

TOWN of HINGHAM
Mitigation Fund
Reimbursement Request Form

Inpatient Admission co-pays, outpatient surgery co-pays, High-Tech Imaging co-pays, and "Waiting/Hiatus Period Stipend" are the only reimbursable items. Please read the attached "Memorandum of Agreement" for additional information. To request reimbursement, please fill out this form and send it along with invoice from hospital/doctor, and/or the "Explanation of Benefits" from the insurance carrier, and a **paid receipt/proof of payment** to:

Town of Hingham
Accounting Department
210 Central Street
Hingham, MA 02043

Name: _____

Address: _____

Dept: _____

Date: _____

Amount: _____ **attach receipt*****

Account Number: 8560-5200

****Please attach a paid receipt for the reimbursable mitigation amount.*

**MEMORANDUM OF AGREEMENT
BETWEEN
THE TOWN of HINGHAM
AND
THE M.G.L. c. 32B, s. 21-23 HINGHAM PUBLIC EMPLOYEE COMMITTEE
TO PROVIDE HEALTH INSURANCE THROUGH
THE GROUP INSURANCE COMMISSION**

WHEREAS, the Town of Hingham including the Hingham Public Schools ("Town"), currently provides health insurance benefits to its subscribers pursuant to M.G.L. c. 32B; and

WHEREAS, the Town, by a vote of its Board of Selectmen on December 19, 2012, voted to adopt and implement sections 21-23 of M.G.L. c. 32B and now intend, through this Agreement, to transfer all subscribers to the Commonwealth's Group Insurance Commission ("GIC"); and,

WHEREAS, the Town, and the Public Employee Committee ("PEC") are entering into this written agreement to transfer the Town's subscribers to the GIC pursuant to M.G.L. c. 32B, sections 21-23, effective July 1, 2017; and shall notify subscribers via mail and/or email,

NOW THEREFORE, the Town and the PEC agree as follows:

Purpose and Term of Agreement

The purpose of this Agreement is to implement changes in health insurance benefits by transferring subscribers to the GIC, effective July 1, 2017, pursuant to the process authorized by sections 21-23 of M.G.L. c. 32B. The parties agree that the term of this Agreement is for three years, expiring June 30, 2020. Any decision by the Town to exit the GIC would be accomplished in accordance with the rules of the GIC and applicable laws and regulations. Notwithstanding the June 30, 2020 expiration of this Agreement, the parties all mutually agree that the Mitigation Plan contained in this Agreement shall continue for the five year period described in this Agreement. The proposal to join the GIC and relevant supporting documents are attached hereto as "Attachment A".

Approval of MOA as PEC Agreement by the Town and the PEC

By executing this Agreement both the Town and the PEC agree to all of the terms of this Agreement. The Town and all subscribers will take all necessary and reasonable actions to effectuate the transfer of subscribers to the GIC, effective July 1, 2017.

Mitigation Plan

The mitigation fund detailed in the parties' previous Agreement will expire on June 30, 2017. Any remaining balance in that fund at that time shall be added to the fund created by this current Agreement. The terms of the parties' previous mitigation plan shall continue except as detailed below.

The Town will allocate 25% of the first year projected savings (\$500,000) from transferring subscribers to the Group Insurance Commission into a Mitigation Fund. The Town will allocate

\$100,000 each of the next 5 fiscal years to the fund.

The Town will continue its existing Mitigation Plan (the Health Reimbursement Arrangement – HRA) that reimburses outpatient surgery copayments and inpatient admission copayments until June 30, 2017. All claims under this HRA (incurred prior to July 1, 2017) must be submitted by December 31, 2017 to be eligible for reimbursement.

The Town will establish a new HRA(s) that will:

- Reimburse 100% of the outpatient surgery copayment under any eligible plan
- Reimburse 100% of the inpatient admission copayment under any eligible plan
- Reimburse 100% of the hi-tech imaging copayment under any eligible plan

The Town will provide a premium credit in the Month of November, 2017, based on the enrolled subscribers as of September 1, 2017 in the amount of \$75 for each individual subscriber and \$150 for each family subscriber.

The Town will communicate the existence of the Mitigation Fund and/or the HRA(s) at least two times per year through an employee/retiree-wide communication method. The Public Employee Committee will receive advance notice when the HRA balance(s) reaches \$25,000.

In order to receive reimbursement through the HRA(s), a claim form and documentation of the incurred expense is required – per Internal Revenue Service (IRS) regulations.

The HRAs will not be available to any employee/member enrolled in a High Deductible Health Plan (HDHP) that is Health Savings Account (HSA) eligible, if offered by the GIC.

Waiting/Hiatus Period

Waiting/Hiatus Period

New employees of the Town are eligible to enroll in health insurance offered by the GIC in accordance 805 CMR 9.01. GIC health insurance benefits begin on the first day of the month following sixty (60) days or two (2) full calendar months of employment, whichever is less. The period between the date of employment and the effective date of coverage pursuant to 805 CMR. 9.01(3) are hereinafter referred to as the "Waiting/Hiatus Period."

Waiting/Hiatus Period Stipend

During the "Waiting/Hiatus Period," the Town shall pay a stipend ("Waiting/Hiatus Period Stipend") to those employees who have notified the Town within 10 calendar days of employment that they have chosen to enroll in one of the health insurance plans offered by the GIC. The amount of the "Waiting/Hiatus Period Stipend" will be equal to the employer's portion of the premium or cost for whichever plan the employee has chosen to enroll. To receive the "Hiatus Period Stipend," the employee must show both proof of other health insurance coverage during the "Waiting/Hiatus Period," (e.g., COBRA or other alternative health insurance plan). If the employee's payment for the other health insurance is an amount that is less than the dollar equivalent of the Town's contribution for the plan the employee has enrolled in, the employee shall only receive the reduced amount from the Town.

Newly enrolled employees/subscribers who cancel their GIC coverage within sixty (60) days of the effective date of the GIC coverage shall return the "Waiting/Hiatus Period Stipend" in its entirety to the Town.

GIC Retroactive Effective Date of Coverage

Subscribers may request retroactive coverage from the GIC in accordance with 805 CMR 9.01(4). Therefore, if a subscriber incurs a medical expense(s) during the "Waiting/Hiatus Period" that in sum exceeds the full-cost health insurance premium of the GIC's elected plan for the "Waiting/Hiatus Period", the subscriber may file a written request to the GIC for approval of health coverage to become effective on the first day of employment. Upon approval by the GIC, coverage shall take effect as of the first day of employment. In this event, the Town shall submit the full-cost health insurance premium for the "Waiting/Hiatus Period" to the GIC in a timely manner. The employee shall reimburse the Town for the premium and any "Waiting/Hiatus Period Stipend" amount already received through normal payroll deductions.

The preceding provisions related to the "Waiting/Hiatus Period" shall expire if and when the GIC eliminates the "Waiting/Hiatus Period."

Premium Contribution Rates

The Town/Subscriber premium percentage contribution rate is 50% / 50% for all plans and all subscribers.

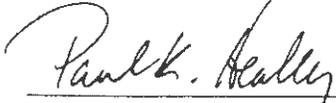
Severability Clause

If any provision or portion of this Agreement is found to be unenforceable or unlawful, the remaining provisions or portions shall remain binding.

Authorization to Sign Agreement

Each signatory to this Agreement is authorized to bind the entity he/she represents. The PEC signatories represent that they have the authorization and approval of a majority of the weighed votes of the PEC to execute this Agreement and that this Agreement is binding on all subscribers including active employees, retirees and dependents.

The Town of Hingham



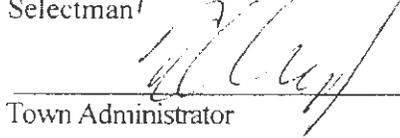
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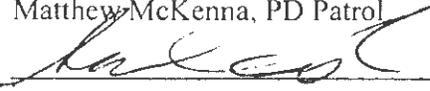


Town Administrator

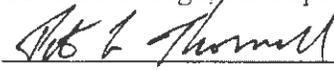
The Town of Hingham Public Employee Committee



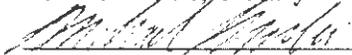
Matthew McKenna, PD Patrol



Sean Cavanaugh, PD Supervisors



Peter Thornell, Library



Michael Mullin, DPW Supervisors

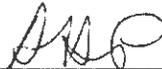
Jeffery Madden, DPW



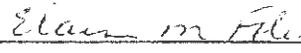
Christopher Melanson, Fire



Michael Menton, Light Plant



Alec Porter, HEA-A-Teachers



Elaine Foley, HEA-B-PARAs



David Jewett, Administrative

Anthony Caliri, Custodians

Joshua Barnhouse, Custodians

James Connolly, Bus and Van Drivers

Pat Judge, Food Service Workers



Peter Lincoln (Retirees Representative)