement: The purpose of 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. The Town will take all necessary and reasonable actions to effectuate the transfer of subscribers to the GIC effective July 1, 2014 and to maintain coverage thereafter for at least the three year period expiring June 30, 2017.

2. Implementation. As set forth in 801 CMR 52.07(1), effective July 1, 2014, the Town shall implement the transfer to the GIC as follows:

a. Active employees and non-Medicare eligible retirees (“subscribers to the active employee plans”) will be eligible to subscribe to the active employee plans offered by the GIC. The premium splits between the Town and the employee will be those that are currently in place for the active employee plans (HMO and PPO/INDEMNITY) offered by the Town.

b. Medicare eligible retirees (“Medicare eligible subscribers”) will be eligible to subscribe to the medicare-eligible plans offered by the GIC. The premium splits between the Town and the employee will be those that are currently in place for the Medicare eligible plans offered by the Town.

3. Mitigation. The Town and the PEC agree that the Town will appropriate to a New Mitigation Fund the amount of \$230,299, which is 25% of the estimated savings to the Town based on a comparison of the FY 14 cost of the Town plans with the FY 14 cost of the GIC plans based on which GIC plans it is expected that most subscribers will select. The parties further agree that the actual savings will be determined by the actual enrollments in the various plans offered by the GIC after open enrollment for FY 15, but using FY 14 GIC rates, attached, to calculate the actual savings. The parties agree that there are no savings from the Medicare plans and therefore there will be no savings from the New Mitigation Fund shared with the Medicare subscribers.

Any amounts remaining in the Mitigation Fund established under the 2012 PEC Agreement will be transferred, effective July 1, 2014, into the New Mitigation Fund.

Funds from the New Mitigation Fund shall be distributed under a program established by the Town Treasurer/Collectors office in accordance with Appendix A, attached and incorporated into this Agreement. Funds will be disbursed on a quarterly basis. Reimbursement requests shall be submitted within 15 days of the end of the quarter, which shall be January 1, April 1, July 1, and October 1. However, any reimbursement request of \$300 or above shall be processed upon receipt. Reimbursement requests shall be submitted on a form developed by the Treasurer/Collector’s office and shall be accompanied by an original receipt, which will be edited by the employee to prevent the disclosure of any personal information. All obligations on behalf of the Town related to the mitigation funds shall expire after the amount of savings referenced above has been expended. The final quarterly reimbursement distribution will be pro-rated according to the total amount of funds remaining and the total amount of funds submitted

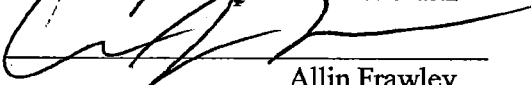
for reimbursement.

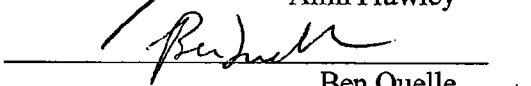
By agreement of the parties, Appendix A can be changed to reflect changes in the GIC plans.

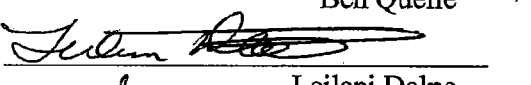
In consideration of the 2012 PEC Agreement, a Medicare Mitigation fund of \$36,100 will be established effective July 1, 2014 and will be distributed to Medicare eligible subscribers in accordance with Appendix B or as otherwise determined by agreement between the Town and the Middleborough Retirees Association.

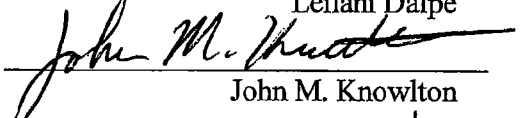
4. Notice to Subscribers. Eligible subscribers to the active employee plans shall be notified of the implementation of the new plan pursuant to 801 CMR 52.04(5) on or before April 1, 2014. The open enrollment period for the new plans shall be from April 9-May 7, 2014.
5. Compliance with c.32B. The parties acknowledge that with the completion of this Agreement, all the requirements of §§ 21-23 of G.L. c. 32B have been met with respect to plan design changes.
6. Binding Effect. Pursuant to 801 CMR 52.04(6), this Agreement is binding on all subscribers and their representatives.
7. Entire Agreement. This Agreement constitutes the entire agreement reached by the parties pertaining to this matter. No other agreement, oral or otherwise, will be considered to exist or to bind any of the parties. No representative of any party to this Agreement had, or has, any authority to make any representation or promise not contained in this Agreement, and each of the parties to this Agreement acknowledges that such party has not executed this Agreement in reliance upon any such representation or promise. This Agreement cannot be modified, except by a written instrument signed by all parties. The parties acknowledge that they have thoroughly read this Agreement, that they understand it, and that they are entering into it of their own free will.
8. Severability Clause. If any provision or portion of this Agreement is found to be unenforceable or unlawful, the remaining provisions or portions shall remain binding.
9. Authorization to Sign Agreement. Each signatory to this 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's agreement hereto is subject to ratification by the Middleborough Board of Selectmen. Pending such ratification this agreement shall remain off-the-record.
10. Nothing in this agreement shall prevent the Town, following the date that this Agreement is signed, from instituting the processes authorized by M.G.L. c. 32B, §§ 21-23 for a plan year after Fiscal Year 2017 or from making changes to health insurance plans, including premium contribution percentages between the Town and subscribers, subject to the Town meeting any bargaining obligation under M.G.L. c. 150E.

  
Stephen J. McKinnon

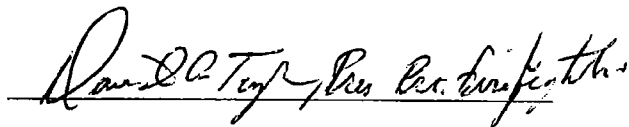
  
Allin Frawley

  
Ben Quelle

  
Leilani Dalpe

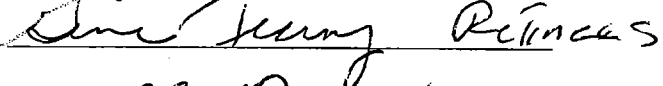
  
John M. Knowlton

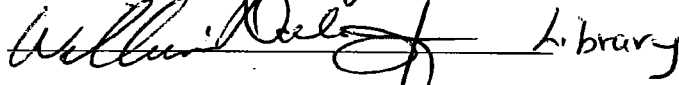
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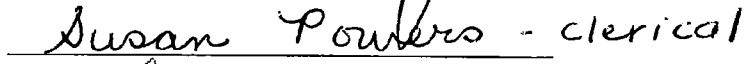
  
Randall Taylor, Pres. Am. Firefighters

  
Nathan J. Frost, Police Patrol Union

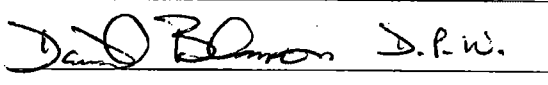
  
Virginia Matraccio - AMCA

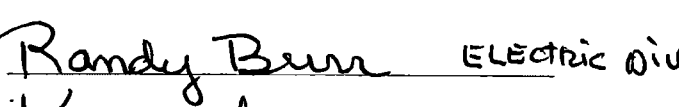
  
Eric Henry, Retirees

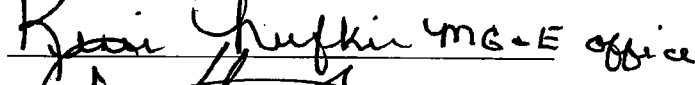
  
William DeLoach, Library

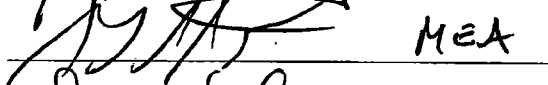
  
Susan Powers - clerical

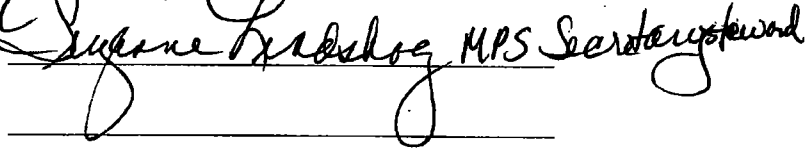
  
Paul Shaw CAS DIV

  
Dan Blom D.P.W.

  
Randy Burr ELECTRIC DIV

  
Kevin Hufkin MG-E office

  
[unclear] MEA

  
Eugene Ledshog MPS Security Steward

**APPENDIX A  
MITIGATION REIMBURSEMENTS FOR ACTIVE EMPLOYEE PLANS**

	Day Surgery	MRI CT PET Scans	High Cost Hospitals	Lower Cost Hospitals	Specialists	Emergency Room	Tier 3 Drugs
Co-pay effective 7/1/14	\$110.00- 150.00	\$100.00	\$500.00- 750.00	\$200.00- 300.00	\$25/35/45	\$100.00	\$110.00
Reimbursement	\$60.00- 100.00	\$75.00	\$200.00- 450.00	\$0.00- 100.00	\$5.00- 25.00	\$50.00	\$40.00
Cost to Employee	\$50.00	\$25.00	\$300.00	\$200.00	\$20.00	\$50.00	\$70.00

**APPENDIX B  
MITIGATION REIMBURSEMENTS  
FOR MEDICARE PLANS**

	Tier 3 Retail Prescription	Tier 3 Mail Order Prescriptions
Co-pay effective 7/1/14	\$50.00	\$110.00
Reimbursement	\$15.00	\$40.00
Cost to Employee	\$35.00	\$70.00

## MONTHLY GROUP INSURANCE COMMISSION (GIC) FULL COST RATES

*Effective July 1, 2013  
Full Cost Rates Including the 0.50% Administrative Fee*

*! For the rate you will pay as a municipal employee or retiree/survivor, see separate rate chart from your municipality.*

### Employee and Non-Medicare Retiree/Survivor Health Plans

HEALTH PLAN	PLAN TYPE	INDIVIDUAL	FAMILY
Fallon Community Health Plan Direct Care	HMO	\$471.78	\$1,132.26
Fallon Community Health Plan Select Care	HMO	593.45	1,424.28
Harvard Pilgrim Independence Plan	PPO	680.75	1,661.01
Harvard Pilgrim Primary Choice Plan	HMO	544.59	1,328.81
Health New England	HMO	459.40	1,138.95
NHP Care ( <i>Neighborhood Health Plan</i> )	HMO	457.91	1,213.45
Tufts Health Plan Navigator	PPO	627.17	1,521.18
Tufts Health Plan Spirit	HMO-type	505.07	1,223.25
UniCare State Indemnity Plan/Basic with CIC ( <i>Comprehensive</i> )	Indemnity	920.94	2,149.50
UniCare State Indemnity Plan/Basic without CIC ( <i>Non-Comprehensive</i> )	Indemnity	879.28	2,052.87
UniCare State Indemnity Plan/Community Choice	PPO-type	428.78	1,029.06
UniCare State Indemnity Plan/PLUS	PPO-type	624.55	1,490.51

### Medicare Plans

Health Plan	PLAN TYPE	PER PERSON
Fallon Senior Plan*	Medicare ( <i>HMO</i> )	\$274.86
Harvard Pilgrim Medicare Enhance	Medicare ( <i>Indemnity</i> )	395.19
Health New England MedPlus	Medicare ( <i>HMO</i> )	363.49
Tufts Health Plan Medicare Complément	Medicare ( <i>HMO</i> )	385.92
Tufts Health Plan Medicare Preferred*	Medicare ( <i>HMO</i> )	254.27
UniCare State Indemnity Plan/Medicare Extension (OME) with CIC ( <i>Comprehensive</i> )	Medicare ( <i>Indemnity</i> )	381.22
UniCare State Indemnity Plan/Medicare Extension (OME) without CIC ( <i>Non-Comprehensive</i> )	Medicare ( <i>Indemnity</i> )	370.28

*\*Benefits and rates of Fallon Senior Plan and Tufts Health Plan Medicare Preferred are subject to federal approval and may change January 1, 2014.*