

**Overview of the
Memorandum of Agreement between
The Town of Marblehead and the Public Employee Committee
July 1, 2018 through June 30, 2024**

- On January 31, 2012, the Board of Selectmen of the Town of Marblehead ("Town") voted to accept M.G.L.c.32B, §19 to transfer the Town's health insurance subscribers into the Massachusetts Group Insurance Commission.
- On July 1, 2012, the Town and the Public Employee Committee ("PEC") entered into a Memorandum of Agreement ("MOA") regarding the terms of the new health insurance coverage. This MOA was in place between July 1, 2012 and June 30, 2018.
- Prior to the expiration of the original MOA, the Town and the PEC entered into negotiations and reached an agreement that is effective from July 1, 2018 through June 30, 2024.
- The new MOA includes the following terms regarding health insurance:
 - 1) **Effective Date and Duration of Agreement** - The new agreement is effective from July 1, 2018 until June 30, 2024.
 - 2) **Health Coverage with the GIC** - The Town has renewed its agreement with the GIC to continue through June 30, 2024.
 - 3) **Contribution Splits**
 - Indemnity Plans - The Town will contribute 65% of the premium cost and the Subscriber shall contribute 35% for these types of plans.
 - HMO Plans, PPO Plans, and POS Plans - The Town will contribute 83% of the premium cost and the subscribers shall contribute 17% for these types of plans.
 - Medicare Supplement Plans - The Town will contribute 75% of the premium cost and the subscriber shall contribute 25%.
 - 4) **Medicare Enrollment and Medicare Part B Premium Reimbursement**
 - Subscribers who are eligible or who become eligible for Medicare shall transfer to Medicare coverage.
 - A subscriber who is enrolled in Medicare Part B shall, in December of each calendar year, be paid a Medicare Part B lump sum reimbursement equal to 75% of the lowest premium rate for Medicare Part B and exclusive of any additional increases to the monthly premium due to a subscriber's income.
 - 5) **Health Reimbursement Account for Active Employees and Non-Medicare Subscribers**
 - The Town shall fund a Health Reimbursement ("HRA") during the first year of this agreement in the amount of \$200,000, which shall be used for the payment of the third party administrative fee and the reimbursement of co-payments and deductibles paid by subscribers who are active employees or non-Medicare retirees as follows:
 - For subscribers who have out-of-pocket costs from in-network providers exceeding \$1,250 for an individual plan or \$2,500 for a family plan, the HRA will provide 100% reimbursement of the costs for covered services for in-network providers exceeding these amounts.
 - Claims for reimbursement shall be submitted in accordance with the procedures specified by the HRA administrator prior to September 1st for paid services in the prior fiscal year.
 - 6) **Waiting/Hiatus Period**
 - New Town employees are eligible to enroll in health insurance offered by the GIC within 10 calendar days of the first date of employment with the Town.
 - GIC health insurance benefits begin on the first day of the month following 60 days or 2 full calendar months of employment, whichever is less.

- The period between the date of employment and the effective date of GIC health insurance coverage is called the "Waiting/Hiatus Period."
- Newly hired employees who have notified the Town within 10 calendar days of employment that they have chosen to enroll in one of the GIC health insurance plans may receive a stipend during the "Waiting/Hiatus Period."
- The "Waiting/Hiatus Period stipend" is equal to the employee's portion of the premium as set forth in section (3) above.
- To receive the "Waiting/Hiatus Period stipend," the employee must show proof of other health insurance coverage during the "Waiting/Hiatus Period," such as COBRA or an alternative health insurance plan.
- If a subscriber incurs a medical expense during the "Waiting/Hiatus Period" that exceeds the full-cost health insurance premium of the individual's elected GIC health insurance plan, the subscriber may file a written request to the GIC for approval of health coverage to become effective on the first day of employment.

7) Voluntary Dental, Re-bid and Administration

- The Town shall administer a voluntary dental plan that will be available to eligible subscribers who will pay 100% of the premium cost.

8) Retiree Dental

- The Town shall participate in the GIC Retiree Dental Plan during the term of this agreement, of which the retiree subscriber shall pay 100% of the premium cost.

9) Flexible Spending Accounts

- In accordance with the Internal Revenue Code Section 125, the Town shall offer a flexible spending medical account program and pay for the one-time set-up costs to implement the program.
- The Town shall pay the annual administrative fee for subscribers who opt into the program.

- For specific questions related to the new MOA, employees may contact the Town Payroll Office at payroll2@marblehead.org.