



CITY OF CAMBRIDGE
795 MASSACHUSETTS AVENUE
CAMBRIDGE, MASSACHUSETTS 02139
TEL. 349-4332
FAX. 349-4307

PERSONNEL DEPARTMENT
MICHAEL P. GARDNER
Director

M E M O R A N D U M

TO: Robert W. Healy
City Manager

FROM: Michael P. Gardner
Personnel Director 

DATE: October 26, 1992

RE: Calendar Item No.#8, dated 10/19/92
Re: Delay of health insurance plan by one month.

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At your request, we have called a meeting of the Health Insurance Advisory Committee to discuss their views concerning alternative health insurance programs (see memorandum attached). We have also advised management and non-union employees of a one month delay in implementing the conversion from Master Health Plus to Health Flex Blue (see memorandum, attached). Retirees are also being advised of the delay. An additional set of group meetings has also been scheduled (see memo to Department Heads with schedule attached). We continue to advise affected unions that any possible pay increase is dependent upon our ability to change coverage. This could result in, although by no means require, a delay in implementation until July 1, 1994. We continue to press for early conversion.



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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

MEMORANDUM

RICHARD C. ROSSI
Deputy City Manager

TO: Employees Advisory Committee on Insurance

FROM: Robert W. Healy
City Manager *Robert W. Healy*

DATE: October 20, 1992

SUBJECT: Meeting to Discuss Health Care Options
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In light of the statements made at the recent City Council meeting concerning the willingness of Committee members to work with the City to change the health insurance coverage, a meeting has been scheduled for Oct. 28, 1992 at 3:00 PM in Room 200 Cambridge City Hall to hear from Advisory Committee members on what changes in the health insurance plan and contribution strategy various committee members would be willing to support. Please come to the meeting prepared to discuss the kinds of changes in coverage and contribution rate you think it appropriate to consider.

I look forward to seeing you there.

Thank you



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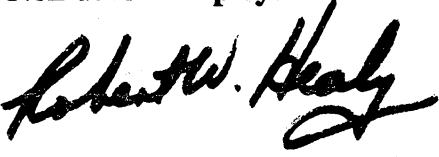
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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

MEMORANDUM

TO: Management and Non-union Employees

FROM: Robert W. Healy
City Manager 

DATE: October 21, 1992

RE: One Month Delay in Health Insurance Changeover
Consideration of an FY94 Wage Increase

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At the request of the Cambridge City Council I have decided to delay the effective date of the changeover from Blue Cross Blue Shield Master Health Plus to BC/BS Health Flex Blue and Basic Major Medical by one month. The new effective date will be FEBRUARY 1, 1993. This is being done to ensure that all affected employees have a better opportunity to become fully acquainted with the new features of these programs. We will delay the change in the employee contribution to pretax 10% for Health Flex Blue and 1% for Basic Major Medical until JANUARY 6, 1993. The open enrollment period to change health insurance plans will be extended until DECEMBER 15, 1992. The last day to sign up for Health Flex Blue (by filing the enrollment form and designating a Primary Care Physician) will be DECEMBER 15, 1992. Any employee currently enrolled in Master Health Plus who does not file for a change in coverage (or submit a request for the \$900 payment in lieu of health insurance) will automatically be placed in Basic Major Medical until the next open enrollment period.

Because of concerns that some employees might possibly remain confused about the plans, Blue Cross representatives will be visiting the various departments of the City over the next few weeks to answer any questions and assist employees in the completion of their forms.

There will also be an open meeting for employees and their spouses who may wish to hear more about the plan on NOVEMBER 5, 1992 from 6:30 to 8:30 PM at the Central Square Library. The Personnel Office at City Hall will also have extended hours during the month of NOVEMBER, and the first three weeks of DECEMBER, 1992 on TUESDAY evenings, 5:30 PM to 8:30 PM to assist employees and their spouses with completion of forms, answering questions about the benefit program, etc.

The City of Cambridge BC/BS HOTLINE will also continue until DECEMBER 15, 1992. Employees and dependents can speak directly with Blue Cross Blue Shield representatives on the HOTLINE by calling (617) 558-4013 Monday through Friday 8:30 AM to 4:30 PM and Tuesday evenings until 7:00 PM. Experienced Blue Cross Blue Shield representatives are staffing that HOTLINE to answer all employee questions about the Plans.

In Summary, the KEY DATES to remember are:

NOVEMBER 1, 1992 - DEC. 15, 1992 Open Enrollment-Your opportunity to join one of the existing HMOs, the new BC/BS HMO Health Flex Blue, or Basic Major Medical

NOVEMBER 5, 1992 - 6:30-8:30 PM Open Meeting for employees and spouses on new plan design; Central Square Library

DECEMBER 15, 1992 LAST DAY TO SIGN UP FOR NEW PLAN

JANUARY 6-8, 1993 New Health Care Deductions Begin - Pretax

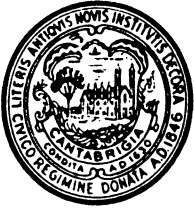
FEBRUARY 1, 1993 Master Health Plus ends, coverage begins under Health Flex Blue or Basic Major Medical

As I have explained many times, taking this step is absolutely critical to the fiscal future of the City. I very much appreciate your cooperation and willingness to accept this difficult change. I have asked you to be leaders and you have responded to the challenge. The 3% wage increase provided July 1, 1992 was directly related to this leadership role.

The future of wage increases for all employees is linked to this change in health insurance. Although it is too early to determine what, if any wage increase we can afford for FY 94, it is clear that no increase will be possible without better control of our health care expenses through implementation of this new plan. Over the next several months we will be monitoring our overall costs and revenues very closely. If the new plan is fully implemented without significant legal challenge to it or the 10% contribution rate, and costs are under better control, I will seriously consider a nonunion and management pay raise for FY94. Its size will depend on the overall state of City finances. However, without this health insurance change wages would have to be frozen for the foreseeable future, as nearly all our increased revenues went to pay escalating health costs.

I look forward in joining with you in coverage under a new and comprehensive health insurance offering, effective Feb. 1, 1993.

Thank you for your continued cooperation around what I know is a difficult and very personal issue.



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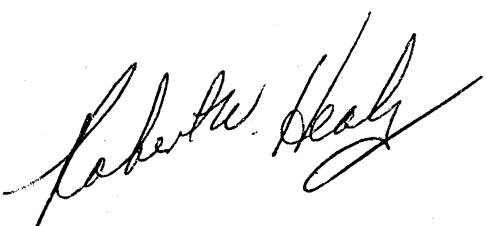
MEMORANDUM

TO: Department Heads

FROM: Robert W. Healy
City Manager

DATE: October 22, 1992

RE: New Effective Date for Health Flex Blue 2-1-93



As you can see from the enclosed Memo, I have decided to delay the implementation of the new Health Flex Blue and Basic Major Medical Plan by one month, in order to accommodate concerns that there was some confusion about the plans.

There will be no additional delays.

In order to ensure that all eligible non union and management employees who are losing Master Health Plus coverage are fully aware of the new plan, it is essential that they attend an orientation session with Blue Cross Blue Shield representatives.

Attendance at the initial set of meetings was below expectations. You must ensure that your employees attend. Attached is a new schedule. Please work with the Personnel Department to verify which employees have not yet attended. Management and non union employees who are already enrolled in an HMO and intend to stay so enrolled need not attend, but any management or non union employees currently enrolled in Master Health Plus should.

Thank you for your cooperation.

Also enclosed are copies of a notice concerning a night orientation session specifically designed for spouses who may require more information about the plan. Please post and distribute it appropriately.

CAMBRIDGE HOSPITAL
HOSPITAL LECTURE HALL

NOVEMBER 2, 1992 2PM - 4PM

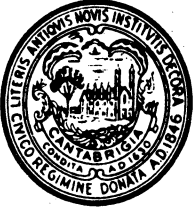
NOVEMBER 6, 1992 8AM - 10AM

NOVEMBER 9, 1992 8AM - 10AM
&
3PM - 5PM

CENTRAL SQUARE LIBRARY
45 PEARL ST.

NOVEMBER 13, 1992 10AM - 12PM

NOVEMBER 16, 1992 10AM.- 12PM



EXECUTIVE DEPARTMENT
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RICHARD C. ROSSI
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November 2, 1992

To The Honorable, The City Council:

Please find attached a response to Calendar Item No. 8, dated 10/19/92, regarding delaying the health insurance plan by one month, received from Michael P. Gardner, Personnel Director.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Robert W. Healy", is written over a horizontal line.

Robert W. Healy
City Manager

RWH/mev
attachments

Consent Agenda # 5

S-906

Delaying the health insurance plan
by one month for non-union and
management employees.

In City Council,

November 2, 1992

Placed on file