

## Insurance Advisory Committee Meeting

Wednesday, April 8, 2020

Virtual: Zoom Meeting

IAC Members Present: Cheryl Mann, Bonnie Ricardelli, Eric Hoar, David Tully, Chief James Dow

IAC Members Non Present: Mary Beth Pallis

Others Present: Brian Palaia, Jake Voelker, Kevin Paicos, Ken Lombardi, Joy Landon

Call to Order: The meeting was called to order at approximately 1:10 pm.

Presentation: Kevin Paicos of NFP brokers reviewed a power point presentation (attached) outlining options for health insurance renewals for Fiscal Year 2021. There was questions and discussion amongst the members and participants of the meeting. The main comparison was between renewing with the current plan structure and implementing a \$500/\$1000 deductible with a Health Reimbursement Account to offset deductible costs for members from the Town's savings.

Joy Landon of NFP brokers reviewed options for a dental renewal. There were questions and discussion amongst the members and participants, NFP was asked to explore one additional option which would raise the value of the maximum benefit level for the employees in a plan year.

Joy Landon of NFP brokers reviewed how a Flexible Spending Account would work as an additional benefit that could be provided to the employees. The Flexible Spending Account allows employees to contribute funds pre-tax through payroll to offset healthcare and dependent care costs throughout the year.

Members were concerned about implementing the \$500/\$1000 deductible without knowing whether the police union would negotiate a separate arrangement than other employees. Kevin Paicos offered to meet apart with the police union to present the plan options and get their feedback for the next meeting.

The Committee agreed to meet again on Thursday, April 16th to make a decision (renewal decision due by April 30th) once the police union feedback is obtained.

The meeting adjourned at approximately 2:15 pm.

April 8, 2020

Confidential



Town of  
**Dunstable**  
*Massachusetts*

Town of Dunstable  
Insurance Renewal UPDATE



### Medical Overview – MIA

- Dunstable has been provided with a 3.18% increase effective 7/1/20 for the “As Is” plan options
- Competitive bidding did not provide market place options for consideration
- The IAC is being asked to consider an alternative plan design to actually reduce the current cost for FY21 compared to FY20 – recall medical care trend is 7%-9% so this opportunity is significant
- The Town is reviewing the option of adding a “Health Reimbursement Arrangement” funded out of Town savings to help reimburse any increase members may experience from this change
- The combination of reduced premium plus the addition of a tax advantaged program (the FSA) can help improve our benefits program

### Health Reimbursement Arrangement

- Proposed HRA plan design is based on 25% of the deductible level

### Flexible Spending Account

- FSA proposals were obtained from TASC and Benefit Strategies
- This can be implemented for July 1<sup>st</sup> and be included in the Towns Open Enrollment

MIIA – AS IS Renewal 3.18% increase

Town of Dunstable - AS IS Renewal 7.1.20						
Medical Plan Benefits	Current MIIA HMO Plan Network Blue NE			Current MIIA POS Plan Choice (ref in net)		
	Blue					
Routine Well Care	\$0 - Covered In Full			\$0 - Covered In Full		
Office Visit: PCP / Specialist	\$20 PCP/Specialist			\$20 PCP/Specialist		
Deductible	N/A			\$250/\$500 Self-Referred Cal Year Ded		
Out-of-Pocket Maximum	Medical: \$2,500 / \$5,000 Pharmacy: \$1,000/\$2,000			Medical: \$2,500 / \$5,000 Pharmacy: \$1,000/\$2,000		
Coinsurance	N/A			20% Out-of-Network		
Emergency Room	\$75 Copay			\$75 Copay		
IN-PT Hospital Admission	Covered In Full			Covered In Full		
Out-Patient Surgery	Covered In Full			Covered In Full		
Lab & X-rays	Covered In Full			Covered In Full		
CAT Scans, MRI, PET Scans	Covered In Full			Covered In Full		
RX - 30 Day Retail 90 Day Mail Order Delivery	\$10 / \$20 / \$35 \$20 / \$40 / \$70			\$10 / \$20/\$35 \$20 / \$40 / \$70		
	Single	2 person	Family	Single	2 person	Family
<b>Current Enrollment</b>	6	5	6	1	1	1
<b>Current Rates</b>	\$784.64	\$2,110.70	\$2,110.70	\$832.19	\$2,238.58	\$2,238.58
<b>Current Monthly Premium</b>	\$27,925.54			\$5,309.35		
<b>Grand Total Annual Premium</b>	<b>\$398,818.68</b>					
<b>Renewal Rates</b>	<b>\$809.59</b>	<b>\$2,177.82</b>	<b>\$2,177.82</b>	<b>\$858.65</b>	<b>\$2,309.77</b>	<b>\$2,309.77</b>
<b>Renewal Monthly Premium</b>	\$28,813.56			\$5,478.19		
<b>Grand Total Renewal Premium</b>	<b>\$411,501.00</b>					
<b>Cost Difference</b>	<b>\$12,682.32</b>					
<b>Percentage Difference</b>	<b>3.18%</b>					
<b>3-Tier Rates</b>	<b>\$821.95</b>	<b>\$1,643.89</b>	<b>\$2,548.04</b>	<b>\$871.76</b>	<b>\$1,743.51</b>	<b>\$2,702.45</b>

MIIA – Alternative 2: \$500 / \$1,000 Deductible – 1.23% Decrease

**Town of Dunstable - AS IS Renewal 7.1.20**

Medical Plan Benefits	MIIA HMO Blue NE 500/1000			MIIA PPO Blue Choice NE 500/1000		
Routine Well Care	\$0 - Covered In Full			\$0 - Covered In Full		
Office Visit: PCP / Specialist	\$20 PCP/Specialist			\$20 PCP/Specialist		
Deductible	\$500 / \$1,000			\$500 / \$1,000		
Out-of-Pocket Maximum	Medical: \$2,500 / \$5,000 Pharmacy: \$1,000/\$2,000			Medical: \$2,500 / \$5,000 Pharmacy: \$1,000/\$2,000		
Coinsurance	N/A			20% Out-of-Network		
Emergency Room	\$75 Copay			\$75 Copay		
IN-PT Hospital Admission	Covered In Full after Deductible			Covered In Full after Deductible		
Out-Patient Surgery	Covered In Full after Deductible			Covered In Full after Deductible		
Lab & X-rays	Covered In Full after Deductible			Covered In Full after Deductible		
CAT Scans, MRI, PET Scans	Covered In Full after Deductible			Covered In Full after Deductible		
RX - 30 Day Retail 90 Day Mail Order Delivery	\$10 / \$20 / \$35 \$20 / \$40 / \$70			\$10 / \$20/\$35 \$20 / \$40 / \$70		
	Single	2 person	Family	Single	2 person	Family
<b>Current Enrollment</b>	6	5	6	1	1	1
<b>Current Rates</b>	\$784.64	\$2,110.70	\$2,110.70	\$832.19	\$2,238.58	\$2,238.58
<b>Current Monthly Premium</b>	\$27,925.54			\$5,309.35		
<b>Grand Total Annual Premium</b>				<b>\$398,818.68</b>		
<b>Renewal Rates</b>	<b>\$773.16</b>	<b>\$2,079.82</b>	<b>\$2,079.82</b>	<b>\$832.31</b>	<b>\$2,238.91</b>	<b>\$2,238.91</b>
<b>Renewal Monthly Premium</b>	\$27,516.98			\$5,310.13		
<b>Grand Total Renewal Premium</b>				<b>\$393,925.32</b>		
<b>Cost Difference</b>				<b>-\$4,893.36</b>		
<b>Percentage Difference</b>				<b>-1.23%</b>		
<b>3-Tier Rates</b>	<b>\$773.16</b>	<b>\$1,547.09</b>	<b>\$2,537.51</b>	<b>\$832.31</b>	<b>\$1,665.45</b>	<b>\$2,731.64</b>

## Impact of adding the HRA program

---

- The Town and members increase in annual premium under the As Is renewal:
  - Total: \$12,682
  - Town: \$9,512
  - Members: \$3,170
- The Town and members decrease in annual premium under the \$500/\$1000 deductible:
  - Total: (\$4,893)
  - Town: (\$3,669)
  - Members: (\$1,222)
- Members annual savings compared to the As Is 3.18% Increase
  - HMO Ind (\$109)
  - HMO Fam (\$294)
  - BC Ind (\$79)
  - BC Fam (\$212)

Deductible exposure minus premium savings after HRA

<b>Election status</b>	<b>Deductible</b>	<b>Minus Town HRA</b>	<b>Minus Prem Sav</b>	<b>Net Exposure</b>
HMO Ind	\$500	\$125	\$109	\$266
HMO Fam	\$1000	\$250	\$294	\$456
BC Ind	\$500	\$125	\$79	\$297
BC Fam	\$1000	\$250	\$212	\$537

Flexible Spending Account



<b>Set-Up Fee (one-time charge)*</b>	<b>\$400.00</b>
<i>Includes:</i>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Enrollment support for employers and employees.</li> <li><input checked="" type="checkbox"/> Online enrollment.</li> <li><input checked="" type="checkbox"/> Direct deposit set-up</li> </ul>	
<b>Administration Fee (per Participant, per month) – OR –</b>	<b>\$4.50</b>
<b>Minimum Administration Fee (per month) -- whichever is greater</b>	<b>\$65.00</b>
<ul style="list-style-type: none"> <li>• Based on the number of employees participating in at least one FSA, <b>or</b> the minimum administration fee, <u>whichever is greater</u>.</li> <li>• Due for the full Plan Year for each employee who elects to participate, regardless of his or her employment status.</li> <li>• FlexSystem Plans without the TASC Card may incur an additional fee of \$0.25 per Participant, per month.</li> </ul>	
<i>Includes:</i>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Plan enrollment and implementation.</li> <li><input checked="" type="checkbox"/> Plan funding services.</li> <li><input checked="" type="checkbox"/> Compliance services.</li> <li><input checked="" type="checkbox"/> Employee enrollment and education.</li> <li><input checked="" type="checkbox"/> Participant services (from page 3).</li> </ul>	
<b>Annual Renewal Fee</b>	<b>\$150.00</b>
<ul style="list-style-type: none"> <li>• Applied to each Plan renewal invoice, beginning with your second Plan Year.</li> </ul>	
<i>Includes:</i>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Plan compliance..</li> <li><input checked="" type="checkbox"/> Plan re-enrollment and support.</li> <li><input checked="" type="checkbox"/> Plan design changes and enhancement.</li> </ul>	

# Benefit Strategies FSA Proposal

---

**Plan Installation:** **\$500.00**

---

- ✓ Flexible benefit plan design and implementation
  - ✓ Customized enrollment forms and educational materials
  - ✓ Employee meetings and benefit fair attendance
  - ✓ Resolution and plan documents (sample for attorney review)
  - ✓ Summary Plan Description for employees
- 

**Plan Renewal:** **\$500.00**

---

- ✓ Plan design modifications
  - ✓ Employee meetings and benefit fair attendance
  - ✓ Amend plan documents
- 

**Monthly Administration:** **\$4.75 per Account per Month**  
**\$100.00 per Month Minimum**

---

- ✓ A health FSA and Dependent Care FSA are considered two separate accounts.
  - ✓ In months where the administrative fees do not exceed the monthly minimum, the monthly minimum will apply.
  - ✓ If the plan allows a run out period for terminated employees, the fee will continue to be billed for terminated participants until the earlier of: Funds in the account are exhausted, the terminated participant's run out period ends, the plan year ends.
- 

**Debit Cards:** Annual Debit Card Fee: **\$5.00** per set of cards

---

Additional/Replacement Debit Card Fee: **\$5.00** per set of cards

---

- ✓ Debit cards are sent in sets of two (2)
  - ✓ Employees who choose to sign up for the debit card will have this charge deducted as an eligible pre-tax expense from their Flexible Spending Account annually. Some employers choose to pay for the card fees as an added benefit for employees.
-

MIA Dental Renewal



## **Dental Renewal**

- MIIA dental is a -6.6 decrease to current rates
- Dental Enrollment is low
- The Deductible is high given the Calendar Year Max of \$750 and exclusion of Type 3 Services
  - Type 3 Services consist of Crowns, Bridges, Dentures and Single Tooth Implants
- NFP did limited marketing to check plan design and rates and requested a proposal from Altus Dental
  - Altus Dental has a large foot print in the municipal marketplace and recently wrote a regional school system nearby
  - Altus provided a proposal that matches current plan design and an upgraded proposal as well
- The Standard was not solicited for a dental proposal, however one was sent to NFP
- Recommend enhancing the dental benefits either by increasing calendar year maximum, including Type 3 services, or both

# Dental Marketing Comparison

## Town of Dunstable Dental Renewal 7.1.2020 - 2 Tier Rates

Dental Plan	Renewal Plan	Option 1	Option 1	Option 2	Option 2	
Carrier	MIIA Dental Blue Freedom	MIIA Dental Blue Freedom	Altus Dental	MIIA Dental Blue Freedom	Altus Dental	
<b>In-Network Coverage</b>						
Deductible	\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150	
Deductible Waived for Preventive?	Yes	Yes	Yes	Yes	Yes	
Annual Max. Per Member	\$750	\$1,000	\$750	\$1,000	\$1,000	
Preventative/Type A Coinsurance	100%	100%	100%	100%	100%	
Basic/Type B Coinsurance	80%	80%	80%	80%	80%	
Major/Type C Coinsurance	NA	NA	NA	50%	50%	
Ortho/Type D Coinsurance	NA	NA	NA	NA	NA	
Orthodontics Lifetime Maximum	NA	NA	NA	NA	NA	
<b>Out-of-Network Coverage</b>						
Deductible	\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150	
Deductible Waived for Preventive?	Yes	Yes	Yes	Yes	Yes	
Annual Max. Per Member	\$750	\$1,000	\$750	\$1,000	\$1,000	
Preventative/Type A Coinsurance	100%	100%	100%	100%	100%	
Basic/Type B Coinsurance	80%	80%	80%	80%	80%	
Major/Type C Coinsurance	NA	NA	NA	50%	50%	
Ortho/Type D Coinsurance	NA	NA	NA	NA	NA	
Orthodontics Lifetime Maximum	NA	NA	NA	NA	NA	
Vision Plan	NA	NA	NA	NA	NA	
Minimum Participation	NA	NA	NA	NA	NA	
<b>Monthly Rates</b>						
	Lives	MIIA Dental Blue Freedom	MIIA Dental Blue Freedom	Altus Dental	MIIA Dental Blue Freedom	Altus Dental
Employee Only	5	\$41.19	\$43.17	\$35.97	\$49.64	\$40.69
Employee + Family	8	\$87.21	\$91.40	\$89.94	\$105.11	\$119.73
Total Monthly Cost		\$904	\$947	\$899	\$1,089	\$1,161
<b>Total Annual Gross Cost</b>		<b>\$10,844</b>	<b>\$11,365</b>	<b>\$10,792</b>	<b>\$13,068.96</b>	<b>\$13,935.48</b>
Difference From Current (\$)		(\$766)	(\$245)	(\$817)	\$1,459	\$2,326
Difference From Current (%)		-6.60%	-2.11%	-7.04%	12.57%	20.03%
Difference From Renewal (\$)		N/A	\$521	(\$51)	\$2,225	\$3,092
Difference From Renewal (%)		N/A	4.81%	-0.47%	20.52%	28.51%

# MIIA Dental Alternatives

## Town of Dunstable Dental Renewal 7.1.2020 - 2 Tier Rates

Dental Plan		Current Plan	Renewal Plan	Option 1	Option 2
Carrier		MIIA Dental Blue Freedom			
<b>In-Network Coverage</b>					
Deductible		\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150
Deductible Waived for Preventive?		Yes	Yes	Yes	Yes
Annual Max. Per Member		\$750	\$750	\$1,000	\$1,000
Preventative/Type A Coinsurance		100%	100%	100%	100%
Basic/Type B Coinsurance		80%	80%	80%	80%
Major/Type C Coinsurance		NA	NA	NA	50%
Ortho/Type D Coinsurance		NA	NA	NA	NA
Orthodontics Lifetime Maximum		NA	NA	NA	NA
<b>Out-of-Network Coverage</b>					
Deductible		\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150
Deductible Waived for Preventive?		Yes	Yes	Yes	Yes
Annual Max. Per Member		\$750	\$750	\$1,000	\$1,000
Preventative/Type A Coinsurance		100%	100%	100%	100%
Basic/Type B Coinsurance		80%	80%	80%	80%
Major/Type C Coinsurance		NA	NA	NA	50%
Ortho/Type D Coinsurance		NA	NA	NA	NA
Orthodontics Lifetime Maximum		NA	NA	NA	NA
Vision Plan		NA	NA	NA	NA
Minimum Participation		NA	NA	NA	NA
<b>Monthly Rates</b>					
	<b>Lives</b>	<b>MIIA Dental Blue Freedom</b>			
Employee Only	5	\$44.10	\$41.19	\$43.17	\$49.64
Employee + Family	8	\$93.37	\$87.21	\$91.40	\$105.11
Total Monthly Cost		\$967	\$904	\$947	\$1,089
<b>Total Annual Gross Cost</b>		<b>\$11,610</b>	<b>\$10,844</b>	<b>\$11,365</b>	<b>\$13,068.96</b>
Difference From Current (\$)		N/A	(\$766)	(\$245)	\$1,459
Difference From Current (%)		N/A	-6.60%	-2.11%	12.57%
Difference From Renewal (\$)		N/A	N/A	\$521	\$2,225
Difference From Renewal (%)		N/A	N/A	4.81%	20.52%

*Disclaimer: This is a brief summary of the plans to compare the plans and do not include all provisions and exclusions under the plan.*

# MIIA Alternatives – 3 Tier

## Town of Dunstable Dental Renewal 7.1.2020 - 3 Tier Rates

Dental Plan		Current Plan	Renewal Plan	Option 1 - 1000	Option 2 - 1000 & Major
Carrier		MIIA Dental Blue Freedom			
<b>In-Network Coverage</b>					
Deductible		\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150
Deductible Waived for Preventive?		Yes	Yes	Yes	Yes
Annual Max. Per Member		\$750	\$750	\$1,000	\$1,000
Preventative/Type A Coinsurance		100%	100%	100%	100%
Basic/Type B Coinsurance		80%	80%	80%	80%
Major/Type C Coinsurance		NA	NA	NA	50%
Ortho/Type D Coinsurance		NA	NA	NA	NA
Orthodontics Lifetime Maximum		NA	NA	NA	NA
<b>Out-of-Network Coverage</b>					
Deductible		\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150
Deductible Waived for Preventive?		Yes	Yes	Yes	Yes
Annual Max. Per Member		\$750	\$750	\$1,000	\$1,000
Preventative/Type A Coinsurance		100%	100%	100%	100%
Basic/Type B Coinsurance		80%	80%	80%	80%
Major/Type C Coinsurance		NA	NA	NA	50%
Ortho/Type D Coinsurance		NA	NA	NA	NA
Orthodontics Lifetime Maximum		NA	NA	NA	NA
Vision Plan		NA	NA	NA	NA
Minimum Participation		NA	NA	NA	NA
<b>Monthly Rates</b>					
	<b>Lives</b>	<b>MIIA Dental Blue Freedom</b>			
Employee Only	5	\$44.10	\$32.74	\$34.31	\$39.46
Two Party	0	\$0.00	\$65.48	\$68.62	\$78.92
Employee + Family	8	\$93.37	\$101.50	\$106.37	\$105.11
Total Monthly Cost		\$967	\$976	\$1,023	\$1,038
<b>Total Annual Gross Cost</b>		<b>\$11,610</b>	<b>\$11,708</b>	<b>\$12,270</b>	<b>\$12,458.16</b>
Difference From Current (\$)		N/A	\$99	\$661	\$849
Difference From Current (%)		N/A	0.85%	5.69%	7.31%
Difference From Renewal (\$)		N/A	N/A	\$562	\$750
Difference From Renewal (%)		N/A	N/A	4.80%	6.40%

Family 8.71% rate increase

Family 13.9% rate increase

Family 12.5% rate increase

Disclaimer: This is a brief summary of the plans to compare the plans and do not include all provisions and exclusions under the plan.



---

[www.NFP.com](http://www.NFP.com)