Town of Saugus Switches Back to Blue Cross Blue Shield of Massachusetts and the Massachusetts Interlocal Insurance Association after Three Years in the Group Insurance Commission

New health plans will save the town and taxpayers $1 million in health insurance premium costs

BOSTON — November 4, 2013 – The Town of Saugus, the first community to join the Group Insurance Commission (GIC), announced that it's moving back to Blue Cross Blue Shield of Massachusetts (BCBSMA) effective July 1, 2014. The town signed a three-year agreement with Blue Cross through the Massachusetts Interlocal Insurance Association (MIIA), the nonprofit insurance arm of the Massachusetts Municipal Association (MMA). MIIA maintains one of the nation's largest health trusts and provides Blue Cross Blue Shield of Massachusetts health plans to 120 cities and towns and other municipal entities.

Saugus made the switch to Blue Cross and MIIA after recognizing sizable savings could be achieved through BCBSMA's flexible and high-quality, affordable health plan options.

"Switching back to Blue Cross will save our town $1 million in health care costs," said Town Manager Scott Crabtree. "It's important for municipalities to have the flexibility to shop around to find the best health care benefits for them and their employees. Our rates for FY 2015 are locked in and will be lower than what we had three years ago through the GIC."

"For over 20 years, MIIA has been partnering with Blue Cross Blue Shield of Massachusetts, helping cities and towns throughout the state obtain high-quality health care coverage and to become more engaged health care consumers," said Joe Callahan, Marketing Manager for MIIA. "Saugus was able to access the relatively favorable rates and benefits because of its relatively low claims history the past few years. Unlike the GIC, MIIA sets individual community rates based on their claim levels. This provides a tremendous opportunity for communities that want Blue Cross products and rates that reflect their own unique experience."

"Cities and towns continue to save with Blue Cross and MIIA, while having the peace of mind of knowing that their employees are covered by an industry leader," said Mark Meunier, Director of Government Programs at Blue Cross Blue Shield of Massachusetts. "We insure more than 75% of the state cities and towns and provide municipalities with a holistic and customized approach for controlling their health care costs. Every community has unique health and wellness needs, which is why we work directly with each city, town, school district and Joint Purchasing Arrangement (JPA) to help them develop targeted health plan designs and wellness programs that will work best for them while also providing robust account and member education."

Meunier noted that Blue Cross has been successful at keeping rates as low as possible due to its aggressive administrative and medical management. The company continues to see great interest from cities and towns like Saugus, and others like Wachusett Regional School District, in switching to Blue Cross from the GIC because of the benefits and value Blue Cross provides.

Under the new health plan program, Saugus employees will have two HMO plans to choose from. One enables them to retain the same 90/10 benefit split they currently have - with the town picking up 90 percent of insurance costs and employees paying 10 percent. If employees chose to receive care at the specific hospitals identified in their health plan they can save on costs by avoiding paying a deductible. Under the other HMO plan offered, participants will pay 15 percent of the cost while the town pays 85 percent and they can use any hospital without a deductible.

Firefighter Union President William Cross fought hard in 2007 to get all of the town's municipal unions to sign onto the GIC, but like Crabtree he agreed the time had come to leave. "This new insurance program through Blue Cross and MIIA will allow employees to control costs better than they could with the GIC plans," said Cross.

BCBSMA provides cities and towns throughout the state flexible and affordable health care options in the following ways:

- A **holistic approach** for getting claims/costs under control through a one-stop approach: flexible options; innovative and affordable health care designs; dental plans; wellness.
- As the market leader, BCBSMA offers **customized solutions** and insures approximately 75% of the municipal entities in the state while successfully helping cities and towns reduce health care costs. For example, enrollment in new Blue Cross plans collectively saved the Mayflower Municipal Health Group $1.5 million in health care costs.
- The ability to **annually review options** for controlling health care costs to ensure maximum savings.
- **Tailored health and wellness and disease management programs** targeted to a city or town's specific challenges and goals. Several accounts were recognized this year through the annual Municipal Blue Innovation Awards for their commitment to improve employee health through innovative wellness programs. The Town of Ware was not only successful in maintaining the same premium rate as they did four years ago through plan design, but they also implemented creative wellness programs to get employees engaged and motivated in improving their health.
- Flexibility in plan/benefit modifications: With BCBSMA, cities and towns enjoy greater flexibility to address financial challenges through contribution level and/or plan design changes.
- Dedicated account executives and service teams: Account executive and service teams provide unparalleled service and are available to each municipality whenever, wherever they're needed. Health fairs and enrollment activities also take

place frequently at the convenience of the city and town, which can be valuable tools for educating employees about their health plan.

About Saugus, Massachusetts
Saugus, home of the historic Saugus Iron Works, is a diverse community consisting of 11 square miles located approximately 13 miles north of the City of Boston. It has a population of approximately 27,000. The town is geographically divided north to south by the famous Route 1. This 3-mile strip of highway is home to many popular restaurants and retail stores, as well as a Regional Shopping Center.

About the Massachusetts Interlocal Insurance Association
MIIA was incorporated by the Massachusetts Municipal Association (MMA) in 1982 as a nonprofit organization to provide insurance services to the cities, towns and other governmental entities in Massachusetts that are members of the MMA. MIIA functions as the administrator for the MIIA Property and Casualty Group Inc. and the MIIA Health Benefits Trust. The MIIA Health Benefits Trust, formed in 1992, provides health coverage for the employees and retirees of cities, towns and other governmental entities in Massachusetts that are members of the MMA. For more information, call MIIA at **(800) 374-4405**, or visit their website – eMIIA.org.

About Blue Cross Blue Shield of Massachusetts
Blue Cross Blue Shield of Massachusetts (www.bluecrossma.com) is a community-focused, tax-paying, not-for-profit health plan headquartered in Boston. We are committed to working with others in a spirit of shared responsibility to make quality health care affordable. Consistent with our corporate promise to always put our 2.8 million members first, we are rated among the nation's best health plans for member satisfaction and quality. BCBSMA is proud to provide health coverage to more than 250,000 municipal employees, their families and to 120,000 federal employees. To learn more visit the Municipal Options website.

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