

Your guide to
understanding the
new Municipal Health
Insurance Reform Act



This outline provides a brief overview of Section 21 of the Municipal Health Insurance Reform Act and the proposed Administration & Finance regulations and should be used in conjunction with the official government documents. For complete details and information, please refer to the Massachusetts government Web site located at <http://www.mass.gov>.

1. You provide advance notice of intent to vote.

How long does it take? At least 5 calendar days

5 calendar days in advance of any vote to elect to make changes to health insurance, under section 21, the municipality must send a notice to each union and the Retired State, County and Municipal Employees Association (RSCME) that they are going to vote.

Once a vote approves making changes to health insurance, the municipality must first evaluate coverage, and determine the savings that may be realized, after the first 12 months of implementation. Once this has been determined, the municipality shall notify its IAC (Insurance Advisory Committee) of estimated savings.

All notices must be sent by certified mail, delivery confirmation and return receipt requested, and a copy must be sent to the Secretary of Administration and Finance at: Director of Local Policy, Executive Office for Administration and Finance, State House, Room 373, Boston, MA, 02133.

The notice will include:

- Proposed changes to the municipality's health insurance benefits
- Co-payments, deductibles, tiered provider network co-payments and other cost-sharing plan design features of the benchmark GIC plan
- The municipality's estimate of anticipated savings, plus supporting documentation
- The mitigation proposal

2. You meet with the IAC.

How long does it take? Up to 17 days

Within 10 days after receiving the notice of savings, the IAC will meet with the municipality to discuss. If the IAC does not meet within 10 days, the assumption is that the discussion has occurred and you can move forward with the process.

Within 2 days after the IAC meeting (or 10 days after receiving the notice, whichever comes first), the municipality shall provide written notice to the president/designee of each union and the RSCME. This notice must include the number of eligible employees in each bargaining unit.

If a Public Employee Committee (PEC) already exists:

Within 2 business days after receiving the notice, each union and the RSCME must provide the municipality with the name, address, phone number and email address of their PEC representative.

If a Public Employee Committee does not already exist:

Within 5 business days after receiving the notice, each union and the RSCME must provide the municipality with the name, address, phone number and email address of their PEC representative. If after 5 days the union or the RSCME has not complied, the municipality will deem the Union's principal officer or the president of the RSCME as the representative on the PEC.

Within 2 business days after receiving the list of PEC members, the municipality will provide written notice to the PEC. The notice will include the same information as outlined under Step 1 above.

3. You enter negotiations with the PEC.

How long does it take? Up to 45 days.

The 30 calendar day negotiation period begins once each member of the PEC has received the implementation notice from the municipality.

- Within 3 days after the negotiation period begins, the municipality must notify the Secretary in writing of the start and end dates of the 30-day negotiation period, and identify its nominee for the Review Panel. Each member of the PEC will receive a copy of this notice.
- Within 3 business days after receiving the notice, the PEC must choose one representative for the Review Panel, and notify the municipality and the Secretary.
- Within 10 days after receiving the notice, the Secretary will provide the municipality and the PEC with a list of the three potential members for the Municipal Review Panel.
- Within 3 business days after receiving the Secretary's list, the municipality and the PEC will choose the 3rd member of the Review Panel from the list. If they cannot agree, the Secretary will appoint the 3rd member.

If, within the 30 days, an agreement is made, the municipality will send a copy of the agreement to the Secretary within 3 days of the agreement date.

Within 3 business days after the 30-day negotiation period ends, if no agreement is made, the municipality will submit its original proposal to the Municipal Review Panel. Copies will be sent to the Secretary and the members of the PEC.

Within 2 business days after receiving the proposal, the impartial member of the Municipal Review Panel will set a date, time and place to meet under Open Meeting Law.

At any time before the Review Panel makes its ruling, the municipality and the PEC may mutually agree to terminate or suspend the review process, if they have reached an agreement, or if they wish to continue negotiating within or outside the Section 21 process.

Within 10 days after their meeting, the Municipal Review Panel must determine if the municipality's proposed changes, estimated monetary savings and mitigation proposal meet—or fail to meet—the criteria outlined in the law. Once their decision has been made, the panel is dissolved.

**All subscribers must receive written advance notice of the changes
60 days prior to plan design changes taking affect.**

Dates you need to remember ...

October 1, 2011: If a municipality provides notice to the GIC that it is transferring its subscribers to the GIC by this date, the GIC will allow that transfer on/before January 1, 2012. For fiscal 2012, the law gives you two additional opportunities to transfer subscribers to the GIC – April 1 and July 1 – following a four-month notification to the GIC.

June 30, 2012: Municipalities must file a report with the Executive Office for Administration & Finance with information about their health insurance offerings. This report will need to be filed annually. Any municipality that does not seek to make health insurance changes must file a report comparing their existing plan design to the maximum possible savings available if health benefit changes were made under section 21.



More information. More help. More you.