

TOWN COUNCIL

YR: 17 MO: 11 ITEM # 2

AGENDA REQUEST

\* Please note Public Notices need a 7-14 day advance notice in the paper depending on subject.

Council Meeting Date: November 13, 2017	Today's Date: October 25, 2017
---	--------------------------------

Department: Personnel

Department #: 0702

**Request:**

Adopt the Maine Municipal Employees Health Trust Plan PPO-2500 plan for all employees with the cost share amount of 10/90 for Single Subscribers and 20/80 for Single Parent and Family plans. In addition to this plan approve hiring Med-A-Vision to manage a Health Reimbursement Arrangement for the employees. (this should be done at the November Council meeting in order to facilitate the necessary paperwork)  
 (Note: Suggest staying with this plan for a minimum of 5 years)

**\*\*Please email George any questions you may have, ahead of time.\*\***

Action Needed from Council: Approve changing Health Plans and HRA for employees

Is This Item Budgeted: Yes	
Was This A Bid Process: N/A	Lowest Bid: N/A
Is Public Hearing Required: No	
If So What Dates: N/A	

---

## M E M O R A N D U M

---

**DATE:** October 25, 2017  
**TO:** Town Council  
**FROM:** Melissa Quintela, Treasurer  
**RE:** Health Insurance Change

We recently went out to bid for Health Insurance in an effort to save the employee and Town money. We received 2 Insurance proposals and 2 Health Reimbursement proposals. We had a committee of Union Representatives, Non- Union Employees and council members discuss the proposals.

The option that will save both the employees and Town the most is to stay with MMEHT but switch to the PPO-2500 plan and set up an HRA with Med-A-Vision. This would also have the least disruption to the employees as it is still with Anthem and there would be no need for anyone to change providers. (Please see attached chart).

I would suggest staying with this option for at least 5 years.

## Health Insurance Rates Calendar Year 2018

### POS-C

	Premium	Employee Cost	Weekly Deduction	Percent paid by employee	Towns Cost	Participants	Annual Cost to the town
Single	\$1,044.21	\$208.84	\$52.21	20%	\$835.37	8	\$80,195.33
Single Parent	\$1,703.84	\$511.15	\$127.79	30%	\$1,192.69	1	\$14,312.26
Family	\$2,342.30	\$702.69	\$175.67	30%	\$1,639.61	6	\$118,051.92

### POS-200

	Premium	Employee Cost	Weekly Deduction	Percent paid by employee	Towns Cost	Participants	Annual Cost to the town
Single	\$956.96	\$143.54	\$35.89	15%	\$813.42	2	\$19,521.98
Single Parent	\$1,561.46	\$390.37	\$97.59	25%	\$1,171.10	4	\$56,212.56
Family	\$2,146.58	\$536.65	\$134.16	25%	\$1,609.94	1	\$19,319.22

### PPO-1000

	Premium	Employee Cost	Weekly Deduction	Percent paid by employee	Towns Cost	Participants	Annual Cost to the town
Single	\$886.20	\$88.62	\$22.16	10%	\$797.58	1	\$9,570.96
Single Parent	\$1,446.03	\$289.21	\$72.30	20%	\$1,156.82	0	\$0.00
Family	\$1,987.89	\$397.58	\$99.39	20%	\$1,590.31	2	\$38,167.49
						25	\$355,351.72

### MMEHT Proposed PPO-2500

	Premium	Employee Cost	Weekly Deduction	Percent paid by employee	Towns Cost	Participants	Annual Cost to the town
Single	\$734.38	\$73.44	\$18.36	10%	\$660.94	11	\$87,244.34
Single Parent	\$1,198.32	\$239.66	\$59.92	20%	\$958.66	5	\$57,519.36
Family	\$1,647.35	\$329.47	\$82.37	20%	\$1,317.88	9	\$142,331.04
						25	\$287,094.74

\*This option saves \$68,256.98 on Premiums. Committee Suggest adopting this plan with a HRA.  
 HRA with Med-A-Vision is estimated at \$38,812.00. Total Town savings estimated at \$29,444.98

### Nothern Benefits Proposed Harvard Pilgrim HMO

	Premium	Employee Cost	Weekly Deduction	Percent paid by employee	Towns Cost	Participants	Annual Cost to the town
Single	\$666.10	\$66.61	\$16.65	10%	\$599.49	11	\$79,132.68
Single Parent	\$1,232.29	\$246.46	\$61.61	20%	\$985.83	4	\$47,319.94
Family	\$2,064.91	\$412.98	\$103.25	20%	\$1,651.93	6	\$118,938.82
Employee & Spouse	\$1,332.20	\$266.44	\$66.61	20%	\$1,065.76	4	\$51,156.48
						25	\$296,547.91

\*This option saves \$58,803.81 on Premiums

Current Plan

Suggested

Not Suggested