



CHICOPEE CITY COUNCIL
FINANCE COMMITTEE & HUMAN RESOURCES COMMITTEE

APPROVED 4-30-2019

MEMBERS FINANCE COMMITTEE

John Vieau, Chairman
Shane Brooks, Vice Chairman
Fred Krampits
Frank Laflamme
Gary Labrie
James Tillotson
Jerry Roy

MEMBERS HUMAN RESOURCES COMMITTEE

James Tillotson, Chairman
Gary Labrie, Vice Chairman
Jerry Roy
Stanley Walczak
William Courchesne

MINUTES
September 24, 2018

The following are the minutes of a public hearing held Monday, September 24, 2018 at 7:05 PM in the City Council Chambers, Fourth Floor, City Hall Annex, 274 Front Street, Chicopee, MA 01013.

Finance Members Present

Vieau, Brooks, Krampits, Laflamme, Labrie, Tillotson

Finance Members Absent

Roy

Human Resources Members Present:

Tillotson, Labrie, Walczak

Human Resources Members Absent:

Roy, Courchesne

Also Present

Daniel Garvey (Associate City Solicitor), Evelyn Rivera-Riffenburg (HR Director), Marshall Moriarty (City Solicitor), Marie Laflamme (City Treasurer), Michelle Santerre (GIS Coordinator), Councilor Zygarowski, Councilor Dobosz, Councilor Walczak

The meeting was called to order at 7:05 PM

In compliance with the Open Meeting Law the Chairman asked if anyone in the audience was recording the meeting.

Motion made by Councilor Laflamme and second by Councilor Vieau to postpone to the call of the chair. Motion passed.

Motion made by Councilor Brooks and second by Councilor Vieau to reconvened at 7:20 PM. Motion passed.

ITEM #1

BE IT ORDERED THAT the City of Chicopee elects to engage in the process to change health insurance benefits under M.G.L. c. 32B, Section 21 through 23. Acceptance of these sections allows the Mayor greater flexibility when negotiating City health care benefit plans.

Russell F. Denver, Esq. with Hub International which is the City's insurance broker was present at the meeting.

Attorney Denver provided the following: In 2011 MGL Chapter 32B Section 21 through 23 was enacted. It was meant to allow communities greater flexibility to make changes or plan and design health insurance. If the City adopts these sections it will allow the city to make a proposed plan. The city at no time would be able to go beyond the limits of what is referred to as the most subscribed plan under the Group Insurance Commission (G.I.C) of the state. As of this date the most subscribed plan is called Tufts Navigator. It would allow the city to make changes to plans co-pays and deductibles. They would then have to estimate what the savings are as a result of the plan design changes. They would then have to meet the City's Insurance Advisory Committee with what the estimated savings are and what impact they might have on the co-pays and the deductibles. Part of the legislation requires that the city develop a mitigation plan. So it would mitigate the cost to your lower wage employees to those people that have high out of pocket medical costs and to the retirees. After meeting with the Insurance Advisory Committee the City would then be required to meet with City's Public Employee Committee which consists of one person from each Collective Bargaining Agreements that the City does bargain with. Where the flexibility comes in is it creates a 30 day expedited bargaining process. If an agreement is not reached there is a Municipal Review Panel which is established as part of the legislation. Part of that Public Employee Committee is to appoint one member, the City appoints another member, and then the Secretary of Administration Finance would appoint the third member. The Municipal Review Panel is charged with reviewing the design plan, making sure that they don't exceed the limits of the Tufts Navigator Plan and that the Mitigation plan is appropriate. If they find that it is not appropriate then they are required to vote in favor of the plan that the City puts forward. The Council approving the provisions of 21 through 23 will allow that process to move forward.

Attached is a Summary of Cities and Towns Adopting Local Option Reform as provided by Attorney Denver.

Attorney Denver stated that having sat on a couple of negotiations the thing that is the most heavily negotiated during this process is the mitigation plan. The retirees are very vocal with respect to their concerns and you want to be cognizant of your lower wage employees and those with high out of pocket expenses. Those might be the people that would feel the impact more than others.

Councilor Brooks stated that he is leery of the G.I.C. because he thinks more work needs to be done around the education on how to educate members on when to get engaged with their Primary Care Physician versus an ER and a variety of issues. If that's the only game in town it may not be a net savings.

Attorney Denver stated that he wants to make it clear that there is no discussion of joining the G.I.C. The proposal would be go to the benchmark plan with the Group Insurance Commission. The proposal is not to change carriers or anything like that.

Councilor Brooks stated that essentially that means that carriers would have to price match that benchmark plan which is Tufts Navigator, the most subscribed plan through G.I.C.

The first step is to adopt these sections.

Councilor Tillotson asked if at any time can the committee appointed by the City say that they don't want to continue with this process.

Councilor Vieau stated that the city's interest is to provide the best insurance possible with the least amount of out of pocket expense. Is this something that you see as beneficial to employees?

Evelyn stated that she believes it is. The city is always looking for the best options available. She continued that personally for her it stream lines the process. She stated that the last open enrollment period took 4 months before a decision was made.

Attorney Denver stated that the City has what's referred to as a Section 19 and with that the City has an established Public Employee Committee. The primary difference is the City is able to make proposed changes and offer them up to the Public Employee Committee but there is not a requirement to do the expedited 30 day window.

Public Input

Matt Szulborski, 69 Church Street, Bernardston, MA, Business representative from United Food and Commercial Workers Local 1459. He is also a member of the Section 19 committee that was referenced. He stated that the Section 19 Committee ended up with a plan that increased rates by 4.9 percent. He continued that the Mayor proposed something a little different that would decrease the rates but increase the out of pocket expense, copays. The adoption of Section 21-23 gives him great concern. He questioned how many of those communities that adopted Section 21-23 went to G.I.C. or are in the process of going to G.I.C. He questioned whether this is an effort to go to the G.I.C. He continued that no one wants to bargain for more than 30 days. To put a 30 day window on something as important as intensive and detailed as health insurance is his opinion is absurd. He feels that it is not an achievable thing to do in 30 days. The odds of a decision being made in 30 days is very slim. He feels that there is a very good likely hood that the timeline will not be met. He feels that this year the Section 19 committee was successful. He further stated that the city asked for the committees availability to meet and two weeks ago the city received the availability and to date the city has not responded. He continued that that is half of the timeline. The goal is to get the best plan for the members at the best price.

Laura Dumacas, 51 Westbrook Road, South Hadley, MA. President, Chicopee Education Association. She joined the Section 19 Committee and was very upset with the way that the Mayor was negotiating with the CEA. She further stated that some of the CEA members with small children do not want to bring their children to urgent care with an earache. They want to bring them to the ER. She continued that she is concerned with the G.I.C. She is nervous that we are headed down that road. She would like to know what is happening with the idea of self-insurance that was brought forth.

Chris Adams, 640 Pendleton Avenue, Business Representative for Local 1459 Administrative union. He is concerned that if the 30 day decision is not met the negotiating aspect is taken away. Portion of this public input is not audible.

Attorney Denver stated that there are communities leaving the G.I.C. because they were threatening to remove a number of health plans and limit it to 3. The communities went wild and reversed their decision. The other issue with the G.I.C. is that they are allowed to make plan design changes mid-

year and they are allowed cost rate changes mid-year because they are a self-insurance group and they need to raise enough revenue for all that. This proposal does not allow for all that.

Matt Szulborski, asked how long the Review Panel has from start of the 30 days to get a final decision.

Attorney Denver replied that he is not aware of any community that has gone to the Review Panel.

During this last insurance negotiation the Mayor had recommended an option which would have provided for a .5% decrease in the premium and the Public Employee Committee came back with a recommendation for a 4.5% increase.

Chairman Vieau stated that when the Section 19 Committee comes to a stalemate then the Review Panel would step in.

Councilor Krampits asked whether there is anything in sections 21-23 that would automatically trigger the city going into the G.I.C. Attorney Denver stated that there is nothing that would enter the City directly into the G.I.C. It's a lengthy process to enter the G.I.C.

Mark Krusatelli, of Hub International, 96 Shaker Road, East Longmeadow, MA, stated that the communities that have joined the G.I.C. over the past few years are typically communities where their claims and expenses are resulting in premiums that would be higher than what the G.I.C. is. The City of Chicopee expenses are lower than the G.I.C. and lower than most communities.

Solicitor Moriarty stated that this gives an alternative for the City.

This portion of the meeting was not audible.

Councilor Vieau stated that the City has come up with a creative way that was agreed to because if your deductible is \$2,000 the City will reimburse you everything after \$500. For those who use this portion of their insurance benefits the City ends up paying the deductible.

Motion made by Councilor Krampits and second by Councilor Vieau to adopt MGL Chapter 32B Section 21-23.

Finance Committee vote **4 – 0 favorable**
Human Resources Committee vote **3 – 0 favorable**

Meeting adjourned at 8:37 PM.

March 2019

Week	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
9						1	2
10	3	4 City Council	5 City Council	6	7	8	9
11	10	11	12 Ordinance 6:30	13	14	15	16
12	17	18 Community Development 6:30	19 City Council	20	21	22	23
13	24	25	26	27	28 Zoning 6:30	29	30
14	31						

List of Participating Municipalities that Offer GIC Health Insurance



Cities – 12

- Framingham (effective 7/1/14)
- Gloucester (effective 1/1/14)
- Haverhill (effective 7/1/17)
- Lawrence (effective 11/1/10)
- Lowell (effective 7/1/12)
- Medford (effective 1/1/12)
- Melrose (effective 7/1/09)
- Northampton (effective 1/1/14)
- Quincy (effective 7/1/09)
- Salem (effective 7/1/12)
- Somerville (effective 1/1/12)
- Springfield (effective 1/1/07)



Summary of Cities & Towns Adopting Local Option Reform

MUNICIPALITY	KNOWN TO HAVE ADOPTED REFORM OPTION	MUNICIPALITY	KNOWN TO HAVE ADOPTED REFORM OPTION
ABINGTON	X	CONCORD	X
ACUSHNET	X	DARTMOUTH	X
ANDOVER	X	DEDHAM	X
ARLINGTON	X	DENNIS	X
AYER	X	DUXBURY	X
BARNSTABLE	X	EAST BRIDGEWATER	X
BEDFORD	X	EAST LONGMEADOW	X
BELMONT	X	EAST BRIDGEWATER	X
BEVERLY	X	EAST LONGMEADOW	X
BILLERICA	X	EASTHAM	X
BOXBOROUGH	X	EDGARTOWN	X
BREWSTER	X	EVERITT	X
CANTON	X	FAIRHAVEN	X
CARLISLE	X	FALL RIVER	X
CARVER	X	FALMOUTH	X
CHATHAM	X	FOXBOROUGH	X
CHELMSFORD	X	FRAMINGHAM	X
		FREETOWN	X



Summary of Cities & Towns Adopting Local Option Reform

MUNICIPALITY	KNOWN TO HAVE ADOPTED REFORM OPTION	MUNICIPALITY	KNOWN TO HAVE ADOPTED REFORM OPTION
GARDNER	X	LOWELL	X
AQUINNAH	X	LUDLOW	X
GEORGETOWN	X	MANCHESTER	X
GREAT BARRINGTON	X	MARSHFIELD	X
HARVARD	X	MASHPEE	X
HARWICH	X	MERRIMAC	X
HAVERHILL	X	MIDDLEBOROUGH	X
HINGHAM	X	MILFORD	X
HOLDEN	X	NANTUCKET	X
HOLLISTON	X	NEWBURYPORT	X
HULL	X	NORTH ANDOVER	X
IPSWICH	X	NORTH ATTLEBOROUGH	X
LANCASTER	X	NORTHAMPTON	X
LANESBOROUGH	X	NORTHBRIDGE	X
LEE	X	NORWELL	X
LEXINGTON	X	OAK BLUFFS	X
LITTLETON	X	ORANGE	X
LONGMEADOW	X	ORLEANS	X



Summary of Cities & Towns Adopting Local Option Reform

MUNICIPALITY	KNOWN TO HAVE ADOPTED REFORM OPTION
TISBURY	X
TRURO	X
TYNGSBOROUGH	X
WAKEFIELD	X
WAREHAM	X
WEBSTER	X
WELLFLEET	X
WEST BOYLSTON	X
WESTFIELD	X
WESTFORD	X

MUNICIPALITY	KNOWN TO HAVE ADOPTED REFORM OPTION
PEMBROKE	X
PLAINVILLE	X
PLYMOUTH	X
PROVINCETOWN	X
RAYNHAM	X
ROCKLAND	X
SALEM	X
SANDWICH	X
SCITUATE	X
SEEKONK	X
SHARON	X
SHEFFIELD	X
SOMERVILLE	X
SOUTHBOROUGH	X
STOW	X
SUDBURY	X

List of Participating Municipalities that Offer GIC Health Insurance



Towns – 33

- Arlington (effective 1/1/12)
- Ashland (effective 7/1/15)
- Bedford (effective 7/1/12)
- Brookline (effective 7/1/10)
- Dracut (effective 7/1/13)
- East Bridgewater (effective 7/1/14)
- Easton (effective 7/1/15)
- Grafton (effective 1/1/15)
- Groveland (effective 7/1/08)
- Hingham (effective 7/1/17)
- Holbrook (effective 7/1/08)
- Holden (effective 7/1/12)
- Hopedale (effective 7/1/10)
- Lexington (effective 7/1/12)
- Lynnfield (effective 11/1/11)
- Marblehead (effective 7/1/12)
- Middleborough (effective 7/1/14)
- Millis (effective 7/1/08)
- Monson (effective 7/1/12)
- North Andover (effective 1/1/14)
- Norwood (effective 7/1/09)
- Randolph (effective 7/1/09)
- Stoneham (effective 7/1/09)
- Sudbury (effective 7/1/12)
- Swampscott (effective 7/1/09)
- Wakefield (effective 1/1/12)
- Watertown (effective 7/1/09)
- Wenham (effective 7/1/09)
- Weston (effective 7/1/09)
- Westwood (effective 7/1/15)