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The following is a summary of three options that governmental units may consider when contemplating adding another health benefit plan to the roster of plans offered to employees through the governmental units' participation in the CCMHG. This summary assumes that the CCMHG's addition of a so-called "higher deductible" plan is voluntary at both the governmental unit level (whether or not to offer the plan) and the employee level (whether or not to enroll in the plan). This summary also assumes that the GIC benchmark plan will not be a "higher deductible" plan as of July 1, 2017.

- 1. While MGL c.32B, sections 21-23 is not available for the implementation of higher deductible plans unless and until the GIC benchmark plan includes a deductible that meets or exceeds the CCMHG higher deductible plan, section 19 of 32B is one available option. Section 19 is a local option statute. However, unlike other provisions of chapter 32B the acceptance of section 19 is not perfected until you have a ratified agreement with the PEC. Similar to sections 21 through 23, the section 19 PEC is comprised of one representative from each bargaining unit and one retiree representative. In order for a section 19 agreement to be approved by the PEC a majority of the weighted vote must be cast in favor of approval. Once a section 19 agreement is approved it is binding on all bargaining units and the terms of the agreement supersede both MGL c150E and anything to the contrary in a CBA. Section 19 specifies the process that must be used if a governmental unit wants to use this option.
- 2. A second option for the implementation of the higher deductible plans is traditional bargaining. Assuming the governmental unit is not in successor bargaining at the time of the scheduled implementation of the new plan a letter could be sent to each bargaining get unit stating that it is "presently contemplated" that the new plan will be offered on a voluntary basis effective July 1, 2017. This letter should include the proposed contribution split and any information on the proposed HSA. The letter should also have an attachment that details the new plan benefit structure. While I imagine that many unions will request a meeting on this issue, the letter could invite the union to contact the administration should they wish to discuss the issue. How this process goes from this point will be a case by case basis, based on any discussions with the employee groups.
- 3. The third option is the "informal coalition" approach. Some governmental units may determine that section 19 is to formal/process driven for this situation and that the traditional bargaining unit by bargaining unit negotiation approach is inefficient. The informal coalition approach begins by the administration notifying all unions of the potential change and inviting all unions to a meeting to discuss the particulars. When in an informal coalition setting it is important to note that any union can essentially

"back-out" of the coalition process at any time and that each union retains its own ratification procedure. Since everyone typically has the same concerns over a new plan being offered this setting can facilitate moving the process forward. Should a union back-out of the informal coalition prior to ratification the administration would have to fulfill its bargaining obligations with that group(s) through the traditional bargaining process.

Finally, should the CCMHG decide that it does want to move forward by offering the higher deductible plan on a purely voluntary basis then I do recommend that any vote of the Board make it clear that the plans may be offered on a voluntary basis for any governmental bargaining unit that has fulfilled any bargaining obligation.