

MEMORANDUM OF AGREEMENT PURSUANT TO 801 CMR 52.04(4)

BY AND BETWEEN

THE TOWN OF CHELMSFORD

AND

THE CHELMSFORD PUBLIC EMPLOYEE COMMITTEE

WHEREAS, the Board of Selectmen (“Board”) of the Town of Chelmsford (“Town”) voted on October 3, 2016, to change group health insurance under the process authorized by G.L. c. 32B, §§ 21-23; and

WHEREAS, on October 18, 2016, the Town provided its Insurance Advisory Committee with notice of its intention to change group health insurance under the process authorized by G.L. c. 32B, §§ 21-23; and

WHEREAS, a PEC was formed and the Town, on October 19, 2016, delivered its 801 CMR 52.03 notice to the PEC representatives; and

WHEREAS, the negotiations period with the PEC commenced on October 27, 2016, and is set to expire on November 27, 2016; and

WHEREAS, both the Town and the Union have engaged in negotiations in good faith and desire to enter into a mutually acceptable agreement relative to this subject matter;

NOW THEREFORE, pursuant to 801 CMR 52.04(4), the Town and the PEC agree as follows with respect to changes to the Town’s group health insurance plan.

1. **Implementation.** The Town will continue to offer the MIIA “benchmark” plans with Blue Cross/Blue Shield that will include Blue Care Elect Preferred (PPO),

Network Blue New England (HMO), MEDEX II with Prescription Drug Plan (PDP), and Managed Blue for Seniors with PDP. Custom Network Blue (HMO) will also be offered.

2. Plan Design and Rates. The current plan design of Blue Care Elect Preferred (PPO), Network Blue New England (HMO), Custom Network Blue (HMO), MEDEX II with PDP, and Managed Blue for Seniors with PDP are as set forth currently in the Summary of Benefits documents attached hereto and incorporated herein by reference. Copayments and deductibles will mirror those of the GIC active benchmark plans effective July 1, 2017, July 1, 2018 and July 1, 2019 and Medicare Supplement Plans effective January 1, 2017, January 1, 2018 and January 1, 2019. Accordingly, in the first year of this agreement, the rate increase from MIIA shall be no greater than 3% above the GIC Benchmark plans. In years 2 and 3, the rate increase from MIIA shall be no greater than the rate increase of the GIC active and Medicare benchmark plans. The proposal from MIIA is attached.

3. Mitigation. If there are copayment and/or deductible changes incorporated into the benefit plans that result in premium savings in any of the plan years beginning July 1, 2017, July 1, 2018 and July 1, 2019, the Town shall provide mitigation money to the employees and retirees in the amount of 25% of the total savings for that particular benefit change for a one-year period only. Mitigation Funds shall accrue in a separate account from year to year. No later than May 2020 or if the Mitigation Funds exceeds \$50,000, whichever occurs first, the Town and PEC shall meet to determine an appropriate fund disbursement. In the absence of an agreement by the parties, the funds shall be disbursed by way of an employee/retiree premium offset "holiday".

4. Notification. Subscribers shall be notified of the implementation of the plan pursuant to 801 CMR 52.04(5), or on or before April 1, 2017; and the Town shall hold a 'health fair' in April 2017 on a date to be determined by the Town. The open enrollment period for the new plans shall be from the date of the 2017 health fair through and including Friday, May 31, 2017.

5. Binding Effect. Pursuant to 801 CMR 52.04(6), this Agreement is binding on all subscribers and their representatives.

6. Entire Agreement. This Agreement constitutes the entire agreement reached by the Parties pertaining to this matter. No other agreement, oral or otherwise, will be considered to exist or to bind any of the Parties. No representative of any Party to this Agreement had, or has, any authority to make any representation or promise not contained in this Agreement, and each of the Parties to this Agreement acknowledges that such Party has not executed this Agreement in reliance upon any such representation or promise. This Agreement cannot be modified, except by a written instrument signed by all Parties. The parties acknowledge that they have thoroughly read this Agreement, that they understand it, and that they are entering into it of their own free will.

FOR THE TOWN:

George R. Dixon, Jr. 11-27-16
George R. Dixon, Jr. Date

Pat Wojtas 11-29-16
Pat Wojtas Date

Laura Merrill 11/29/16
Laura Merrill Date


FOR THE PEC:


Jennifer Salmon 11/30/16
Jennifer Salmon Date
AFT MA, Local 3569 (Teachers)


Michael Brothers Date
IAFF, Local 1839

David Defreitas
David Defreitas Date
AFSCME, Council 93 (Dispatchers)

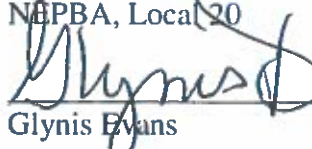
Bob Joyce _____ Date

 11/29/2016
Glenn Diggs _____ Date

 11/30/16
Sandra Hall _____ Date
AFSCME, Council 93 (Clerical)

 11/30/16
Brian Richard _____ Date
FOP Lodge 110

Jeffrey Bernier _____ Date
NEPBA, Local 20

 11/30/16
Glynis Evans _____ Date
AFT MA, Local 3569 (Library)

 11-30-16
Rodney Pelkey _____ Date
AFSCME, Facilities

 11-30-16
Patrick Cairns _____ Date
IUOE, Local 877, Cemetery

David Silva _____ Date
Chelmsford Public Works Assoc.

Thomas Wright _____ Date
Chelmsford School Administrators

 11/29/16
Cynthia Acheson _____ Date
Professional Support Personnel

Leslie DeYoung _____ Date
Food Service Association

 11/29/16
Janet Murphy _____ Date
Retiree Representative



REVISED
OPTION

**FY'18, FY'19 & FY'20
MIIA HEALTH BENEFIT TRUST THREE YEAR PROPOSAL**

As a valued member of the MIIA Health Benefits Trust, we are pleased to propose a three year rate stabilization plan for the Town of Chelmsford. This is being offered to members who present a commitment to the Trust, have favorable claims experience, achieved positive benefit changes to a MIIA Benchmark plan and display an engagement in wellness and overall healthcare management. MIIA is interested in supporting the healthcare mission of the Town of Chelmsford. This proposal includes retiree and active enrollment.

- For FY'18 – Year 1, MIIA offers a renewal rate of increase of 10% for active plans based on current plan benefits. In addition, MIIA expects the GIC to adopt a rate of increase and implement Benchmark plan changes for FY'18. MIIA will adjust the 10% renewal rate of increase to reflect the GIC Benchmark plan changes.
- For FY'18, MIIA's rate of increase will not be higher than 3% of the GIC Benchmark plan equivalent rate of increase.
- For years FY'19 – Year 2 and FY'20 – Year 3, MIIA offers a renewal rate of increase for active “no greater than the GIC benchmark plan.”
- Retiree plans for FY'18 (1/1/17), FY'19 (1/1/18) and FY'20 (1/1/19), MIIA offers a renewal rate of increase “no greater than the GIC benchmark plan.”
- In terms of benefit plans, MIIA plan changes will occur consistent with changes to the GIC benchmark plans for FY'18, FY'19 and FY'20. Benefit plans may change subject to state, federal or health reform laws.
- MIIA will offer the HMO Custom Network Benchmark product for FY'18, subject to GIC Benchmark plan changes.

