

WEST SUBURBAN HEALTH GROUP

A Review of M.G.L. c.32B, s.21-23 Processes and Issues



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Sec. 21

- General acceptance and implementation procedures

Sec. 22

- Changes to current plans and benefits

Sec. 23

- Joining the GIC

- **801 CMR 52.00:**

- Regulations adopted by Secretary of Administration & Finance
- Details process to be followed each time a political subdivision elects to change benefits under s.21-23

The Process



Board of Selectmen vote to accept

Two days notice to all unions and retiree association

This only has to be accepted once



Evaluate savings and provide notice to insurance advisory committee



IAC shall meet with the appropriate public authority (APA) within 10 days after notice



Within 2 days after meeting with the IAC, the APA shall provide the president of each union (and the retiree association) of its "decision"

- The decision must include the number of health benefit eligible employees in each bargaining unit
- The decision notice should request all contact information for the unit's Public Employee Committee (PEC) representative
- IF PEC already exists, union has 2 days to respond
 - If PEC does not exist, then union has 5 business days to respond
- If union does not respond within 5 days, then the union's "principal officer" becomes the PEC rep.

Review before appeal
Don't
submit notice of PEC
10-13-20 PEC
note.

• The notice that goes to IAC and subsequently the PEC should include the following:

- Description of current plans, enrollments, and costs
- Description of proposed changes including implementation date, projected enrollment under each plan, and new plan costs
- Anticipated 1st year savings *Total, Employer, Employee*
- Projected enrollment and premiums for new plans
- Savings estimate includes Medicare extension plan savings
- Mitigation proposal, including explanation of and rationale for the proposal

Negotiations



30 calendar day negotiation period begins the day each member of the PEC has received the completed implementation notice

Negotiations may include all aspects of the public authority's proposal

Cannot implement any changes during the 30-day period without PEC approval

Regulations encourage the parties to "negotiate in good faith"

Written agreement executed during the 30-day period

There is a 60-day notice period to subscribers

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- If no agreement reached then proceed to health insurance review panel
 - Public authority notifies A&F within 3 business days after start of 30-day window of the identity of public authority's panel representative
 - PEC then notifies A&F and 10 days later A&F provides list of impartial panel reps.
 - PEC and public authority confer on impartial representative list

Panel Submittal



- Within 3 days after end of the 30-day period
- Public authority submits original proposal
- PEC submits mitigation proposal and any other relevant information

The Panel's Job



Verify that public authority's proposed changes conform with the law and regulations

- If public authority's proposal does not comply with the law and regulations then the process begins again

For a proposal to join GIC, the panel must determine if anticipated savings would be at least 5% greater then making same changes but not joining GIC

Award no more than 25% of the estimated 1st year savings for mitigation