

Greetings~

At the October 19, 2016 meeting of the Cape Cod Municipal Health Group's Board the following was voted:

Effective July 1, 2017, make changes to the current active employee plans to bring the plan design features closer to those of the GIC's Benchmark plan.

Employers may use Ch. 32B, Sections 21-22, the expedited bargaining statute, to bargain these changes or may use Ch. 32B, Section 19 or Ch. 150E.

Add HSA-qualified High Deductible Health Plans to the CCMHG' FY18 roster of health plan offerings, requiring each employer to contribute 50% of the plan deductible to the employee' HSA account.

Health Savings Accounts -"HSAs" are tax-advantaged accounts for the purpose of paying for eligible medical expenses. They are owned by the employee, and funds may be invested to grow and may be used to pay for health care in retirement as well as for current eligible medical expenses.

The attachments to this email outline the changes in the plans as well as options for meeting your bargaining obligations.

The addition of the HSA-qualified High Deductible Health Plan is optional for each unit. Please review the HSA slides attached. We have found that this type of plan is offered by almost everyone outside of Massachusetts and many private sector employers in Massachusetts. Other municipal joint purchase groups in Massachusetts are also adding it as of 7/1/17. We understand that all cities, towns, districts, etc. struggle with the cost of health insurance for employees. Therefore, CCMHG is giving employers another option that seems to benefit employees as well.

Please feel free to contact me with any questions.

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CCMHG Board members:

At its October 19th meeting the CCMHG Board approved changes in plan design for the current health plans and also approved the addition of new health plans which will be High Deductible plans with Health Savings Accounts. *Both the change to current plans and the addition of the High Deductible plans go into effect on July 1, 2017.*

There are 8 attachments to this email.

1. **Changes to current HMO and PPO plans to bring them closer to GIC Benchmark plan -** [An exhibit showing the plan design changes is attached.](#) These changes qualify for Ch. 32B, Section 21-22 bargaining, i.e. the expedited bargaining process. [I have attached the Ch. 32B, S. 21-22 timetable and 2 pieces by attorneys describing the process.](#) A bit later I will provide spreadsheets to calculate what employers will need for the required mitigation money. Employers should start this process no later than early January 2017.

2. **Addition of High Deductible HMOs and PPOs with Health Savings Accounts (HSAs).** Each CCMHG-participating employer may choose whether or not to offer these plans. [The BCBS and Harvard Pilgrim plan descriptions with estimates of claims savings are attached \(2 pages for each attachment\).](#) Employers may either (1) continue with the current plans, which I'll refer to as the "*standard plans*" as modified in #1 above, or (2) offer both the standard plans and the HSA-qualified high deductible plans, or (3) eliminate the standard plans and offer only the HSA-qualified high deductible plans. *Employers that offer the high deductible plans must contribute 50% of the deductible amounts to the employee's HSA each year and must use one of the preferred HSA administrators.* [A handout prepared by Harvard Pilgrim Health Care describing Health Savings Accounts is also attached.](#)

The High Deductible plans with HSAs must be bargained using Ch. 150E, Ch. 32B, Section 19 coalition bargaining, or informal coalition bargaining if the unions agree. [A piece about bargaining options prepared by Atty. Kevin Feeley is attached.](#) The schedule of the employer contributions to the HSA is a subject for collective bargaining.

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