



# Haverhill

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FOR IMMEDIATE RELEASE:

## **Mayor Announces New Health Insurance Plan for City that will Save \$2.9 Million**

HAVERHILL- Mayor James J. Fiorentini today announced he has finalized a new health insurance plan for the City of Haverhill that will save the City taxpayers approximately \$2 million dollars in the first year and save City employees and retirees approximately \$1.8 million. This health care savings to the City comes after many months of negotiation with health providers. Instead of having the GIC (a Commonwealth health care program) provide health insurance for the City, Blue Cross Blue Shield will be the provider, they surfaced to the top after the competitive process was finalized. The City will allocate into an Employee Health Care Mitigation Fund (EHMF) approximately \$949,000 of the projected first year savings from the old to the new plan.

The plan is Blue Cross Blue Shield of Massachusetts, they have been providing health care coverage in Massachusetts for over 75 years. The coverage will be provided through the MIIA, a division of the Massachusetts Municipal Association.

The goal of looking for change in health care coverage was to identify a quality plan, while saving money for the City. The competitive process allowed us to maximize our savings and the beneficiaries are the employees, the retirees and the City.

The City has also agreed to add the 2012 mitigation money which encompasses approximately \$131,310 in Early Retiree Reinsurance Program (ERRP), \$174,000 in the School Mitigation Fund and \$419,216 in the non-school mitigation fund. The ERRP monies need to be appropriated by the Haverhill City Council and the Mayor pledges to support such an appropriation.

City employees and retirees will receive cash payments as well as reimbursements of certain out of pocket costs that members pay under the new plan through a Health Reimbursement Arrangement (HRA) over the course of the two year agreement. This agreement protects the City Retirees and contribution protect for retirees as well.

Mayor Fiorentini said:

“This change gives us the ability to save money for the City, save money for employees and retirees and maintain a quality health plan.”

“The new plan has been endorsed by the Public Employee Committee (PEC) which made up of union representatives and retiree representatives as well.”