



ROBERT J. DOLAN
Mayor

Health Policy Commission Exhibit B Questions for Written Testimony

1. What has been your experience participating in the Group Insurance Commission? What are your observations of health care cost trends before and after your participation?

Melrose's enrollment in the G.I.C. has positively impacted our ability to provide high quality, affordable insurance to our employees and to continue to provide services to taxpayers. When we joined the G.I.C. on July 1, 2009, our annual health insurance expense was \$12.4 million in FY 2009. As Mayor I was considering cutting services and laying off employees in order to fund our health insurance liability. At the end of Fiscal Year 2010 (our first year enrolled in the G.I.C.) our total expense was \$9.3 million. This cost avoidance allowed us to invest in our schools, public safety departments and city infrastructure. Not until Fiscal Year 2014, four years after joining the GIC, did Melrose reach pre-GIC amounts. My observations are that health insurance plans can control costs if held accountable.

2. What methods, if any, does your organization use to encourage employees to use high value (high quality, low cost) providers? What has been the effectiveness of these efforts?

The Human Resource Department staff educates and counsels employees upon hire, upon retirement and during open enrollment about the wide variety of choices they have. Each plan type is described and differences are explained so that they may make the best possible decision for themselves and their families. Information is available on an Intranet, on the HR Internet webpage and in the department. The number of employees enrolling in limited network plans has doubled over the last three years. Employees are overall very satisfied with the plans they end up enrolling in.

3. What methods, if any, do you use to educate employees about tiered and limited network plans offered by the Group Insurance Commission? What has been the reaction of your employees to these products?

As above the Human Resource Department staff educates and counsels employees upon hire, upon retirement and during open enrollment about provider tiering so that they may choose lower co-pays if available. Employees now understand that a higher premium plan doesn't necessarily mean a better plan. HMO plans have

seen an increase in enrollment in the last three years. The same trend has occurred with the limited network plans whose enrollment has almost doubled since 2011.

4. Please identify any additional health care cost drivers that you believe should be examined in subsequent years and explain your reasoning.

Today's healthcare and economic climate requires that Insurance companies, governments, and employers make continuous efforts to educate consumers about the cost and quality of medical care and to ensure that they coordinate care between providers; have a proactive focus and offer incentives to engage in healthy behaviors.

5. Please provide any additional comments or observations you believe will help to inform our hearing and our final recommendations.

I state that I am legally authorized and empowered to represent the City of Melrose for the purposes of this testimony, and I understand that this testimony is signed under the pains and penalties of perjury.

A handwritten signature in black ink, appearing to read "Robert J. Dolan", with a stylized flourish at the end.

Robert J. Dolan
Mayor