

Springfield To Join GIC

NOV 2006 - Retirees Win Concessions - The City of Springfield is about to take an important step in the battle to control its healthcare costs, that could mark the beginning of a statewide movement. As of January 1, over 8,500 Springfield retirees, survivors, active employees and their dependents will join the state-run Group Insurance Commission. In doing so, the Commonwealth's third largest city will become the first municipality to enroll in the state's health insurance plans.

Following two years of state control under the Financial Control Board, which was appointed by Governor Romney to oversee Springfield's finances, the city is poised to save some \$10 million in 2007 as a result of joining the GIC.

Springfield stands to benefit by being part of a larger insurance pool (GIC insures some 250,000 lives), thus receiving better overall insurance rates per person. Also, GIC officials have been on the cutting edge in implementing various cost control measures, some of which have proved controversial.

Retirees, now insured by Springfield through Cigna, find themselves in a difficult bind. While the state offers more robust and portable insurance coverage than they currently enjoy, the out-of-pocket expenses charged by the GIC are higher than local copayments and deductibles.

Springfield's retirees, led by retired police officer Robert Brown, initially opposed the move into the state plan on the basis that retiree costs would skyrocket. Taking notice of the situation, city officials agreed to provide an extra premium subsidy for retirees whose pensions are less than \$30,000 annually, that will help reduce costs for them. However, under the terms of the agreement, the subsidy will be phased out over seven years. Association officials have been working closely with labor and municipal leaders on a separate proposal that would ease the way for municipalities to join the GIC on a large scale, thus creating a giant insurance pool with increased buying power. An omnibus bill is expected to be filed later this year.

"I want to make it clear that the proposal would require a vote by the employee unions and our Association in any community seeking to insure itself through the GIC, said Association President Ralph White. "Also, any enabling legislation would require that the employees and retirees be able to opt out of the GIC plan (after three years) as a body and return to a local plan."

Local Health Fairs

In preparation for Springfield's retirees and employees being enrolled under its insurance plans on January 1, the GIC held four health fairs in Springfield in early October. The fairs provided all retirees, survivors and employees with an opportunity to meet with GIC and insurance company officials for help with choosing which insurance plan best suits their individual needs and finances.

"There is no question that our Springfield members are going through a confusing time as they transition into the GIC. Nancy Bolduc (GIC program director) did a good job working with local retirees to ease some of their fears," explained Association Insurance Coordinator Cheryl Stillman. "While cost is certainly an issue, I do believe that members now have access to some of the best plans available today."

Springfield retirees and survivors will now have access to the same plans available to retired state employees insured through the GIC, including the heralded GIC Indemnity Plan. In addition, those retirees, who have moved out-of-state, will have better coverage than currently offered by the city.