

Fringe Benefits – Healthcare

Finance Committee

March 5th 2019

Original Employee Fringe Budget

Department: Employee Fringe

Appropriation Summary							
		2017	2018	2019	2020	2019 vs. 2020	
		Actual	Actual	Budget	Budget	\$ (+/-)	% (+/-)
Other Personnel Services							
Worker's Compensation	\$	671,051	\$ 611,342	\$ 630,414	\$ 676,678	\$ 46,264	7.3%
Unemployment	\$	94,120	\$ 45,873	\$ 65,000	\$ 65,000	\$ -	0.0%
Medicare (All)	\$	1,022,178	\$ 1,109,148	\$ 1,172,252	\$ 1,223,797	\$ 51,545	4.4%
Drug & Alcohol testing	\$	9,278	\$ 5,636	\$ 12,500	\$ 12,500	\$ -	0.0%
Public Safety Medical (111F)	\$	122,074	\$ 112,656	\$ 147,593	\$ 115,400	\$ (32,193)	-21.8%
LIUNA/Mass Lab. Pension	\$	262,096	\$ 287,125	\$ 295,994	\$ 334,443	\$ 38,449	13.0%
Benefits Reserve	\$	-	\$ 1,805	\$ 50,000	\$ 55,000	\$ 5,000	10.0%
Long-Term Disability	\$	20,574	\$ 2,177	\$ 22,000	\$ 22,000	\$ -	0.0%
Retirement Buy-Out Program	\$	170,910	\$ 227,207	\$ 165,000	\$ 265,000	\$ 100,000	60.6%
Total Other Personnel Services	\$	2,372,281	\$ 2,402,969	\$ 2,560,753	\$ 2,769,819	\$ 209,066	8%

Merit & Performance Increases*	\$	26,000	\$ 143,935	\$ 175,000	\$ 300,000	\$ 125,000	71.4%
Total Performance Plan	\$	26,000	\$ 143,935	\$ 175,000	\$ 300,000	\$ 125,000	71%

*FY20 budget is planned for \$150,000; the \$300,000 is placeholder accounting for FY19 departmental adjustments

Health Benefits							
Health Care Benefits*	\$	13,149,662	\$12,641,344	\$13,115,833	\$13,968,362	\$ 852,529	6.5%
Total Health Benefits	\$	13,149,662	\$12,641,344	\$13,115,833	\$13,968,362	\$ 852,529	6.5%

*Additional health care detail will be provided upon revised rates from WSHG

Total Employee & Retiree Benefits	\$	15,547,943	\$ 15,188,248	\$ 15,851,586	\$ 17,038,181	\$ 1,186,595	7.49%
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Plan Distribution & Cost Summary

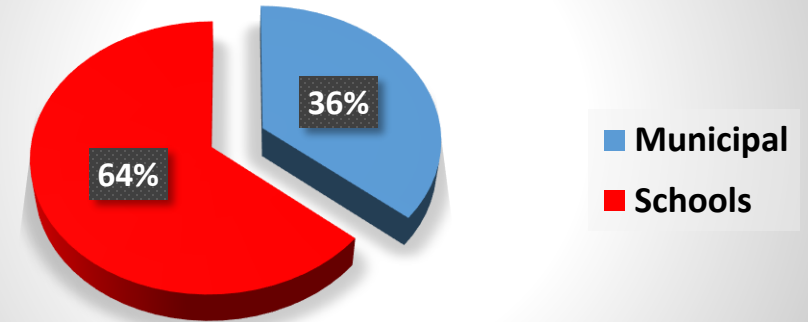
Total Health Insurance Costs FY20

Town	Plans	Costs
Town Active Employees	259	\$3,493,118
Town Non-Medicare Eligible Retirees	51	\$608,938
Town Retirees	255	\$747,559
Town New Plans	1	\$18,290
Town Reserve Plans	6	\$98,236
	572	\$4,966,141

School	Plans	Costs
Schools Active Employees	511	\$6,479,993
Schools Non-Medicare Eligible Retirees	56	\$544,043
Schools Retirees	425	\$1,247,098
Schools New Plans	16	\$200,612
Schools Reserve Plans	6	\$98,236
	1014	\$8,569,982

TOTAL GF	Plans	Costs
Active Employees	770	\$9,973,111
Non-Medicare Eligible Retirees	107	\$1,152,981
Retirees	680	\$1,994,657
New Plans	17	\$218,902
Reserve Plans	12	\$196,472
	1586	\$13,536,123

FY20 Projected Number of Plans



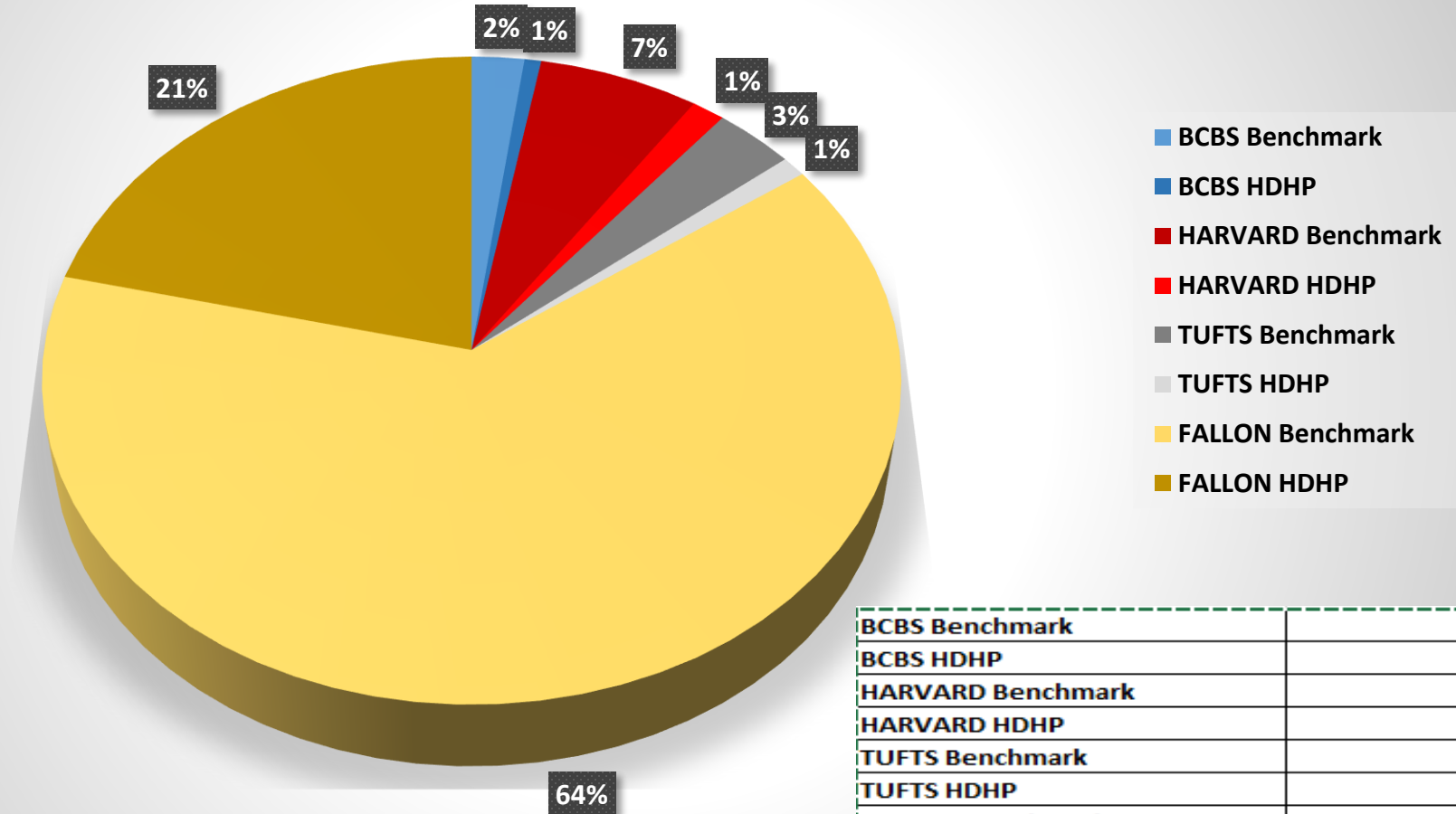
Other Group Health Line Items	\$ Amount
Life Insurance	44,000
Flu Shots	7,500
Occupational Health Nurse	21,000
Cook & Co	6,000
Wellness Programming	25,000
Continuity of Care Mitigation	60,000
Sentinel Benefits Admin Fee	40,200
Sentinel Benefits	10,000
Medicare Penalty	33,780
Retiree Mitigation	40,000
TOTAL	287,480

Healthcare Budget Summary

Healthcare Budget	\$ Amount
Original Healthcare Budget Projection	\$13,968,362
Revised Healthcare Budget (Late February)	\$13,823,603
Net	\$144,759

Active Plan Health Insurance Distribution

Active Plan Breakout by HDHP & Benchmark

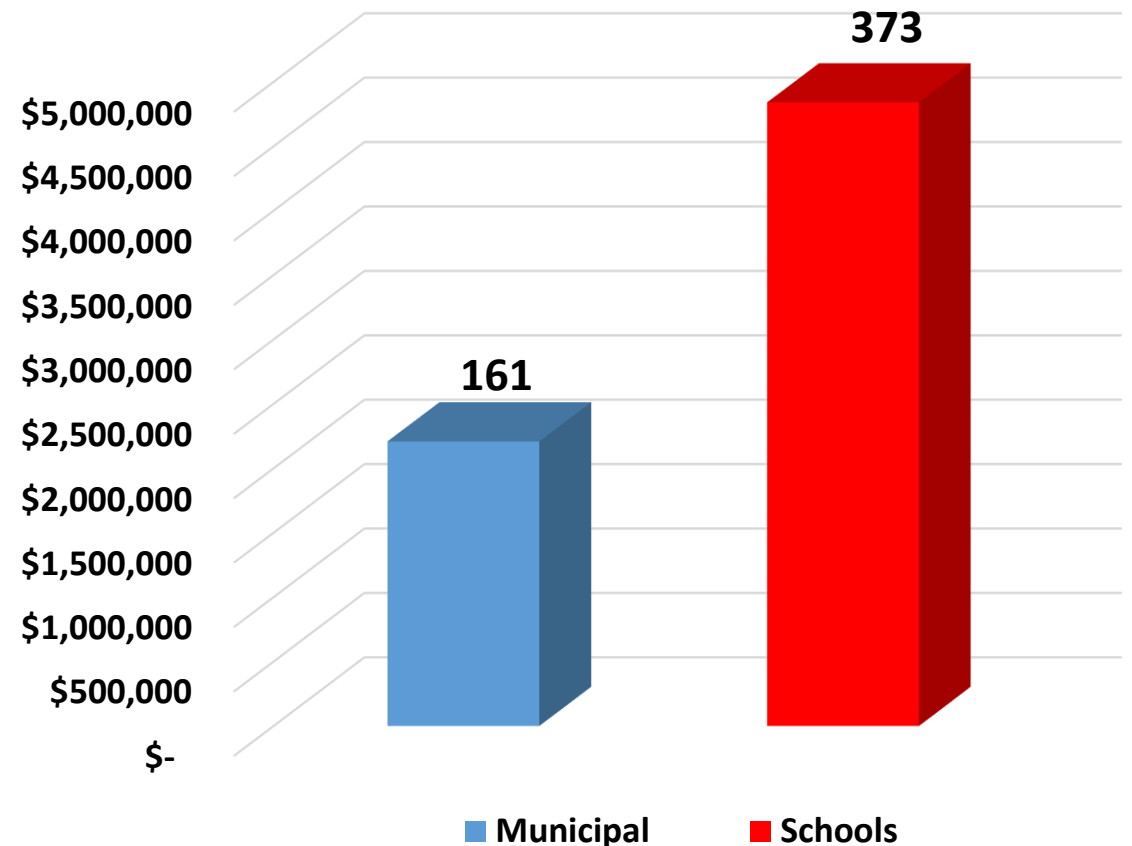


BCBS Benchmark	19
BCBS HDHP	6
HARVARD Benchmark	58
HARVARD HDHP	12
TUFTS Benchmark	29
TUFTS HDHP	9
FALLON Benchmark	556
FALLON HDHP	186

Active Benchmark Plans

Employee		Plan	Monthly	Employee	Town
Town %	%		Rate - FY	Annual	Annual
			2020	Rate - FY	Rate - FY
			2020	2020	2020
62%	38%	Network Blue Benchmark - Individual	\$1,029	\$4,692	\$7,656
62%	38%	Network Blue Benchmark - Family	\$2,759	\$12,583	\$20,530
50%	50%	HP PPO-Individual	\$2,612	\$15,672	\$15,672
62%	38%	HP Benchmark-Individual	\$969	\$4,419	\$7,210
62%	38%	HP Benchmark - Family	\$2,524	\$11,509	\$18,778
62%	38%	Tufts Navigator Benchmark - Individual	\$1,035	\$4,719	\$7,699
62%	38%	Tufts Navigator Benchmark - Family	\$2,709	\$12,353	\$20,155
75%	25%	Fallon Direct Benchmark - Individual	\$702	\$2,106	\$6,318
75%	25%	Fallon Direct Benchmark - Family	\$1,890	\$5,670	\$17,011
75%	25%	Fallon Select Benchmark - Individual	\$754	\$2,262	\$6,787
75%	25%	Fallon Select Benchmark - Family	\$2,032	\$6,097	\$18,290

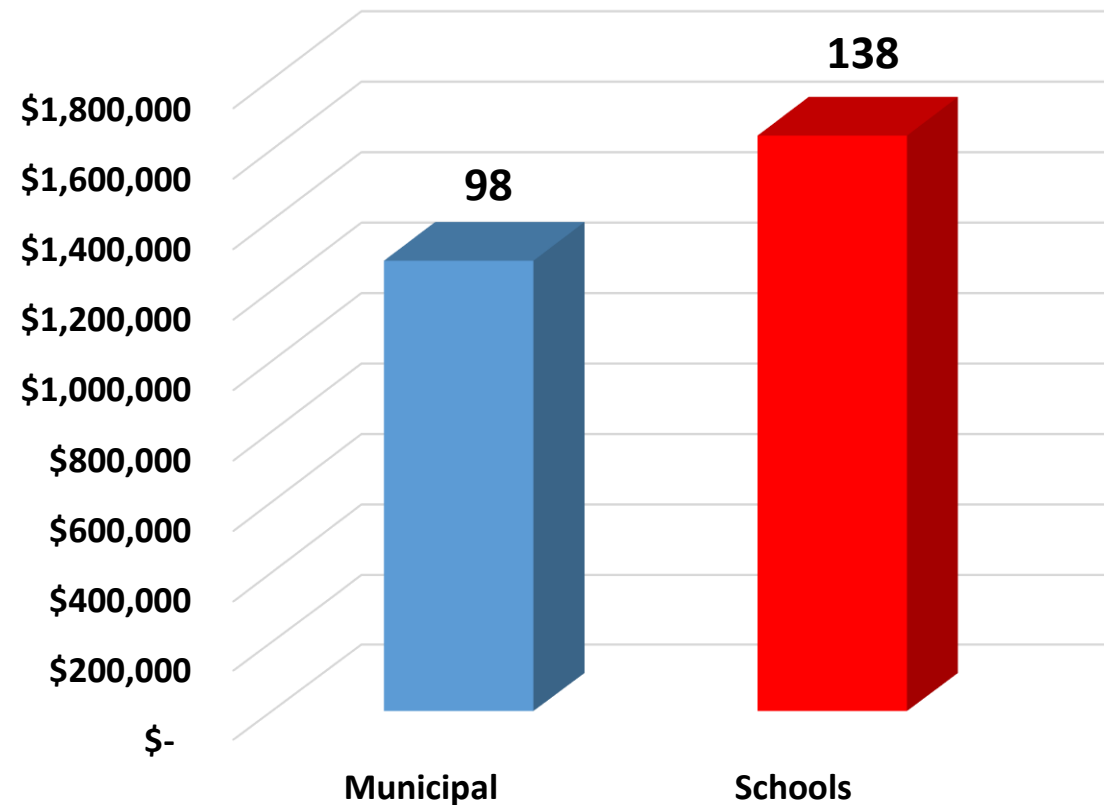
Active Benchmark Plans & Cost



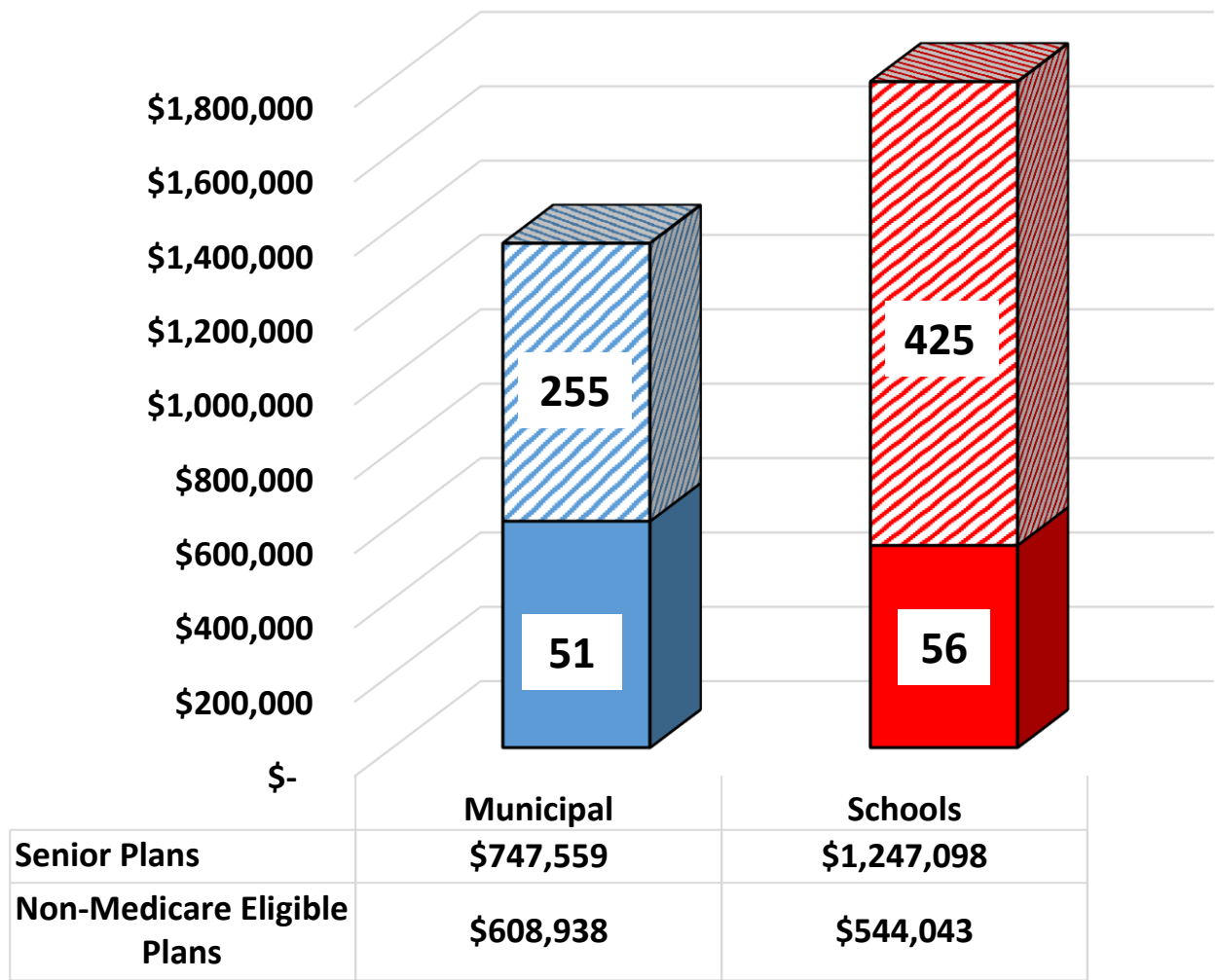
Active High Deductible Health Plans (HDHP)

Town Contribution %	Employee Contribution %	Plan	Monthly Rate FY 2020	Town Health - Saving Acct. Contribution	Projected Employee Annual Plan Cost - FY 2020	Projected Town Annual Plan Cost - FY 2020
62%	38%	BCBS HSAQ - ind (62/38)	\$831	\$1,000	\$3,790	\$7,184
62%	38%	BCBS HSAQ - fam(62/38)	\$2,231	\$2,000	\$10,173	\$18,598
62%	38%	HP -HSAQ - ind	\$750	\$1,000	\$3,422	\$6,583
62%	38%	HP -HSAQ - fam	\$1,957	\$2,000	\$8,922	\$16,556
62%	38%	Tufts Navigator HSAQ - Ind (62/38)	\$801	\$1,000	\$3,652	\$6,959
62%	38%	Tufts Navigator HSAQ- Fam (62/38)	\$2,098	\$2,000	\$9,569	\$17,612
75%	25%	Fallon Direct HSAQ - Ind (75/25)	\$592	\$1,000	\$1,776	\$6,329
75%	25%	Fallon Direct HSAQ - Fam (75/25)	\$1,595	\$2,000	\$4,786	\$16,358
75%	25%	Fallon Select HSAQ - Ind (75/25)	\$635	\$1,000	\$1,904	\$6,713
75%	25%	Fallon Select HSAQ - Fam (75/25)	\$1,713	\$2,000	\$5,138	\$17,413

Active HDHP Plans & Cost



Non-Medicare Retiree & Senior Plans



Non-Medicare Eligible Retirees

are on “Active” employee plans until they reach 65. Municipal is budgeted for 51 plans, and NPS 56 plans

Senior Plans

are on a Calendar Year cycle and projected to increase by 7%. These are Medicare Supplement plans.

PEC Agreement

- The Benchmark & HDHP plans have been agreed upon with the PEC for a term of 3 years. FY20 will be Year 2 of the agreement.
- For the HDHP plans, the Town will annually contribute \$1,000 to individual plan HSAs and \$2,000 to family plan HSAs.

Questions