



CITY OF SOMERVILLE, MASSACHUSETTS

CLERK OF COMMITTEES

July 27, 2011

REPORT OF THE FINANCE COMMITTEE

Attendee Name	Title	Status	Arrived
Maryann M. Heuston	Chair	Present	
William A. White Jr.	Vice Chair	Present	
John M Connolly	Alderman At Large	Present	
Rebekah Gewirtz	Ward Six Alderman	Present	
Thomas F. Taylor	Ward Three Alderman	Absent	
William M. Roche	Ward One Alderman	Present	
Dennis M. Sullivan	Alderman At Large	Present	
Walter F. Pero	Ward Four Alderman	Present	
Robert C. Trane	Ward Seven Alderman	Present	
Bruce M. Desmond	Alderman At Large	Present	
Sean T. O'Donovan	Ward Five Alderman	Present	
Joseph Curtatone	Mayor	Present	
Omar Boukili	Administrative Assistant	Present	
Matt Buckley	Asst. City Solicitor	Present	
Sarah Kloos	Director of Personnel	Present	
Pat Haraden	Consultant, Longfellow Benefits	Present	

191787 - Requesting to amend the city's health insurance benefits by transferring to the Group Insurance Commission (GIC).:

Mayor Curtatone discussed issues pertaining to the switch to the GIC health plans, including the city's claims history, and stressed the need to control escalating health care costs in order to remain on a sound financial management path. Mr. Haraden again reviewed aspects of the GIC plans, including the up-front deductible schedule and when they would be allowed to be increased. According to Mr. Haraden, the savings to employees and retirees would be greater under the GIC as opposed to a plan design option. Ms. Kloos told the members that the Personnel Department will be handling the dissemination of information and that staff would be available to respond to any questions. Additionally, information has been posted to the city's website. In order for the city to commence under the GIC on January 1, 2012, the Board of Aldermen must act on this measure by September 1, 2011 and Alderman Desmond requested to know the ramifications to the city if this issue is not acted on by that date.

PUBLIC HEARING

Several individuals spoke in opposition to the issue, citing the following concerns:

- Would prefer to try a plan design,
- The GIC plan would be unaffordable to some individuals,
- Higher deductibles and co-payment amounts
- Problems expected to be encountered by retirees
- Better to negotiate changes to existing plans
- Blue Cross/Blue Shield not among the GIC plans offered,
- The lack of savings to subscribers,
- Burdens of those with chronic illnesses,
- Giving up control of one's own health care,
- The lack of information and negotiations,
- GIC's tier system

There were no speakers in favor of the measure. The public hearing was closed.

Alderman White requested that union representatives provide information regarding the path taken by City of Boston regarding joining the GIC and how plan design might be an alternative.

The committee requested the Administration to provide the following information:

- A grid showing the costs and savings to retirees (Alderman White),
- Data showing the difference in out of pocket expenses between the current plan and the GIC plan, for both current employees and retirees (Alderman Roche),
- Listings of non-Medicare retirees and Medicare retirees, a listing of those individuals covered by Blue Cross/Blue Shield and information about other communities' experiences (Alderman Connolly),
- The mechanism for the city to get out of the GIC (Chairman Heuston).

Chairman Heuston asked that the Administration respond to the concerns expressed and submit those responses to the Finance Committee.

RESULT: KEPT IN COMMITTEE
