

MEMORANDUM

To: City of Boston, PEC
From: Stephen L. Kuhn
 VP, Health Consultant
Date: February 5, 2016
Re: July 1, 2016 Rates

Please find the projected rates effective July 1, 2016 attached.

The following plans are rated on a fiscal year basis:

Non-Medicare Plans	Medicare Plans ¹
HPHC HMO	BCBSMA Master Medical Carve Out A&B
BCBSMA PPO (Blue Care Elect)	BCBSMA Managed Blue for Seniors*
NHP HMO Plan*	

* Fully insured plan

Please note that we plan to present further detail and discuss the rate development process at next Tuesday's (February 9) PEC meeting.

In the meantime, we wanted to note the following regarding the BCBSMA PPO Plan rates:

- The required PPO rate increase (or projected costs versus current rates) is 36%.
- As we have previously discussed, we are in a multi-year plan to manage the Trust Fund reserve levels and close the gap between the PPO Plan projected costs and the working rates.
- The proposed 10% working rate increase is the lowest of the three alternatives we will present at the meeting.

We look forward to discussing these rates at the PEC meeting.

¹ Note the additional Medicare Plans included on the rate exhibit are rated on a calendar year basis and were presented at the November 2015 PEC meeting.

FY17 Health Insurance Premiums

		Monthly Full Premium				Monthly Premium Cost Per Enrollee				
		Current Enroll (1)	FY16 Mo Prem	FY17 % Change	FY17 Mo Prem	FY16 % Employee Share	FY16 Mo Share	FY17 % Employee Share	FY17 Mo Share	Mo Change (2)
BCBS Blue Care Elect	Ind	1,273	\$1,038	10.0%	\$1,142	28.5%	\$295.88	29.0%	\$331.12	\$35.24
	Fam	593	\$2,562	10.0%	\$2,818	28.5%	\$730.12	29.0%	\$817.08	\$86.96
Harvard Pilgrim HMO	Ind	6,602	\$721	7.0%	\$771	18.5%	\$133.32	19.0%	\$146.52	\$13.20
	Fam	7,947	\$1,939	7.0%	\$2,075	18.5%	\$358.64	19.0%	\$394.20	\$35.56
Neigh Health Plan HMO	Ind	1,144	\$620	5.6%	\$654	18.5%	\$114.64	19.0%	\$124.35	\$9.71
	Fam	960	\$1,642	5.6%	\$1,734	18.5%	\$303.84	19.0%	\$329.52	\$25.68
BCBS Mas Med A&B	Medicare Plans	3,769	\$506	6.5%	\$539	26%	\$131.56	26.0%	\$140.08	\$8.52
BC Managed Blue		424	\$344	6.7%	\$367	11%	\$37.79	11.0%	\$40.32	\$2.53
Harvard Med Enh		4,563	\$371	8.2%	\$401	11%	\$40.80	11.0%	\$44.11	\$3.31
Tufts Med Pref Supp		1,693	\$364	-1.6%	\$358	11%	\$40.00	11.0%	\$39.38	(\$0.62)
Tufts Med Preferred		218	\$262	1.9%	\$267	11%	\$28.80	11.0%	\$29.37	\$0.57
Medicare HMO Blue		49	\$266	12.9%	\$301	11%	\$29.30	11.0%	\$33.10	\$3.80

(1) All City + BPHC enrollees Jan 2016

(2) Monthly Change for non-Medicare plans includes increased employee premium share of .5% on 7/1/2016