

## Lisauskas, Stephen

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**From:** Carol Cormier [ccormier@gbs-consult.com]  
**Sent:** Thursday, May 18, 2006 8:54 AM  
**To:** 'Bernard, Mary Beth'; 'Boynton, Michael'; 'Costello, Anne'; 'Geishecker, Frank'; 'Hoagland, Peter (W)'; 'Hohenschau, Ruth'; Lisauskas, Stephen; 'Michael Palladino'; 'Waldman, Marc'  
**Cc:** 'Trombly, Lisa'; 'Lynch, Ruth (w)'  
**Subject:** WSHG - Shrewsbury & Section 18

I just learned that Shrewsbury adopted Section 18 last night, so 13 of the 16 WSHG employers have S. 18.

Carol

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February 13, 2006

Mr. Marc Waldman  
Chairman, West Suburban Health Group  
Wellesley Town Hall  
525 Washington Street  
Wellesley, MA 02482

Dear Marc:

We have completed the results of our actuarial comparison of the plans offered by the West Suburban Health Group (WSHG) for purposes of adopting M.G.L. Chapter 32B Section 18. We have determined that the Medicare supplemental plans offered by WSHG, together with Medicare Part A and Part B, are of comparable actuarial value to the non-Medicare plans offered. Please see the attached letter of certification signed by Charles S. Fuhrer, FSA, MAAA.

Please feel free to contact me with any questions. We have appreciated the opportunity to assist you in this project, and we hope to work with you again in the future.

Sincerely,

Daniel J. Rhodes

cc: Carol Cormier, Group Benefit Strategies  
John Senchyshyn, Town of Wayland  
Andrew Sherman, The Segal Company

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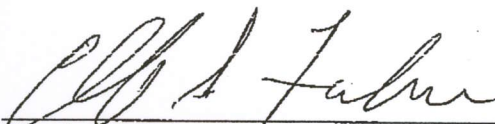
I have reviewed the benefit plans available to the participating units of the West Suburban Health Group. These include the plans available to active employees and retirees not enrolled in Medicare through the following carriers:

- Harvard Pilgrim Health Care (HPHC) EPO
- HPHC PPO
- Tufts Health Plan EPO
- Tufts POS
- Blue Cross Blue Shield of Massachusetts (BCBSMA) Network Blue New England
- Fallon Community Health Plan (FCHP) Direct Care
- FCHP Select Care
- North American Administrators (out-of-area plan)

My review also included plans available to Medicare-eligible retirees through these carriers and programs:

- HPHC First Seniority
- HPHC Medicare Enhance
- Tufts Medicare Preferred HMO (formerly Secure Horizons)
- Tufts Medicare Complement
- BCBSMA Medicare HMO Blue (formerly Blue Care 65)
- BCBSMA Managed Blue for Seniors
- BCBSMA Medex 3
- FCHP Senior Plan

All of the plans offer a similar level of coverage for hospital, medical, prescription drug, and mental health benefits. An analysis of the benefit designs of each plan indicates that the actuarial cost of any plan is within 10% of any other plan. Therefore, assuming that for purposes of M.G.L. Chapter 32B Section 18, 10% is comparable, I conclude that all plans are of comparable actuarial value.



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Charles S. Fuhrer, FSA, MAAA  
Vice President and Consulting Actuary

# Town of Natick

Active Employee Plan Enrollees who are 65 or older

June 29, 2005 enrollments

Plans for Active Employees: Health Plan	Enrollees age 65 or older		
	Single	Family	Total
Network Blue NE	7	5	12
Fallon SelectCare	0	0	0
Fallon DirectCare	0	0	0
Harvard Pilgrim EPO	32	23	55
Harvard Pilgrim PPO	14	3	17
Tufts EPO	28	9	37
Tufts POS	5	0	5
NAA-administered plans	4	0	4
<b>Total</b>	90	40	130

*We don't know if they are*

*(1) retired*

*(2) have Medicare eligibility*

**TOWN OF NATICK**  
 West Suburban Health Group  
 Health/Dental Insurance Rates (July 1, 2005 - June 30, 2006)

INSURANCE PLAN	Individual Plan		Family Plan	
	Total Cost	Town Contrib. %	Town Contrib. %	Employee Contrib. %
<b>HEALTH PLANS:</b>				
Harvard Pilgrim PPO	\$732.00	\$366.00 50.00%	\$805.50 50.00%	\$805.50 50.00%
Tufts Point-of-Service	\$732.00	\$366.00 50.00%	\$805.50 50.00%	\$805.50 50.00%
Harvard Pilgrim EPO	\$418.00	\$355.13 84.96%	\$834.60 76.71%	\$253.40 23.29%
Tufts EPO	\$458.00	\$406.38 88.73%	\$931.45 77.75%	\$266.56 22.25%
Network Blue	\$445.00	\$384.39 86.38%	\$922.96 77.30%	\$271.04 22.70%
Fallon Group: Select Care Direct Care	\$369.27 \$350.12	\$332.34 90.00% \$35.01 10.00%	\$800.58 \$759.07	\$200.14 \$189.77
<b>SENIOR PLANS:</b>				
Out-of-Area Plan	\$806.00	\$403.00 50.00%	\$880.50 50.00%	\$880.50 50.00%
Medex III	\$353.00	\$176.50 50.00%		
Harvard First Seniority*	\$210.00	\$105.00 50.00%		
HPHC Medicare Enhance	\$408.00	\$204.00 50.00%		
Tufts Medicare Compliment	\$289.00	\$144.50 50.00%		
Tufts Secure-Horizons Plan - MAX-PP	\$190.00	\$95.00 50.00%		
Medicare HMO Blue Blue-Care-65* MAX-PP	\$266.75	\$133.38 50.00%		
Managed Blue for Seniors	\$300.45	\$150.23 50.00%		
Fallon Senior Plan* - MAX-PP	\$198.00	\$99.00 50.00%		
<b>DENTAL PLAN:</b>				
Delta Insurance	\$25.00	\$25.00 100.00%	\$64.00	\$64.00 100.00%

*please. What are Part A & B rates*

\* Rates will change on January 1st (Senior Plans).

Note: For purposes of calculating rates, town's portion is fixed as of 01/90.