



Town of Lexington
Town Manager's Office

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September 17, 2013

Health Policy Commission
Two Boylston Street, 6th Floor
Boston, MA 02116

Sent via email

Dear Health Policy Commission:

On behalf of the Town of Lexington, I submit the following responses to the questions posed in Exhibit B of your letter dated September 5, 2013.

11. Below is a chart illustrating the four (4) year health insurance annual inflation history prior to joining the GIC for the Town's most subscribed health insurance plan, Blue Cross / Blue Shield Network Blue.

Fiscal Year	Health Insurance Annual Inflation
FY2009	10.0%
FY2010	8.56%
FY2011	7.0%
FY2012	3.25%
4 Year Average	7.20%

The Town's health insurance annual inflation for fiscal year 2014, the Town's second year in the GIC for its most subscribed plan (Harvard Pilgrim Independence) was 4.0%.

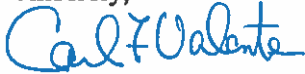
While the Town is just entering its second fiscal year in the GIC, the Town is already seeing a decrease in the annual health insurance inflation cost.

12. Please see response to question number 13.
13. In preparation to migrate employees and retirees to the GIC, the Town held twenty-five (25) information sessions. In the information sessions, the Town encouraged employees to review the high quality, low cost providers, hospital and doctor tiering and the limited network plans offered by the GIC. Since 94% of the active employees in the Town are enrolled in the PPO tiered (PPO) and limited network plans (HMO), it appears our employees were accepting of tiered plans and limited networks.
14. N/A
15. The Town has observed that there are some operational issues that could be addressed to enhance the Town's experience as a member of the GIC. By allowing online submission of

enrollment forms and documentation, the sixty (60) day or two (2) month waiting period could be reduced. The current paper and mail system is slow and documents have been lost in the mail.

I am legally authorized and empowered to represent the Town of Lexington for the purposes of this testimony, and that the testimony is signed under the pains and penalties of perjury.

Sincerely,



Carl F. Valente
Town Manager

CC: Denise Y. Casey, Human Resources Director