

**MEMORANDUM OF AGREEMENT
BETWEEN THE TOWN OF WESTFORD AND THE
WESTFORD PUBLIC EMPLOYEE COMMITTEE**

WHEREAS, the Selectmen ("Selectmen") of the Town of Westford ("Town") voted on September 13, 2011, to change group health insurance under the process authorized by G.L. c. 32B, §§ 21-23; and

WHEREAS, on March 28, 2012, the Town provided its Insurance Advisory Committee with notice of its intention to change group health insurance under the process authorized by G.L. c. 32B, §§ 21-23;

WHEREAS, the Town thereafter requested the formation of a Public Employee Committee ("PEC") pursuant to 801 CMR 52.02; and

WHEREAS, a PEC was formed and the Town, on April 19, 2012 delivered its 801 CMR 52.03 notice to the PEC representatives; and

WHEREAS, the negotiations period with the PEC commenced on April 23, 2012, and is set to expire on May 22, 2012;

WHEREAS, both the Town and the PEC have engaged in negotiations in good faith and desire to enter into a mutually acceptable agreement relative to this subject matter;

NOW THEREFORE, pursuant to 801 CMR 52.04(4), the Town and the PEC agree as follows with respect to changes to the Town's group health insurance plan:

1. Implementation. Effective November 1, 2012, the Town will implement health insurance plan design changes in accordance with this Agreement.
2. Plan Design. The plan design changes/cost-sharing features to be implemented in connection with this Agreement are as reflected in Exhibit A attached hereto. The parties acknowledge that the co-pays and deductibles of these plans do not exceed those of the "benchmark" GIC plans.

Mitigation Plan

3. Health Reimbursement Account (HRA).

- a. This HRA is available to employees and non-Medicare eligible retirees enrolled in the Town's group health insurance.
- b. The HRA is be administered by a third party administrator in conjunction with the Town's Human Resources Director.
- c. The mitigation fund will bear the cost to administer the HRA. This amount will not exceed \$5,000 in any plan year.
- d. The PEC will be given the opportunity to be present and jointly choose the third party during the vendor selection process. If the parties do not reach an agreement on a vendor, the town will make the ultimate decision and fund the difference in cost between the two vendors.
- e. The HRA shall be funded in the amount of \$59,376 in plan year 11/1/2012 – 10/31/13 and \$29,500 in plan year 11/1/13 – 10/31/14.
- f. Eligible subscribers shall be reimbursed beginning with the period of November 1, 2012 for eligible charges until such date that the funded amount is depleted. Subscribers must meet the reimbursement thresholds each plan year.
- g. Eligible subscribers and non-Medicare eligible retirees, upon presentation of an Explanation of Benefits/Statement of Activity from their provider and eligible expense paid receipt(s) to the named representative, shall be reimbursed for copayments as required under the health plan in which they are enrolled. Once their combined total out of pocket costs for copayments reach \$500 for an individual subscriber in a plan year and \$750 for a family subscriber in a plan year, that have not been reimbursed by another health insurance plan, they are eligible for the following reimbursement:

1. Reimbursement is available from \$500.01 to \$1,250 for a single plan and may not exceed \$750 in a plan year.
2. Reimbursement is available from \$750.01 to \$2,500 for a family plan and may not exceed \$1750 in a plan year.

	Not Eligible For Reimbursement	Eligible For Reimbursement	Maximum Reimbursement Per Plan Year
<i>Single Plan</i>	0\$ - \$500	\$500.01 - \$1,250	\$750
<i>Family Plan</i>	\$0 - \$750	\$750.01 - \$2,500	\$1750

- h. The combined out of pocket cost thresholds of up to \$500 for a single plan and \$750 for a family plan are not HRA reimbursable. These out of pocket costs/copays must be submitted and substantiated with Explanation of Benefits/Statement of Activity from the provider and eligible expense paid receipt(s) for eligibility verification.
- i. The HRAs will be effective until the maximum amount is reimbursed (or claims have been submitted up to the maximum amount), and claims will be paid on an as submitted basis as determined by the Third Party Administrator on a first come first serve basis. A general Town email notice will be sent to employees and the retiree representative when the HRA remaining balance is \$10,000 or less.
- j. Employees who terminate their employment from the Town during this period will no longer be eligible for the HRA benefit, unless they elect COBRA.
- k. The PEC will meet quarterly, and if necessary and appropriate, provide access to the HRA Administrator, with the Town to review the utilization of the HRA to determine if any adjustments to the eligible subscribers' reimbursement amounts should be made

prior to the meeting, the PEC will receive the HRA account balance and general usage statistics.

Other Provisions


4. Notification. Subscribers shall be notified in writing of the implementation of the new plan pursuant to 801 CMR 52.04(5), on or before June 8, 2012.
5. Acknowledgement. The parties acknowledge that with the completion of this Agreement, all the requirements of G.L. c. 32B, §21 - 23 have been met.
6. Binding Effect. Pursuant to 801 CMR 52.04(6), this Agreement is binding on all subscribers and their representatives.
7. Entire Agreement. This Agreement constitutes the entire agreement reached by the parties pertaining to this matter. No other agreement, oral or otherwise, shall be considered to exist or to bind any of the parties. No representative of any party to this Agreement had, or has, any authority to make any representation or promise not contained in this Agreement, and each of the parties to this Agreement acknowledges that such party has not executed this Agreement in reliance upon any such representation or promise. This Agreement cannot be modified, except by a written instrument signed by all parties. The parties acknowledge that they have thoroughly read this Agreement, that they understand it, and that they are entering into it of their own free will.
8. Severability Clause. If any provision or portion of this Agreement is found to be unenforceable or unlawful, the remaining provisions or portions shall remain binding.
9. Authorization to Sign Agreement. Each signatory to this Agreement is authorized to bind the entity he/she represents. The PEC represents that it has the authorization and approval

of a majority of the weighted votes of the PEC and that this Agreement is binding on all subscribers and their representatives.

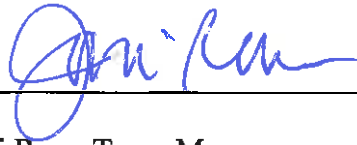
Dated this 14 day of May, 2012

PUBLIC EMPLOYEE COMMITTEE

TOWN OF WESTFORD



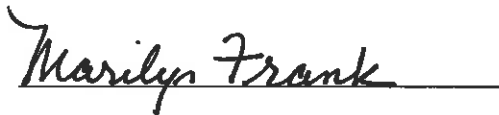
Paul Paul



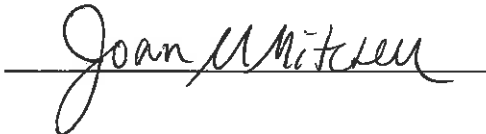
Jodi Ross, Town Manager



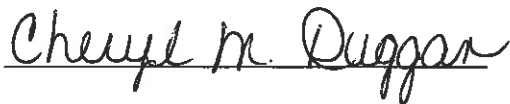
Dennis Coakley



Marilyn Frank



Joan Mitchell



Cheryl M. Duggan



Ruth Freeman, WEA
Unit A



Kathy Monahan OPEIU Local 6



Glenn Robinson



Lloyd Hensch

19/11/11
John T. Emanuel

Town of Westford
Current Plans and Approved Proposed Plans Effective 11/1/2012
Active and Non-Medicare Eligible Retirees

Plan Design Element	Current Plans			Proposed Plans - 11/1/12	
	HMO Premium Current Plan	HMO Value Current Plan	PPO Current Plan	Approved Proposed HMO Premium Plan Eff. 11/1/12	Approved Proposed PPO Plan Eff. 11/1/12
Calendar Year Deductible	None	None	In Network	None	In Network
Out of Pocket Maximum	None	\$1,000/\$2,000 I/P and O/P Copays	None \$1,250/\$2,500	None	None \$1,250/\$2,500
Physician Office Visits	\$5	\$15	\$15	\$15	\$15
Specialist Office Visits	\$5	\$15	\$15	\$15	\$15
Emergency Room Visits	\$25	\$50	\$50	\$50	\$50
Inpatient Admission	\$0	\$250	\$0	\$0	\$250
Outpatient Surgery	\$0	\$150	\$0	\$0	\$150
Hi-Tech Imaging	\$0	\$0	\$0	\$0	\$0
Prescription Drugs-Retail					
Tier I	\$10	\$10	\$10	\$10	\$10
Tier II	\$20	\$20	\$20	\$20	\$20
Tier III	\$35	\$35	\$35	\$35	\$35
Prescription Drugs-Mail					
Tier I	\$10	\$10	\$10	\$20	\$20
Tier II	\$20	\$20	\$20	\$40	\$40
Tier III	\$35	\$35	\$35	\$70	\$70

*The HMO Value Plan remains unchanged, is eligible for HRA reimbursement, and is maintained as an active option