



CITY OF CAMBRIDGE
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PERSONNEL DEPARTMENT
MICHAEL P. GARDNER
Director

To: Robert W. Healy
City Manager

From: Michael P. Gardner
Personnel Director

Sheila M. Keady Rawson
Manager of Benefits & Training

Date: March 4, 1999

Re: Council Order # 002, dated 2/22/99 RE: REPORT ON WHAT MEASURES ARE
BEING TAKEN TO PROVIDE RETIREES
WITH INFORMATION ON THEIR
HEALTH CARE COVERAGE

In response to Council Order #002 referenced above, we are pleased to report that the new prescription drug caps or limitations which were the focus of a great deal of attention by the media are not part of the City's Medicare HMO plan designs. The prescription drug caps or limitations are for non-group subscribers who purchase their health insurance directly from the provider. The City offers group plans, which means we have greater leverage in negotiating the plans' components with the health care providers. The City's Medicare HMO plans all continue to have unlimited drug coverage.

At the time of intense media attention on the changes to non-group plans, the City's employee benefits division received a few calls from retirees who were worried about potential changes in coverage. Staff members explained the difference between group and non-group coverage, and assured those who called that major changes in our drug coverage were not imminent. Our representatives at the various health insurance plans were also helpful, offering to talk to any concerned retirees in order to alleviate fears.

The City recently had its health insurance open enrollment for retirees. As usual, each retiree received basic comparison charts of the plans the City currently offers (see attached). One area the chart highlights is prescription drugs, so that our retirees can see and determine which plans offer coverage that is best suited to their circumstances. These charts also include information on inpatient and outpatient care, along with the health insurance carrier phone numbers, so that our retirees can call the providers directly with any technical questions that they may have in regard

to health insurance coverage. During open enrollment, the City also sponsored a health fair for our retirees at the Cambridge Senior Center. Each of the health insurance providers had representatives there to distribute and explain informational brochures, as well as to answer questions from our retirees.

Throughout the year, the City's employee benefits staff spends a great deal of time counseling retirees, explaining information packets, and answering questions on the different types of coverage we offer.

In this era of escalating health care costs, especially in the area of prescription drugs, we are pleased that Cambridge is still able to offer a variety of choices in health insurance plans at affordable rates. We will continue to explore all the options we have with our carriers, so that we can continue to provide our employees and retirees with health insurance coverage that is comprehensive and economical.



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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

To: City of Cambridge Retired Employees, Spouses, and
Survivors Eligible for Health Insurance

From: Robert W. Healy
City Manager

Date: January 27, 1999

Re: Open Enrollment: February 1-19, 1999

As many of you are probably aware, the City is changing the effective date of its health insurance plans from July 1 to April 1. In the past, the July effective date has proved difficult for our employees who work the school year cycle. Late spring/early summer is also the time of year that many other employers have their open enrollments, which often caused scheduling and administrative difficulties on the part of our insurance carriers when servicing our account. It is our belief that by moving the plan date to April, we will receive better service and attention from our health insurance providers while making it easier for our employees to make any plan changes before the summer arrives.

As a result of the earlier plan date, open enrollment for retired City employees will be held this year from Monday, February 1, 1999 through Friday, February 19, 1999. This is generally the **only time during the year** that you are allowed to make voluntary changes to your health insurance selection.

You do not need to do anything if you wish to continue with your current health plan.

Representatives from the various health plans will be at the Cambridge Senior Center, 806 Mass. Ave. in Central Square on Wednesday, February 10, from 3 to 5 p.m., to give you information on the plans and answer any questions you may have. General health screenings (e.g. blood pressure testing) will also be available. You may also call any of the plans directly at the numbers listed on the attached plan comparison sheet.

If you reside in Massachusetts and are eligible for Medicare Parts A & B, the following selections are available:

First Seniority (Harvard Pilgrim Health Plan)
Secure Horizons (Tufts)
Managed Blue for Seniors (Blue Cross & Blue Shield of MA)
Medex III (Blue Cross & Blue Shield of MA)

If you reside in Massachusetts and you are not eligible for Medicare, the following selections are available:

Tufts
Harvard Pilgrim
HMO Blue (Blue Cross & Blue Shield of MA)
Blue Choice (Blue Cross & Blue Shield of MA)
Basic Major Medical (Blue Cross & Blue Shield of MA)
Aetna/US Healthcare

The Employee Benefits office (795 Massachusetts Avenue, Cambridge, MA 02139) must receive paperwork for health insurance changes no later than 5 PM on February 19, 1999. All plan changes will take place effective April 1, 1999.

The attached plan comparison sheet shows what the 10% employee contribution cost will be as of April 1, 1999. In this era of rapidly rising health insurance costs, especially in the area of prescription drugs, I am pleased that Cambridge is still able to offer a variety of choices in health insurance plans at affordable rates.

This is the time to reconsider your health insurance options. Please feel free to contact the Employee Benefits section of Personnel (349-4337) with any questions you may have during this open enrollment period.

SENIOR HEALTH PLAN COMPARISON (FOR MEDICARE ELIGIBLE RETIREES)

COVERED SERVICES	FIRST SENIORITY (Harvard Pilgrim)	MANAGED BLUE FOR SENIORS (Blue Cross)	MEDEX III (Blue Cross)	SECURE HORIZONS (Tufts)
10% retiree contribution	\$5.20/mo.	\$15.66/mo.	\$2.10/mo.(1%)	\$5.80/mo.
telephone #	1-800-238-6420	1-800-325-2583	1-800-782-3675	1-800-701-9000

Inpatient Care

Semiprivate room & board, surgical and special services	100% coverage	100% coverage	100% coverage	100% coverage
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Outpatient Care

Office Visits	\$5.00 copay	\$10.00 copay	no benefits	\$5.00 copay
Immunizations	100% coverage	\$10.00 copay	100% coverage	100% coverage
Routine Exams	\$5.00 copay	\$10.00 copay	no benefits	\$5.00 copay
Diagnostic X-ray & Laboratory Tests	100% coverage	100% coverage	100% coverage	100% coverage
Hearing & Vision Tests	\$5.00 copay	\$10.00 copay	no benefits	\$5.00 copay

Additional Services

Ambulance Service	100% coverage	\$40.00 copay (one way)	up to \$15.00	100% coverage
Home Health Care	100% coverage	100% coverage	Medicare pays 100%	100% coverage
Emergency Room	\$25.00 copay	\$50.00 copay	Medicare deductible & coinsurance *	\$20.00 copay

Prescription Drugs

up to 30 day supply**	\$10.00 copay 90-day supply	25%/50% copay generic/brand	\$35.00 quarterly deductible, then 0%/20% copay generic/brand	\$5/\$15 copay generic/brand
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* Limited Benefits see brochure

** Mail-in Programs for prescriptions are available from most plans at reduced cost

HEALTH PLAN COMPARISON NON-MEDICARE ELIGIBLE RETIREES

COVERED SERVICES	BLUE CHOICE*	HARVARD	HMO BLUE	TUFTS	US HEALTHCARE
10% Monthly Contribution	\$27.08/Ind. \$69.08/Fam.	\$21.36/ind. \$57.84/Fam.	\$20.88/Ind. \$53.40/Fam.	\$23.16/Ind. \$63.04/Fam.	\$22.20/Ind. \$58.72/Fam.
TELEPHONE #	1-800-872-5314	1-800-431-1070	1-800-872-5314	1-800-843-1008	1-800-323-9930

Inpatient Care

In hospital, semiprivate room and board, surgical and special services

100% coverage

100% coverage

100% coverage

100% coverage

100% coverage

Outpatient Care

Office Visits, & Specialist Consultations

\$5.00 copay

\$5.00 copay

\$5.00 copay

\$5.00 copay

\$5.00 copay

Routine Checkups or physicals

\$5.00 copay

\$5.00 copay

\$5.00 copay

\$5.00 copay

\$5.00 copay

X-rays & laboratory tests

100% coverage

100% coverage

100% coverage

100% coverage

100% coverage

Short-term physical, speech & occupational therapy

\$5.00 copay/visit

\$5.00 copay/visit

\$5.00 copay/visit

\$5.00 copay/visit

\$5.00 copay/visit

Additional Services

Ambulance

100% coverage

100% coverage

100% coverage

100% coverage

100% coverage

Emergency Room

\$25.00 copay

\$25.00 copay

\$25.00 copay

\$25.00 copay

\$35.00 copay

Durable Medical Equipment

100% coverage up to \$2,500/yr.

20% copay up to \$1,000 then 100% coverage

100% coverage up to \$2,500/yr.

100% coverage up to \$1,500/yr.

no benefits

Prescription Drugs

up to a 30-day supply**

\$5/\$10 copay generic/brand

\$5.00 copay

\$5/\$10 copay generic/brand

\$5/\$10 copay generic/brand

\$5.00 copay

Fitness Benefit

\$150.00 per membership toward health club membership or classes

20% off membership at any YMCA or fixed cost per visit depending upon age (one time activation fee of \$10); other discounts available at designated clubs***

\$150.00 per membership toward health club membership or classes

30% discount on membership in participating health club or fixed cost per visit depending upon age

none at present; Aetna/USHC is currently redesigning their benefit

* Out-of Network benefits are also available, see brochure

** Mail-in programs are available from some plans, see brochures for details

*** Call Harvard Member Services for details



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5.

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

March 15, 1999

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item 99-40, regarding report on what measures are being taken to provide retirees with information on their health care coverage, received from Personnel Director Michael Gardner and Sheila Keady Rawson, Manager of Benefits & Training for Personnel.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec

Consent Agenda #5

5-1363

Relative to AR #99-40,
regarding a report on what
measures are being taken to provide
retirees with information on
their health care coverage.

In City Council March 15, 1999

PLACED ON FILE