

# TOWN OF SOUTHBOROUGH



## FINANCE DIVISION: TREASURER AND COLLECTOR

TOWN HOUSE · 17 COMMON STREET · SOUTHBOROUGH, MASSACHUSETTS 01772-1662  
(508) 485-0710 x3010 · FAX (508) 480-0161 · [bballantine@southboroughma.com](mailto:bballantine@southboroughma.com)

DATE: October 4, 2023

TO: Honorable Select Board

FROM: Brian Ballantine, Finance Director

RE: Retiree Health Benefit Consolidation

---

As you may be aware, the Town provides retiree health benefits to its retirees, both Town and School. The Town offers five Medicare plans involving Blue Cross Blue Shield, Tufts Health, and Fallon Health. These plans run from January 1<sup>st</sup> through December 31<sup>st</sup> annually. Over the last several months the Town has been analyzing the option of transitioning to Aetna Healthcare as of January 1<sup>st</sup>, 2024.

The Town has presented this to the informal Insurance Advisory Committee which voted on September 13<sup>th</sup> to recommend that the Board adopt this option. This change would save the Town about \$90,000 annually while the retirees would save about \$195,000 annually given many members move from 50% to 25% contributory shares. This would also result in a lower administrative burden and would maintain the same if not better offered benefits. We have had some concerns from retirees brought forth by retirees and we found that these were able to be addressed.

The Board is the ultimate authority to vote in favor or to decline a change. Please be advised that due to our renewal schedule if there is a change it must be voted on at the October 10<sup>th</sup> meeting.

Please see attached additional correspondence from our benefits advisor NFP, and should you have any questions please do not hesitate to ask.



October 4, 2023

To: Mark Purple  
Town Administrator  
Town of Southborough

From: NFP

Re: Senior Health Care Plan Management Information

Attached please find information for release to the Select Board concerning the consideration to consolidate the current 5 plan options for Medicare Retirees effective January 1, 2024. This includes the exhibit comparing the current plans to the Aetna/Mass Strategic Health Group plan (MSHG).

As you are aware, Town employees are eligible to continue health care coverage as a retiree with the option to select any of the 5 Medicare plans currently available. These plans include lower cost HMO network style plans (Medicare Advantage) or higher cost national indemnity options (Medicare Supplement) with no provider restrictions (both styles require use of Medicare approved providers and Medicare approved services).

Southborough contributes 75% of the Medicare Advantage plans and 50% of the Medicare Supplement plans. Members who do not reside in MA would need to select the Medicare Supplement as the current plan offerings all require a MA residency to be able to enroll in those plans.

The Aetna plan maintains the current benefit levels at a lower cost. How is this possible? Aetna is a national company with the parent company being CVS. This leads to an ability to have leverage in keeping costs low.

Attached is a spreadsheet comparison that shows the cost sharing based on plan selection (major medical services shown for typical services including prescription drugs) for the current plans, and then the far-right column shows the cost sharing under the proposed Aetna /Mass Strategic Health Group plan option. The Aetna plan combines all of the lowest cost share features of each plan and also allows full Medicare Provider access both locally and nationally so there is in effect no provider disruption under their plan (providing members utilize Medicare covered providers). As you will see each member would reduce their monthly premium cost while some members would actually save about \$2000 annually in premium.

Also attached is a summary prepared by representatives from the Mass Strategic Health Group (the sponsoring organization that offers this plan) which shows the plan information and also includes a FAQ document which was presented to invited retirees at the June 15<sup>th</sup> retiree information session at 3:30 pm. This information was provided to about 30 retirees who heard the proposal and were invited to ask questions and offer concerns or criticism of the plan. As mentioned to Town Management, retirees are concerned about losing plan choice as well as the fear that their provider will not accept the Aetna plan program. In addition, a second retiree information session was held on September 6<sup>th</sup> at 10:00.

Representatives from Mass Strategic Health Group and Aetna made a presentation and answered retiree questions. Two retirees currently covered by the Aetna plan (one from Fall River and one from Dudley Charlton School District) provided positive reviews of their experience on the plan and answered retiree inquiries.

These sessions were held to ensure that retirees are provided with information to help explain why we feel this option makes both financial sense as well as continues to allow the Town to offer robust retiree plan benefits. By way of other NFP clients who have transitioned to this plan, we offer this list for reference purposes: Oxford, Northbridge, Franklin, Salisbury, Medway and Abington to just name a few.

Be advised that if the Town does transition to this new plan, Aetna has partnered with a concierge service that would be available to all retirees to assist in questions, concerns, and outreach to their current provider as necessary.

The Town of Southborough Insurance Advisory Committee met on September 13<sup>th</sup> and voted unanimously to recommend that the Town of Southborough transition to the MSHG/Aetna plan effective on 1/1/2024. This change would save the Town about \$90,000 annually while the retirees would save about \$195,000 annually given many members move from 50% to 25% contributory shares.

Knowing how sensitive retiree health care issues are for the Town as well as the members, we offer this information and look forward to the meeting with you on 10/10/23.



**MASSACHUSETTS**  
Strategic Health Group

Innovative Solutions Built  
Around You

Medicare Retiree Benefits

Anthony Lively  
Chris Munnally



Aetna is the brand name used for products and services provided by one or more of the Aetna group of companies, including Aetna Life Insurance Company and its affiliates (Aetna).  
© 2020 Aetna, Inc.  
72-25,102.1(08/2020)



Change your  
plan, not your  
doctor



Indicates states where MSFIC Members live



## Extended Service Area (ESA Passive PPO)

Access to **all** Medicare providers nationwide

Doctors do not have to be in our network

Same benefits in or out of network

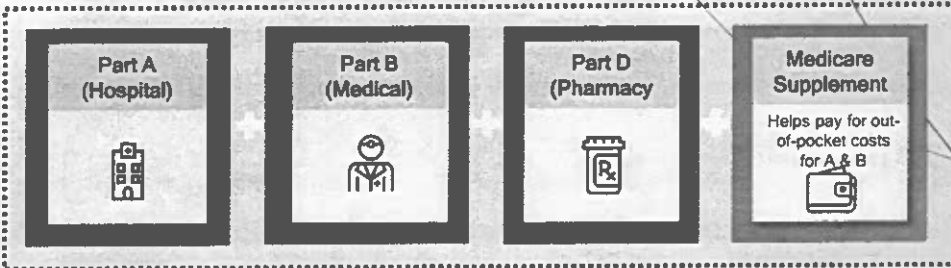
Members do not pay more for out-of-network providers

Covers retirees nationally and internationally when traveling

No referrals needed

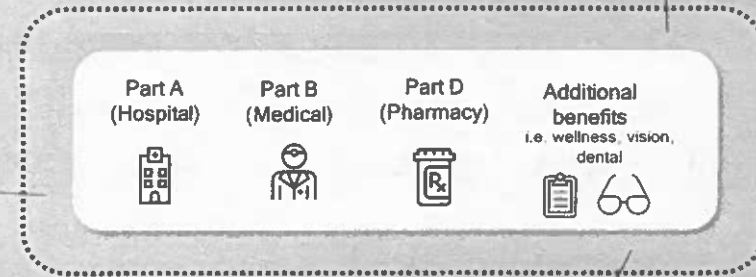
# Understanding Group Medicare Advantage (MA)

YOUR CURRENT APPROACH: Fragmented approach and multiple payers



VS

GROUP MEDICARE APPROACH: Integrated and aligned



## How savings are achieved with Group MA:

Unmanaged claims cost	→	\$1000
-		
Savings through MA clinical advocacy	→	(\$120)
+		
Administrative cost	→	\$67
-		
CMS funding (risk adjusted)	→	(\$897)
=		
Group MA premium	→	\$50

©2021 Aetna Inc.

## How it works for the employer and retiree

### Equal or better benefits

A customized group MA plan can match or exceed the current retiree benefits.

### All Medicare providers accepted

The passive network allows retirees to keep their current providers with no difference in cost in or out of network.

### High member satisfaction ratings

Retirees receive a simple plan with health and wellness programs included to better manage their health.

### Sustainable savings

Group MA enjoys bipartisan government support. Savings are sustainable for the long term.

## The Myths: Group MA vs. Individual MA Plans

- Most data available to the public is related to *individual* market Medicare Advantage plans.
- Articles in the press are mainly about the individual Medicare Advantage market, confusing those who are considering Group MA plans.

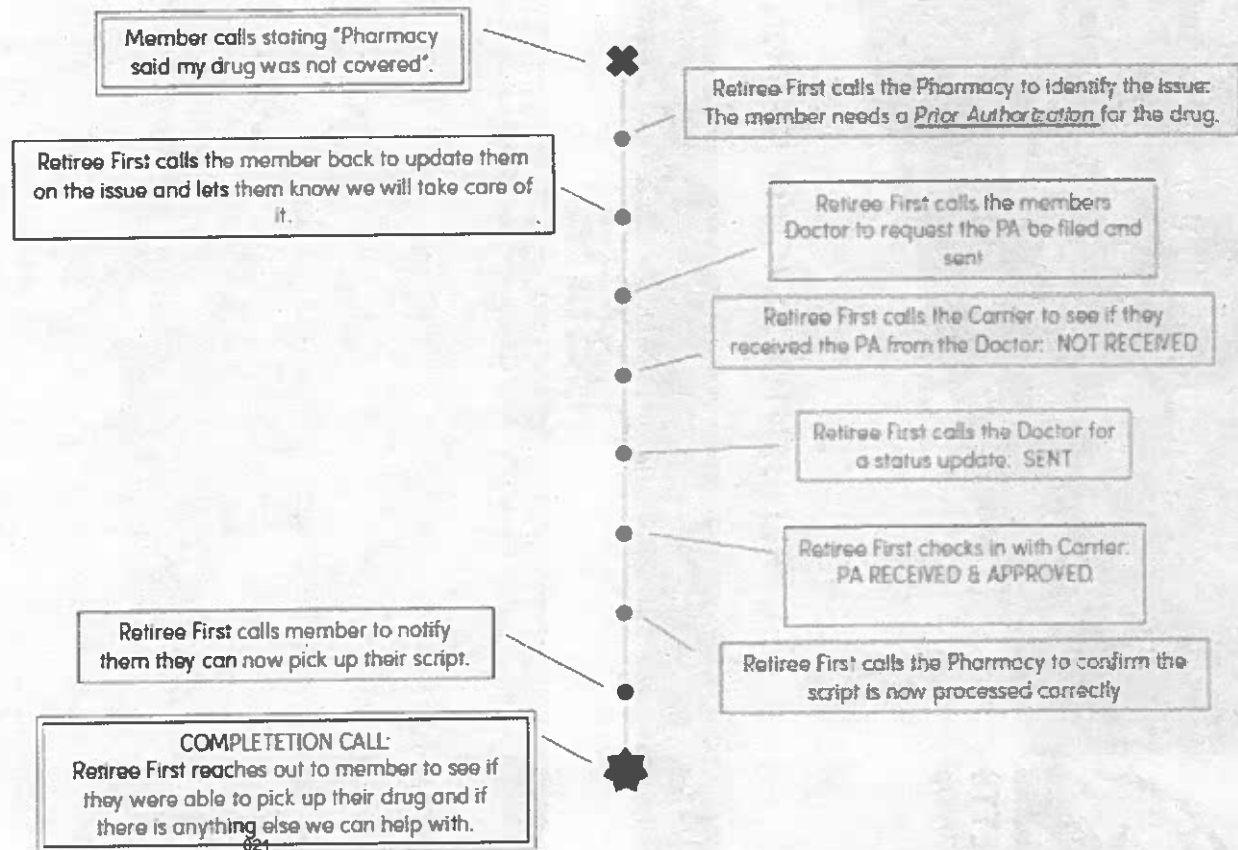
	Group MA	Individual MA
<b>Benefits</b>	Customized by employer	Filed by carrier
<b>Network</b>	Broad & Open: Passive/works like a supplement plan	Narrow and HMO
<b>Out of pocket costs</b>	Employer establishes all benefits. Plans can cover 100% of Medical out of pocket expenses	Higher deductibles and out of pocket limits

aetna

# Retiree Advocacy & Support, Retiree First:

guides members through all aspects of their retirement health benefit experience

- **Kick-Off Breakfast or Lunch**
  - Hold kick-off meeting and one-on-one meetings to help members understand plan changes
- **Dedicated team of Retiree Advocates**
  - Members have access to Retiree Advocates they know on a first name basis
- **Real Time Assistance**
  - Provide real-time Pharmacy and Physician assistance to members
- **Social Security and CMS Coordination**
  - Interface directly with governmental agencies to solve problems on the member's behalf.
- **Completion Calls**
  - to ensure the issue was resolved





**MASSACHUSETTS**  
Strategic Health Group

Medicare Eligible  
MAPD Coverage  
SAMPLE: MSHG Mirrors  
Current Benefits

## FREQUENTLY ASKED QUESTIONS

### PLAN DESIGN:

**aetna™**

MEDICAL	RETIREE PAYS
Deductible	\$0
Primary Care Visit	\$0
Specialist Visit	\$0
Diagnostic Procedures/Tests	\$0
Lab Services	\$0
Preventative Services	\$0
Therapy (Occupational/Physical/Speech)	\$0
Inpatient Hospital Care	\$0
Outpatient Surgery	\$0
Inpatient & Outpatient Mental Health & Substance Abuse	\$0
Skilled Nursing Facility	\$0, Unlimited
Urgent Care Center	\$0
Emergency Room	\$0
Ambulance Services	\$0 Medicare-approved
Durable Medical Equipment	\$0
Foreign Travel	\$0 Emergency & Urgent Care



ANCILLARY BENEFITS	RETIREE PAYS
Hearing	\$0 Routine hearing exam every 12 months \$800 Hearing aid reimbursement once every 36 months
Vision	\$0 Routine eye exam every 12 months \$150 Eyewear allowance every 12 months
Private Duty Nursing	\$0, Unlimited
Cranial Prosthesis (Wigs)	\$350 Annual allowance
Fitness Benefit	SilverSneakers

Prescription	30-Day Retail Retiree Pays Up To	90-Day Retail Retiree Pays Up To	90-Day Mail Order Retiree Pays Up To
Annual Deductible: \$0			
Tier 1 Generic	\$10	\$30	\$20
Tier 2 Preferred Brand	\$20	\$60	\$40
Tier 3 Non-Preferred Brand	\$35	\$105*	\$70*

\*Specialty medications are limited to a 30-day supply

## MEDICAL QUESTIONS:

### 1. Are there any plan changes?

The Town did their best to match the plan design to your current plan design and mitigate any disruption. There are some plan improvements:

- A lower monthly premium
- You will now have an added benefit of Silver Sneakers
- Hearing Aid Allowance (\$800 every 36 months)
- Meal delivery following hospitalization (up to 14 meals)

- \$0 copay for Transportation Service (up to 24 per times per year)
- \$0 copay for Cranial Prosthesis/Wigs (\$350 annual allowance)

**2. Is there a Part A and/or Part B Deductible?**

No.

**3. Is there Co-insurance or Copays?**

No. All Medicare approved medical services are covered at 100%.

**4. Does this plan require referrals?**

No, this plan does not require referrals.

**5. Does this plan require Pre-certifications?**

Some services may require Pre-certification.

**6. Does this plan have a network?**

Yes, but you can go to any provider that accepts Medicare and is willing to bill Aetna, as your plan has in and out-of-network benefits.

**7. Can I go to my current providers?**

Most likely yes. You can see any willing Medicare provider.

**8. Do I still use my Medicare Card?**

Put your Medicare card in a safe place in case you need it at a later date. You will use only your Aetna ID Card for Medical and Drug, with the exception of the COVID-19 vaccine, which will require your Medicare card.

**9. What if my Provider says they do not accept this plan?**

If your provider accepts Medicare, the portion you are responsible for will remain the same whether or not they are considered in or out-of-network. Please call Retiree First at 508-744-6804 (TTY 711) or Toll-free at 833-217-5312 (TTY 711) to assist. We can reach out to your provider to explain.

## PRESCRIPTION QUESTIONS:

**10. Is there a Prescription Deductible?**

No.

**11. Is there Donut Hole Coverage?**

Yes. The plan has Full Donut Hole Coverage.

**12. Is there Catastrophic Coverage?**

Yes. The plan has Custom Catastrophic Coverage.

**13. Are my drugs covered?**

Most likely yes. The drug list is a Comprehensive Formulary just as before. You will receive an Abridged Formulary with your Welcome Kit and cards. Please call Retiree First at **508-744-6804 (TTY 711) or Toll-Free at 833-217-5312 (TTY 711)** if you do not see your drug listed or need help looking up your drugs.

**14. Is my copay/coinsurance structure staying the same?**

The Town did their best to match your copay/coinsurance structure. Please keep in mind the tiers may change from year-to-year as well as the cost of drug copay/coinsurance can vary based on inflation, contracts, supply, etc., so you may see a slight change in copay/coinsurance.

**15. Can I go to the same Retail Pharmacy?**

Most likely, yes. There should be little to no pharmacy disruption. Aetna has over 65,000 pharmacies in-network. You do NOT need new prescriptions for retail pharmacy refills.

**16. Is there a Mail Order Pharmacy? Is there a discount through Mail Order?**

There is Mail Order and a discount through Mail Order, but you can also use most Retail Pharmacies for a 90-day fill for an additional cost. You DO need new prescriptions if you prefer to use the CVS Caremark® Mail Order Pharmacy.

**17. Will my prescriptions transfer from the old plan?**

If you use the Retail Pharmacy, and have refills remaining, you do NOT need to obtain new prescriptions. If you use Mail Order, you WILL need to obtain new prescriptions from your Provider.

**18. Can I still go to the Veteran Affairs (VA) for my drugs?**

Yes. If you obtain some drugs from the VA, you may continue to do so.

**19. Do I need Prior Authorizations for certain prescription medications?**

Some drugs may require a Prior Authorization. Please contact Retiree First at **508-744-6804 (TTY 711) or Toll-Free at 833-217-5312 (TTY 711)** if you have questions or need assistance with Prior Authorizations as well as any other requirements, such as Step Therapy, Quantity Limit, or Formulary Exceptions.

## PLAN QUESTIONS:

**20. Will I be automatically enrolled in the new Medicare Advantage plan? Do I need to do anything to enroll?**

All Medicare eligible retirees and/or dependents will be automatically enrolled into the plan. There is nothing you need to do to be enrolled.

**21. Can I stay on the current plan?**

No. All Medicare eligible retirees and/or dependents must change over to this plan. Your current plan will no longer be available after January 1, 2024.

**22. What is this opt-out?**

While you are going to be automatically enrolled, you can choose to opt-out of the plan. However, if you do opt-out you will have no medical or drug coverage through the Town. Please call Retiree First at 508-744-6804 (TTY 711) or Toll-Free at 833-217-5312 (TTY 711) if you would like to opt-out.

**23. When will I receive my card/ Welcome Kit?**

Cards and Welcome Kits should be received in the middle to end of June. Retirees and Medicare eligible dependents will each receive their own card. Please note that each enrollee may not receive their plan information on the same day. This is normal.

**24. What do I do if I lose my card?**

Please call Retiree First at 508-744-6804 (TTY 711) or Toll-Free at 833-217-5312 (TTY 711) and we will obtain a new one on your behalf, mail you a temporary card, and call your pharmacy and/or providers if needed.

**25. Can I leave the plan and come back?**

Yes. If you leave the plan you may return at open enrollment or if you have a qualifying event.

**26. If I leave the plan will it affect any of my other benefits?**

No. You may keep the other benefits you have through the your town.

**27. How much do I have to pay for the plan?**

A Town retiree will pay \$xxx.xx per month for their 2022 Medicare Advantage plan premium. For any additional premium questions please contact the Town at xxx-xxx-xxxx.

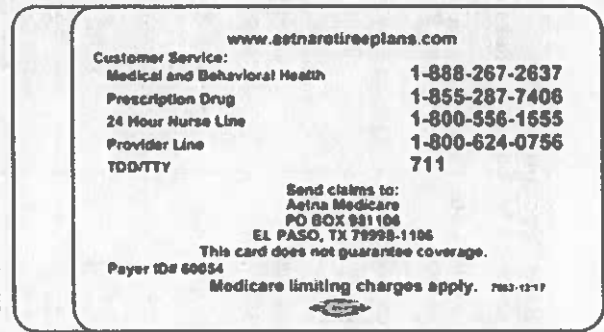
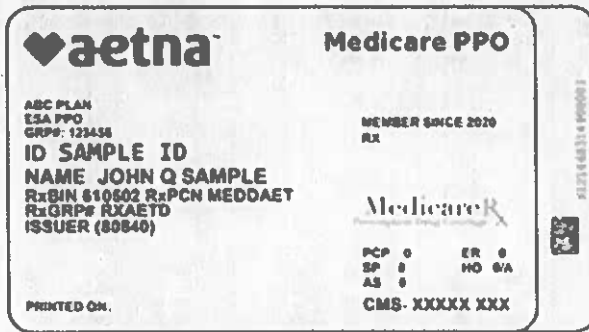
**28. Who do I call if I need assistance with the plan?**

Please call Retiree First at 508-744-6804 (TTY 711) or Toll-Free at 833-217-5312 (TTY 711) to reach your Dedicated Town Retiree Advocate Team from the hours of 8:00am-5:00pm EST.

**29. Card Sample:**

**Front:**

**Back:**



**Town of Southborough - Senior Plan Summary (Brief Description)**

(Plan comparison reflects general services, refer to plan summaries for complete details)

	Fallon Sr. Premier All In-Network Medicare Advantage Plan	BCBS Medex 2 Medicare Supplement Plan	BCBS Managed Blue for Seniors All In-Network Medicare Covered Services	THP TMP HMO Prime Rx All In-Network Medicare Advantage Plan	THP Med Supplement/PDP Medicare Providers Medicare Supplement Plan	The MSHG Aetna Medicare Advantage January 2024 Any Medicare Provider Medicare Advantage Plan
Deductible:	None	None	None	None	None	None
In-patient co-pays:	\$250	None	None	One time \$300 annual deductible	One time \$300 annual deductible	None
Ambulatory surgery co-pays:	\$125	None	Full Coverage	\$50	\$50	None
Physician co-pays:	\$15 PCP/\$25 Spec	None	\$10 PCP / \$10 Spec	\$10 PCP / \$15 Spec	\$15 PCP / \$15 Spec	None
ER room co-pays:	\$75	None	\$50	\$50	\$50	None
Rx co-pays: (Retail)	Tier 1&2: \$10 Gen Tier 3: \$30 Pref Br Tiers 4&5: \$65 Non Pref Br	\$10 Generic \$25 Pref Br \$45 Non Pref Br	\$10 Gen \$25 Pref Br \$45 Non Pref Br	\$10 Generic \$25 Pref Br \$50 Non Pref Br	\$10 Generic \$20 Pref Br \$35 Non Pref Br	\$10 Generic \$20 Pref Br \$35 Non-Pref Br
Rx co-pays: (MOD)	Tier 1&2: \$20 Gen Tier 3: \$60 Pref Br \$162.50 Non Pref Br	\$20 Generic \$50 Pref Br \$90 Non Pref Br	\$20 Gen \$50 Pref Br \$90 Non Pref Br	\$20 Generic \$50 Pref Br \$100 Non Pref Br	\$20 Generic \$40 Pref Br \$70 Non Pref Br	\$20 Generic \$40 Pref Br \$70 Non-Pref Br
Mbrs	10	25	21	65	68	189
<b>1/1/2022 - 12/31/2022</b>						
Full rate:	\$328.00	\$464.78	\$390.83	\$358.00	\$428.00	
Town Share:	\$246.00	\$232.39	\$293.12	\$286.40	\$214.00	
	75%	50%	75%	75%	50%	
Member Share:	\$82.00	\$232.39	\$97.71	\$89.50	\$214.00	
	25%	50%	25%	25%	50%	
<b>1/1/2023 - 12/31/2023</b>						
Full rate:	\$328.00	\$477.38	\$400.55	\$378.00	\$434.00	
Town Share:	\$246.00	\$238.69	\$300.41	\$283.50	\$217.00	
	75%	50%	75%	75%	50%	
Member Share:	\$82.00	\$238.69	\$100.14	\$94.50	\$217.00	
	25%	50%	25%	25%	50%	
<b>1/1/2024 - 12/31/2024</b>						<b>1/23 rate (renews 1/24)</b>
Full rate:	\$328.00	\$500.54	\$420.72	\$384.00	\$452.00	\$300.00
Town Share:	\$246.00	\$250.27	\$315.54	\$288.00	\$226.00	\$225.00
	75%	50%	75%	75%	50%	75%
Member Share:	\$82.00	\$250.27	\$105.18	\$96.00	\$226.00	\$75.00
	25%	50%	25%	25%	50%	25%
2024 Rate Inc %	0.0%	4.9%	5.0%	1.6%	4.1%	Note: rate cap includes no more than \$10 increase annually F-Y24 & F-Y25