

Town of Duxbury, Massachusetts

OFFICE OF THE BOARD OF SELECTMEN AND TOWN MANAGER



TO: All Benefit Eligible Employees, COBRA Participants and Spouses
FROM: Richard MacDonald, Town Manager
DATE: April 17, 2012
RE: Annual Enrollment and Fair, Health Plan Design Changes and Group Insurance Rates

Annual Enrollment and Fair: The *Annual Health and Benefit Fair* will be on Monday, May 14th from 3-6 PM at the Senior Center. Please see the enclosed invitation for details. Blue Cross Blue Shield will offer seminars that day at 3:15 and 4:30 PM detailing the health plan design changes outlined in this memo. (To reserve a space, please call 781/934-1100, ext. 163, or email hughes@town.duxbury.ma.us.) As always, any changes to medical, dental, cancer, disability or life insurance coverage must be made during the May 1 – 31 enrollment period.

Health Plan Design Changes: In December, the Board of Selectmen adopted M.G.L. c. 32B, §§ 21-23 allowing the Town to engage in a new process to change health insurance benefit design. As a result, Insurance Advisory and Public Employee Committees were formed, comprised of union and appointed retiree representatives. An agreement was reached leaving our Blue Cross Blue Shield coverage, basic health insurance benefits and medical policy unchanged. However, other specific design changes will occur relative to the attached chart effective September 1, 2012 – June 30, 2014;

- Master Health Plus and Master Medical plans will be eliminated for all subscribers, and existing subscribers will need to enroll in an HMO or PPO instead
- HMO and PPO plans referred to as the “Duxbury Plans” for FY 2013 - 2014 will include the following changes:

HMO becomes “Network Blue New England” providing coverage in every New England state

Copayments for preventative services will be eliminated and subscribers can enroll dependent children up to the age of 26 even if they have insurance available elsewhere. This is due to our loss of “Grandfathered Status” as a result of the health insurance plan design changes we are implementing.

878 Tremont Street, Duxbury, MA 02332 Telephone: 781-934-1100 x143 Fax: 781-934-9011
Town-Manager@town.duxbury.ma.us

The mission of the Town of Duxbury is to deliver excellent services to the community in the most fiscally responsible and innovative manner while endeavoring to broaden our sense of community and preserve the

- New health insurance ID cards will be issued in late summer detailing; higher copayments for prescriptions, office and emergency room visits, and new copayments for specialists, hospital admissions, outpatient surgery, and high tech imaging
- MEDEX plan will continue with no plan design changes through June 30, 2014
- Eligible retirees approaching the age of 65 continue to be required to enroll in Medicare A & B and a supplement health plan like MEDEX

Per the same agreement the following changes will occur, effective July 1, 2014;

- All HMO and PPO subscribers will transition from the “Duxbury Plans” to the “Benchmark Plans” requiring annual deductibles and increased copayments for hospital admissions as detailed on the attached chart

Note: Members of the Duxbury Police Union and Duxbury Commanders Association will continue to be offered our current HMO and PPO health insurance plans until their contracts expire on June 30, 2013. At that time, subscribers in these unions will transition to the “Duxbury Plan” HMO and PPO health insurance plans and will remain on these plans through June 30, 2014 when all subscribers transition to the “Benchmark Plans”.

Group Insurance Rates: This year, the Town’s Insurance Committee recommended, and the Board of Selectmen accepted, increases to all health insurance premiums to keep pace with increasing expenses and claims experience. Premiums for our Delta Dental plans, and basic group life insurance plans will remain unchanged in the coming year. All of this information is detailed on the enclosed rate sheet.

A copy of this memo, the attachments, information about the Massachusetts Health Care Reform Law, documents detailing the Towns related effort, and a host of additional information are available on the Human Resources Department webpage:

http://www.town.duxbury.ma.us/Public_Documents/DuxburyMA_HR/index#calLocOne

If you have any questions please contact Jeannie Horne, Human Resources Director at 781/934-1100, ext. 143 or horne@town.duxbury.ma.us or Phylis Hughes, Benefits Specialist at 781/934-1100, ext. 163 or hughes@town.duxbury.ma.us.

Attachments:

Annual Health and Benefit Fair Invitation
 Town of Duxbury Health Plans FY 2013-2015 Chart
 Health, Life and Dental Insurance Rate Sheet

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ANNUAL HEALTH & BENEFITS FAIR

For all Active Town & School Employees, COBRA participants and Spouses
Monday, May 14, 2012
3 - 6 PM at Duxbury's Senior Center, Ellison Room
10 Mayflower Street, Duxbury, MA 02332

On-site seminars offered at 3:15 and 4:30 PM detailing elimination of Master Health Plus and important HMO and PPO plan changes effective 9/1/12
RSVP Required; 781/934-1100, ext. 163, or hughes@town.duxbury.ma.us

COME TO THE FAIR TO

1. Take advantage of free massage therapy and health screenings including; bone density, blood pressure, body mass index and body composition
2. Win raffle prizes and enjoy light refreshments

WHO WILL BE THERE?

Anytime Fitness *NEW OFFERING*
Blue Cross/Blue Shield of MA (health insurance)
Boston Mutual Life Insurance (represented by Life Plus)
Cafeteria Plan Advisors (Flex Spending Accounts, info only – Nov. enrollment for Jan. benefits)
Delta Dental
Duxbury Fire Department (blood pressure screening)
Duxbury Fitness Private Gym & Training *NEW OFFERING*
Foodies Duxbury Market (offering healthy food ideas)
ICMA, ING & VALIC Retirement Services (457 Plans)
Jordan Hospital Sleep Center
Jordan on the Job (occupational health services)
Life Plus (cancer and disability insurance)
Plymouth Fitness
Rockland Trust Bank
Kingsbury Club
USA Health & Fitness
SHINE Officer (assisting with health plan selection, Medicare claims & prescription cards)

REMEMBER

1. Annual enrollment runs from 5/01/12 – 5/31/12
2. During annual enrollment you have an opportunity to change your benefit plans, or enroll in a plan you do not have
3. Benefit representatives will be available to answer your questions and provide information about the different offerings, and PPO and HMO plan changes effective 9/01/2012 (Aug. deductions for Sept. benefits)

FINALLY

You can elect Medical, Life (basic, optional and/or permanent), Cancer, Disability and Dental insurance coverage during this annual enrollment period (Jun. deductions for Jul. benefits)

****Please note birth, adoption and marriage certificates (or divorce decree) are required for new subscribers or dependents, and a brief medical form may be required by some benefit providers***

ALL PAPERWORK FOR BENEFIT CHANGES MUST BE SUBMITTED TO PHYLIS HUGHES BY MAY 31, 2012

TOWN OF DUXBURY HEALTH PLANS FY 2013 - 2015

		DUXBURY PLANS FY 2013 & FY 2014 (starting 9/1/12)~			BENCHMARK PLANS FY 2015 (starting 7/1/14)		
		NET BLUE NE		MHP	NET BLUE NE		Blue Care Elect
		Plan Year	Plan Year		Plan Year	Plan Year	Plan Year***
		In Network	Out of Network	NOT OFFERED 9/1/2012	In Network	Out of Network	Out of Network
Deductible	Individual Family	NA	\$250 \$500		\$250 \$750	\$400 \$800	
Primary Care Office Visit		\$20	20% Co pay*		\$20	20% Co pay*	
Preventive Services		Covered in Full	20% Co Pay*		Covered in Full	20% Co Pay*	
Specialist Office Visit	Tier 1 Tier 2 Tier 3	\$20	20% Co pay*		\$35	20% Co pay*	
Emergency Room		\$100	\$100		\$100*	\$100*	
Hospital Admission	Tier 1 Tier 2 Tier 3	\$250 \$250 \$250	20% Co pay* 20% Co pay* 20% Co pay*		\$300 \$300* \$700*	20% Co pay* 20% Co pay* 20% Co pay*	
Ambulatory Outpatient Surgery		\$150 \$150 \$150	20% Co pay*		\$150 \$150* \$150*	20% Co pay* 20% Co pay* 20% Co pay*	
High Tech Imaging (MRI, CT, PET)	Tier 1 Tier 2 Tier 3	\$100 Max \$375 per mem per calendar year	20% Co pay* plus amount over allowed charge		\$100* \$100* \$100*	20% Co pay* 20% Co pay* 20% Co pay*	
Prescriptions Retail 30-day supply	Tier 1 Tier 2 Tier 3	\$10 \$25 \$45	Not Covered Not Covered Not Covered		\$10 \$25 \$50	Not Covered Not Covered Not Covered	
Mail Order 90-day supply	Tier 1 Tier 2 Tier 3	\$20 \$50 \$90	Not Covered Not Covered Not Covered		\$20 \$50 \$110	Not Covered Not Covered Not Covered	

* After Deductible
 *** Plan Year Out Of Pocket Max \$3,000 per person
 ~Plans will remain as is to 8/31/12 then change to these plans. MHP end as of 9/1/12
 Police remain in current plans until their contract expires 6/30/13 when they will join these plans.
 Medex remains as is until 7/1/14
 **Out of network out of pocket Max \$1,000/\$2,000

Dental COBRA Rates	
<i>Old Premier Plan (Table)</i>	
Individual Family	\$40/mo
Family	\$99/mo
<i>New Premier Plan (National Coverage)</i>	
Individual Family	\$49/mo
Family	\$125/mo

Duxbury Saver Plans
Town of Duxbury, MA
Health, Life and Dental Insurance Rates
Deductions Eff. 8/1/12 (for Sept Premiums)
Through 5/31/13 (for June Premiums)

Medical COBRA Rates	
Blue Care PPO Ind:	\$774/mo
Blue Care PPO Fam:	\$1,937/mo
Network Blue HMO Ind.:	\$639/mo
Network Blue HMO Fam:	\$1,599/mo

Health Insurance Type	Total Annual Cost	Total Monthly Cost	Town Cost per Month	26-Pay Deduction	22-Pay Deduction	21-Pay Deduction	Employee Cost Per Month	Retiree Cost Per Month
Individual PPO Blue Care Elect	\$9,110.40	\$759.20	\$569.40	\$87.60	\$103.53	\$108.46	\$189.80	\$379.60
Family PPO Blue Care Elect	\$22,788.48	\$1,899.04	\$1,424.28	\$219.12	\$258.87	\$271.29	\$474.76	\$949.52
Individual HMO	\$7,526.88	\$627.24	\$470.43	\$72.37	\$85.53	\$89.61	\$156.81	\$313.62
Family HMO	\$18,823.08	\$1,568.59	\$1,176.44	\$180.99	\$213.90	\$224.08	\$392.15	\$784.30
Ind. Medex M Blue for Srs	\$4,752.00 \$3,817.92	\$396.00 \$318.16	\$198.00 \$159.08	X	X	X	X	\$198.00 \$159.08

\$5,000 Basic Coverage	Annual Cost	Monthly Cost	Town Cost Per Month	26-Pay deduction	22-Pay deduction	21-Pay deduction	Employee Cost per Month	Retiree Basic Coverage	Retiree Cost per Month
Employee	\$31.20	\$2.60	\$1.95	\$0.30	\$0.36	\$0.38	\$0.65	Retiree	\$0.52

Monthly Rates for Optional Life / ADD Insurance	
Age at birthday closest to March 1 (policy anniversary)	Monthly Rate per Thousand Dollars of Coverage
Under Age 40	\$0.11
Age 40 Through 44	\$0.21
Age 45 through 49	\$0.31
Age 50 through 54	\$0.45
Age 55 through 59	\$0.76
Age 60 through 64	\$1.25
Age 65 through 69	\$1.75
Age 70 through 74	\$3.10

*HMO/Network Blue New England is available in all 6 states.

Life Insurance Rates Effective Through May 31, 2013

*exact monthly cost for employees' basic life insurance depends on number of paychecks issued and rounding of deductions.
To calculate your cost for optional life insurance, refer to the formula on the reverse side.

Delta Dental Insurance Rates	
<i>Old Premier Plan (Table)</i>	
Individual Family	\$39 per month
Individual Family	\$97 per month
<i>New Premier Plan (National Coverage)</i>	
Individual Family	\$48 per month
Individual Family	\$123 per month
Only active employees are eligible for dental insurance	

IMPORTANT! Employees who A) do not take any life insurance coverage within 30 days of eligibility OR

B) take only the basic coverage or an optional amount less than the maximum available MUST provide a statement of health (questionnaire about general health and medical history) if coverage is requested at a later date. Coverage is not provided until the statement has been reviewed and accepted by the company

HOW TO CALCULATE YOUR COST FOR OPTIONAL LIFE INSURANCE

Determine the rate that applies to your age group. Use the rate for the age closest to your birth date as of March 1, the policy anniversary. For example, if you turn 39 years old in February prior to the policy anniversary, you would use the under 40 rate, But if you turn 39 years old before the September prior to the anniversary date, you are within 6 months of your 40th birth date and you would use the 40-44 year old rate. Some employees will actually use the next rate up from their present age because they are closer to their next birth date than their last. If you have any questions, please contact the benefits coordinator to help you determine which rate group applies.

Decide how much optional life insurance you want. Active employees can choose \$5,000 - \$100,000 in increments of \$5,000. There is a guarantee issue limit of \$50,000. You must complete two evidence of insurability forms for any amount over the \$50,000 guarantee issue.

HOW TO CALCULATE YOUR COST:

Multiply the monthly rate times the number of thousands of insurance you want. This will give you the monthly cost.

FOR EXAMPLE: Employee age 42, desiring \$50,000 of Optional Life Insurance coverage:

Insurance Amount \$50,000 X .21 = \$10,500/\$1000 = \$10.50 per Month X 12 = \$126.00 per year.

Divide this \$ 126.00 by the number of checks in your pay year (26, 22 or 21). This will give you your deduction per check for optional life insurance. (For Example if you are paid 26 times per year, \$126 divided by 26 = \$ 4.85 per check.)

Add the cost of the basic life insurance to this amount to determine your total insurance cost per paycheck.
\$.65 per month X 12 = \$ 7.80 per year divided by 26 paychecks = **\$.30 per paycheck.**

\$4.85 + \$.30 = \$5.15. This would be the cost for a 42 year old employee to enroll in \$5,000.00 of Basic and \$50,000.00 of Optional Life based on a 26 paycheck schedule.

TO CALCULATE YOUR LIFE INSURANCE COST:

Insurance Amount _____ X _____ = _____ /1000 = _____ Monthly Cost _____ X 12 = _____
Annual Cost which is divided by (21, 22, 26) paychecks = cost per paycheck for optional life benefit _____

Dental COBRA Rates

Old Premier Plan (Table)

Individual \$40/mo
Family \$99/mo

New Premier Plan (National Coverage)

Individual \$49/mo
Family \$125/mo

Police Patrol and Commanders

Town of Duxbury, MA

Health, Life and Dental Insurance Rates

Deductions Eff. 8/1/12 (for Sept. Premiums)

Through 5/31/13 (for June Premiums)

Medical COBRA Rates

Blue Care Elect Ind: \$797/mo

Blue Care Elect F: \$1,995/mo

Network Blue Ind.: \$672/mo

Network Blue Fam: \$1,681/mo

Health Insurance Type	Total Annual Cost	Total Monthly Cost	Town Cost per Month	26-Pay Deduction	22-Pay Deduction	21-Pay Deduction	Employee Cost Per Month	Retirees Cost Per Month
Blue Care Elect Individual PPO	\$9,380.88	\$781.74	\$586.31	\$90.20	\$106.60	\$111.68	\$195.44	\$390.87
Blue Care Elect Family PPO	\$23,465.16	\$1,955.43	\$1,466.57	\$225.63	\$266.65	\$279.35	\$488.86	\$977.72
Individual HMO	\$7,906.32	\$658.86	\$494.15	\$76.02	\$89.85	\$94.13	\$164.72	\$329.43
Family HMO	\$19,772.16	\$1,647.68	\$1,235.76	\$190.12	\$224.68	\$235.38	\$411.92	\$823.84
Ind Medex	\$4,752.00	\$396.00	\$198.00	X		X	X	\$198.00
Ind M Blue Srs.	\$3,817.92	\$318.16	\$159.08					\$159.08

\$5,000 Basic Coverage	Annual Cost	Monthly Cost	Town Cost Per Month	26-Pay deduction	22-Pay deduction	21-Pay deduction	Employee Cost/ Month	Retirees Cost/ Month
	\$31.20	\$2.60	\$1.95	\$0.30	\$0.36	\$0.38	\$0.65	\$0.52

Monthly Rates for Optional Life/ADD Insurance

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