

U.M. Gyn  
Councilor Toomey  
Councilor Myers

Whereas: The Debate over <sup>the</sup> health care <sup>benefit</sup> is one that

impacts ~~from~~ employees and their families, And  
Whereas: The debate is critical to  
the future well being of the all must recognize will

Whereas: ~~city employees as a~~ This debate, which, have enormous impact on  
the ~~city budget~~ city budget, can, <sup>no one</sup> frighten  
and confuse people who ~~need to~~  
depend on an existing network of  
health care providers, And

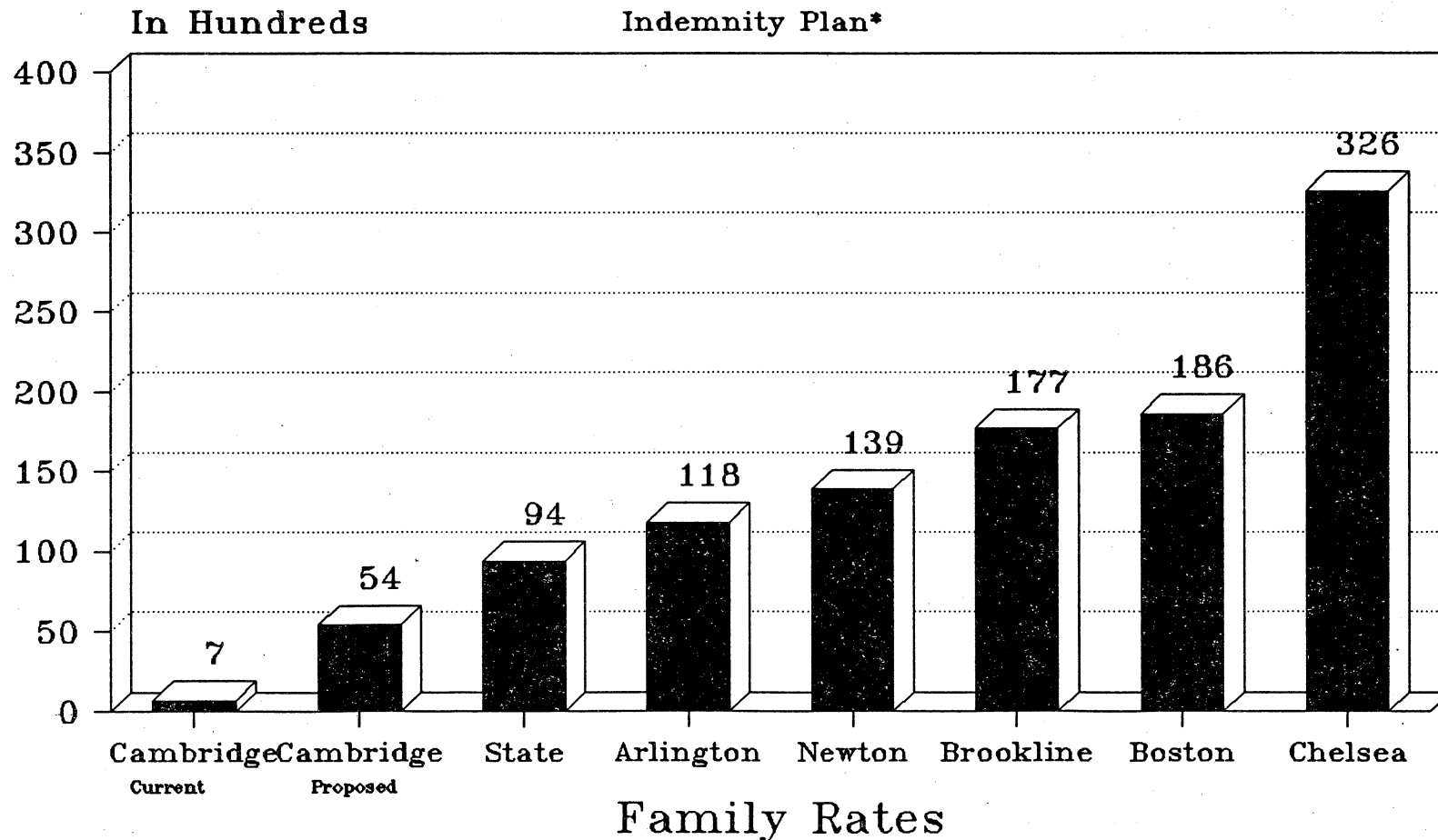
Whereas: The debate is ~~not~~ natural and ~~second~~  
in scope, and ~~is~~ while fluid, is  
moving towards resolutions Now therefore be  
it

Resolved: That the City Council urge the City manager

with a <sup>target date</sup> ~~response~~ to  
to recognize the legitimate concerns of the  
city employees, that he be encouraged to  
~~more study~~ <sup>both the letter & the chapter</sup> recognize the spirit of 325  
in its call for a consistent package of  
benefits ~~from~~ from ~~bargaining unit~~ bargaining unit  
to bargaining unit, ~~that it~~ be it further

Resolved: That the City Council urges the Municipal  
unions to continue their efforts to bargain

# Health Insurance Plan Monthly Employee Cost



\*Except Cambridge proposed which is an HMO

in good faith, & to recognize the  
financial impact on the city and

Further: That both parties be requested  
to report progress <sup>within 3 weeks time</sup> ~~on this~~ by November  
17th for a regularly scheduled  
hearing

Respectfully signed ~~J. M. C. Wolgan~~ C. Wolgan  
Delay implementation for now, unless you  
agree

~~XXXXXXXXXX~~

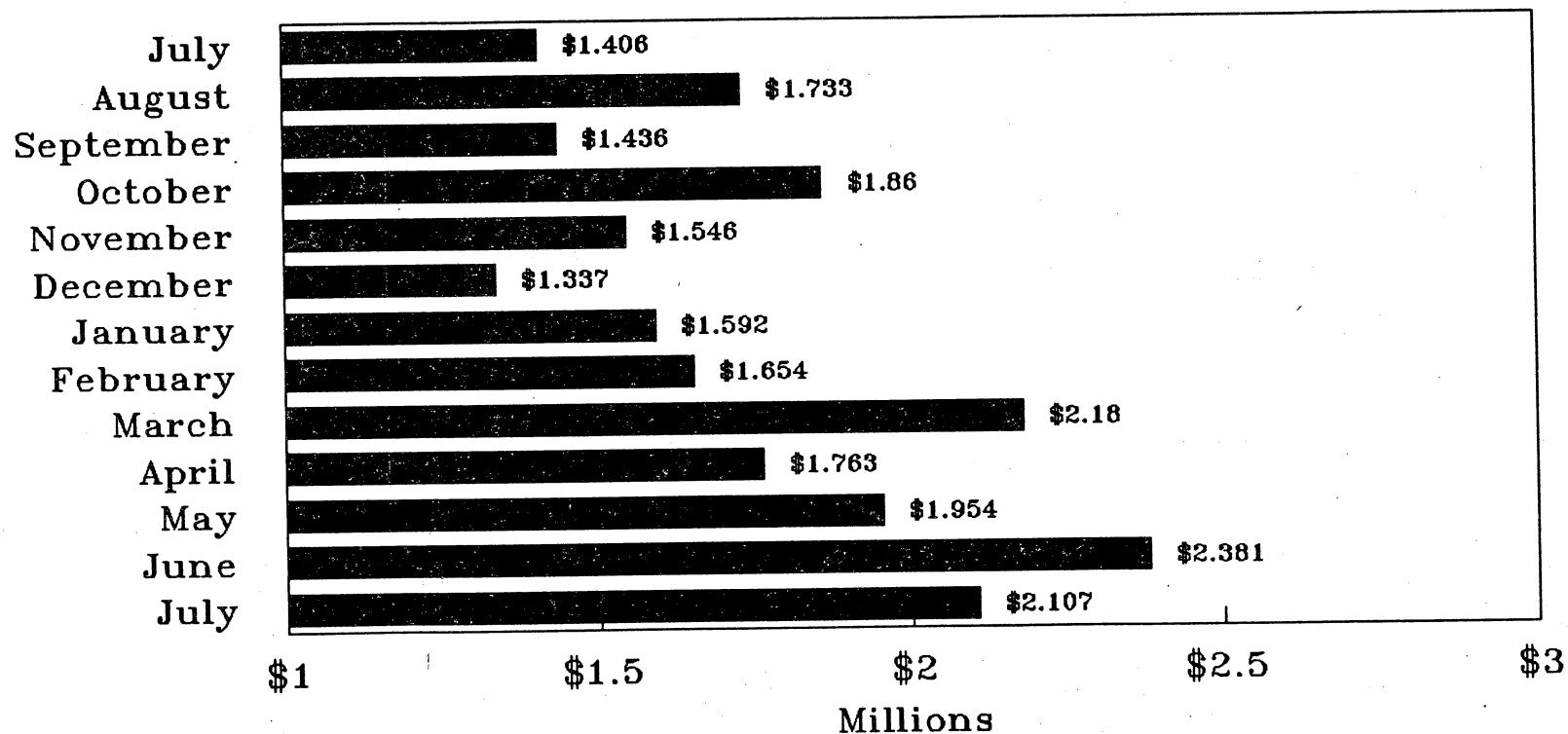
J. J. Flinn

will urge the

agrees, that he be encouraged  
both the latter

# Monthly Blue Cross/Blue Shield

## July 1991 thru July 1992



BC/BS Monthly Pymts

## City of Cambridge

C Cyr, Toomey  
Myers, Reeves

MASSACHUSETTS

In City Council Oct 19 1992

Heath Ins.

| YEA | NAY | ABSENT | PRESENT |                            |
|-----|-----|--------|---------|----------------------------|
|     |     |        |         |                            |
| ✓   |     |        |         | Mr. Ed Cyr                 |
| ✓   |     |        |         | Mr. Francis H. Duehay      |
| ✓   |     |        |         | Mr. Jonathan S. Myers      |
| ✓   |     |        |         | Mrs. Sheila T. Russell     |
| ✓   |     |        |         | Mr. Walter J. Sullivan     |
| ✓   |     |        |         | Mr. Timothy J. Toomey, Jr. |
| ✓   |     |        |         | Mr. William H. Walsh       |
| ✓   |     |        |         | Ms. Alice K. Wolf          |
| ✓   |     |        |         | Mayor Kenneth E. Reeves    |

9

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# City of Cambridge

Calendar Item # 8

IN CITY COUNCIL

October 19, 1992

VICE MAYOR CYR  
COUNCILLOR TOOMEY  
COUNCILLOR MYERS  
MAYOR REEVES

WHEREAS: The debate over the health care benefit is one that impacts employees and their families; and

WHEREAS: The debate is critical to the future well being of the city employees; and

WHEREAS: This debate, which all must recognize, will have enormous impacts on the city budget, can none the less, frighten and confuse people who depend on an existing network of health care providers; and

WHEREAS: The debate is national in scope, and while fluid, is moving towards resolution; now therefore be it

RESOLVED: That the City Council urge the City Manager to recognize and respond to the legitimate concerns of the city employees, that he be encouraged to recognize both the letter and the spirit of M.G.L. 32B in its call for a consistent package of benefits from bargaining unit to bargaining unit; and be it further

RESOLVED: That the City Council urge the Municipal Unions to continue their efforts to bargain in good faith with a target date for any new plan of June, 1994 to recognize the financial impact on the city; and be it further

RESOLVED: That both parties be requested to report progress within 3 weeks time by November 17, 1992, for a regularly scheduled hearing; and be it further

RESOLVED: That the City Manager be and hereby is requested to delay the implementation of the health insurance plan for non-union employees for one month.

In City Council October 19, 1992.

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;  
ATTEST:-

*D. Margaret Drury*  
D. Margaret Drury, City Clerk



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still operate competitively. The Cambridge Hospital has to keep these costs in control as well. We will lose important third party payor business and operate at a loss on governmental payor and uncompensated care payments if our employee benefit costs continue to be far out of line with competing hospitals.

The problem is even more acute at Neville Manor, where the Commonwealth is reducing reimbursements and where our overall costs far exceed industry norms, in large part because of our excessive benefits costs.

Second, managed care is better care. All of the replacement plans we looked at provide a very strong role to a Primary Care Physician to coordinate all aspects of a member's health care. This is the best way to ensure quality care, where one physician is responsible for making sure health care needs are met and that the care provided by any specialists is interrelated and coordinated. The plans also provide preventative care for early detection of problems not available under Master Health Plus.

Of all the plans we looked at, I believe Blue Cross Blue Shield Health Flex Blue is the best for the City. It has a very high quality network of hospitals and physicians, that matches well with where our employees now get their care. The majority of employees should not have to make major changes in their health care providers to continue to receive first dollar coverage. The Cambridge Hospital is a fully participating Hospital in the plan, thus we can effectively compete for our own employee's business in ways that were not as clear under the other plans that were evaluated.

Employees who do not wish to use the network have the option to go outside the network and still receive substantial coverage. This has never been available before with any of our HMOs. It means that for the first time our employees can enjoy the benefits of first dollar, comprehensive HMO coverage, while maintaining the freedom of choice to select any physician for their care.



# The Cambridge Hospital



1493 Cambridge Street, Cambridge, Massachusetts 02139 (617) 498-1000

## MEMORANDUM

TO: Robert W. Healy  
City Manager

FROM: John O'Brien *JOB*  
Hospital Administrator

DATE: Sept. 16, 1992

RE: Health Insurance Change  
=====

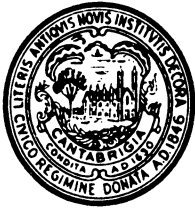
I regret I am unable to attend the meeting of the City Council on September 21, 1992 to discuss the pending health insurance changes. I had previously arranged to attend a series of meetings out of town that week and will not be available.

Because this is such an important issue however, I did want to provide you with my thoughts and concerns about this matter.

First, it is absolutely essential to the short and long term financial viability of The Cambridge Hospital and Neville Manor that the City eliminate Blue Cross Blue Shield Master Health Plus coverage for our employees as soon as possible. Master Health Plus provides excellent coverage, but in a very inefficient way and at too high a price. Those prices have begun to escalate very rapidly and will likely continue to do so in the future at an even more accelerated pace. While recognizing the burden this change places upon our dedicated employees, it is imperative that we shift to a more cost effective quality health plan. The Hospital's ability to compete depends upon it.

Changes in Hospital Financing Legislation that went into effect late last year have given Hospitals every incentive to agree to price reductions to HMOs, while increasing charges to indemnity carriers like Master Health Plus for the same service. Thus we are wasting money when we pay for hospital services under the Master Health Plus contract when we could buy those same services under an HMO contract for significantly less. We must go into a managed care plan in order to take advantage of the better hospital contract rates we can procure through that vehicle.

The new legislation makes it imperative that hospitals do a better job of controlling costs. Virtually none of the hospitals we compete with for business provide first dollar indemnity coverage at virtually no cost to their employees. They can not afford to and



## CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300

FAX 349-4307

EXECUTIVE DEPARTMENT  
ROBERT W. HEALY  
City Manager

RICHARD C. ROSSI  
Deputy City Manager

September 21, 1992

To The Honorable, The City Council:

In response to Council Order No. 86, dated September 14, 1992, relative to an invitation to the City Manager and his Advisory Committee on Health Insurance Selection, please be advised that the Advisory Committee, all members of the Employee's Advisory Committee on Insurance (made-up primarily of union representatives), as well as selected Department Heads have been invited to attend the City Council Meeting on September 21, 1992 to discuss the changes in the City's Health Insurance offering, which will be effective January 1, 1993.

Hospital Administrator John G. O'Brien is away and will not be able to attend, but has supplied his written comments, attached.

Very truly yours,

Robert W. Healy  
City Manager

RWH/mev  
attachment

F-464

Communication from Robert W. Healy, City Manager, regarding Council Order No. 86 dated September 14, 1992 relative to discussion with the City Council on the changes in the City's Health Insurance offering.

In City Council,

September 21, 1992

*Charter Right  
exercised by Councillor  
Torney*

*10/5/92 Vahled by  
Councillor Torney*

*10/19/92 Order adopted  
as amended,*

*to include motion of  
Councillor Wolf to delay  
one month implementation  
of non union members,*