

# Town of Medfield

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**FY 2026 Health Insurance Budget**

# Municipal Health Insurance

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- Health Insurance is a Mandatory Subject of Collective Bargaining (MGL 150E)
- Landmark Health Insurance Reform in 2011
  - Created streamlined process
  - Chapter 32B Section 19 (Existing)
  - Chapter 32B Section 21-23(New)

# What do we offer in Medfield?

- Health Insurance benefit offered to full time Active and Retired employees
  - School and Town Employees
- Town joined MIIA Health Benefit Trust in 2009
  - One of largest municipal purchasing collaboratives in nation
- Coverage is provided by Blue Cross Blue Shield
  - HMO, PPO, HMOHD, Medex
- Voluntary Dental Insurance (Delta) and Vision



# Cost of Insurance

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- Health insurance is a cost/share relationship
- Active Employees on HMO/HMOHD
  - Town 62%
  - Employee 38%
- Active Employees on PPO
  - Town 50%
  - Employee 50%
- Retirees on HMO/Medex 50%

# Public Employment Committee (PEC)

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- Public Employee Committee (PEC) is formed utilizing process in MGL 32B Sec 19
  - Representation from all Unions
  - Retiree Representative
  - Weighted Vote based on Union Membership
- Town Negotiates Directly with PEC
- January 2024 PEC and Town agree to plan design changes that results in cost savings
  - MOU covers FY25, FY26 and FY27
  - HMO/PPO now includes a low deductible \$500/\$1000

# FY2026 Health Budget Drivers

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- WC Guidance anticipated 10% increase in premiums as directed by MIIA in the fall
- MIIA announced on Jan 25th health insurance plans will see a 9.9% to 19.9% increase
  - Increased Utilization
  - Rise in prescription cost and increase in Rx Usage
  - Cost of Care Delivery
  - Low Medicare/Medicaid Reimbursement Rates
- Increases of this type seen across insurance marketplace
  - Putting local insurance pools out of business
    - Minuteman Nashoba 34 Years
    - Berkshire Health 16% increase
    - GIC to be announced in March

# What's Next?

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- MIIA Notification of Premium Increase
  - Anticipate final rates in early February