



CITY OF WORCESTER, MASSACHUSETTS
OFFICE OF THE CITY AUDITOR
CITY HALL 01608

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January 8, 2008

Honorable Members of the City Council
City of Worcester, Massachusetts

Councilors:

Attached, is a chart that responds to two requested reports. The first request was to conduct a survey of communities in the state that had accepted MGL c.32B s.18 and inquire as to what percentage of the health insurance premium they pay for their retirees on Medicare and also what percentage of the Medicare part B premium is paid on behalf of those retirees. Another report was requested regarding what options the City might want to consider for the privatization of services.

Initially, a listserv inquiry was sent to financial officials across the state asking the health insurance question but only three responses were received. Subsequently, a telephone survey was conducted by Ruth Sarafinas, the Administrative Assistant in the Auditing Department. It was thought that since large amounts of time and effort were to be put into the health insurance issue, it would be a good opportunity to question others on their actual experiences with privatization, some of which the City may find of interest.

The communities selected for the survey were based on a list compiled by the Human Resources Department of those in the state who had accepted c. 32B s. 18. Of the 152 communities listed, approximately 100 of those with the highest populations or in close proximity to Worcester were surveyed. The communities that responded, whose cooperation is much appreciated, are listed on the attached.

The chart indicates the name of the community, the date they accepted c.32B s.18, the percentage(s) the community paid of the insurance premium and the percentage(s) paid of the Medicare part B premium. There is also a comments column to explain various circumstances related to the on-behalf premium payments. The final column summarizes responses received regarding outsourcing.

Respectfully,

James DelSignore

James DelSignore
City Auditor

CITIES/TOWNS ADOPTED SECTION 18

	Approved & Date Adopted	% Reg.	% Med.	Comments	Outsourcing
Town/City	Premium	Part B			
	<u>1</u>	<u>2</u>			<u>3</u>
Springfield	12/17/2004	75	0	<u>1</u> If pension was less than 30K as of 6/30/06, pays 90%. Following year - 85%, the next year 80% etc. until they reach 75%	School cafeteria-seems to be working well Some janitorial services at night - Municipal Buildings Street sweepers-did not work out- cancelled them, went back to city employees
Cambridge	*			* Have not actually adopted Sec. 18, has a policy on insisting Medicare eligible retirees join Medicare plans <u>1</u> Medex enrollees	Custodians for Police Dept. Manage the cafeteria for schools with city employees working under them
		99			
		90		Froze Medex to current employees as of 1-1-2008. Only Medicare HMO's and Fee for Service plans available to new retirees now.	
			99		
Brockton	12/31/2001	75	0	<u>2</u> Now pays 99% reimbursement, moving to 90% for newly eligible Medicare enrollees as of 1-1-2008 <u>2</u> Pays 75%, if income is less than 200% of the poverty level	
New Bedford	3/7/2007	75	0		
Fall River	2/19/1997	75	0		
Haverhill	1/1/1999	75	0		
Waltham	7/1/2003	99 & 92-1/2	100	<u>1</u> depending on their retirement date- before 1994, town pays 99%, after 1994, town pays 92-1/2%	
Taunton	2006	75	0		
Brookline	6/2/1992	75	50		Use outside vendor for janitorial services-city side. Trash pickup

The % shown is what the City/Town pays

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Chicopee	Not sure of the date	50	0		
Weymouth	7+ years ago	50	0		
Medford	Early 90's	80	80		Janitorial service in city hall, police stations and schools Trash pickup Payroll
Peabody	7/9/1992	100	0		Payroll
Revere	*		0	* Did not adopt. However, they insist that they go on Medicare when eligible.	Cafeteria for food service Partial janitorial
Pittsfield	2/10/2004	60	0		
Leominster	1/1/1989	75	0		Trash-rubbish removal. School buses Janitorial services-just the basic maintenance for Town Hall, Police Station and Library-empty wastebaskets, vacuum, clean toilets, etc. However, for the more difficult jobs, Leominster uses their own employees. They are satisfied with the vendor's work.
Salem	2/9/2006	65	0		Lawn care and line painting
Arlington	5/10/2000	85, 75, 50	0	<u>1</u> 85% HMO, 75% Indemnity Insurance & 50% Survivor's Spouse	Janitorial service for Town Hall and two other buildings Trash pickup

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Town/City		Premium	Part B		
		1	2		3
Westfield	12/2/1999	65	0		
Beverly	12/6/2004	90 & 75	0	1 90% HMO and 75% Indemnity Plan	
Billerica	5/5/1998	90	0		Janitorial service in the Library
Woburn	4/9/1993	75	0		
Everett	4/23/1996	85	0		Trash pickup, some janitorial service
Chelmsford	10/16/2006	60	0		Custodial service for the town offices
Braintree	5/5/1992	50	0		
Chelsea	11/23/1994	90	0		Janitorial - night cleaning crew - City Hall only
Natick	10/16/2007	50	50		
Shrewsbury	5/17/2006	85, 75, 60, 50	0	1 85% Fallon Senior & Tufts Medicare Preferred, 75% HMO Blue, 60% Tufts Med. Compliment & BC/BS Managed Blue, 50% Medex III and 50% Indemnity Plan-Harvard Pilgrim	Janitorial-cleaning at night-Town Hall & schools
Franklin	6/1/1994	68	0		Custodians hired as part-timers for the schools
Gloucester	4/30/1996	75	75		Janitorial service for the schools
Randolph	1992	50	50		Custodial-Town Hall & Police Dept.
Tewksbury	5/6/1992	100	0		

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Norwood	5/17/1993	55	0		
Northampton	5/16/2002	80 & 60	0	<u>1</u> 80% Blue Care & Blue for Seniors, 60% Medex	
West Springfield	3/21/2005	75	0		Trash pickup
Wellesley	4/11/2006	50	50		
Milton	About 2000	50	50		
Bridgewater	Long time ago Don't know the date	88	0		
Marshfield	5/26/2004	50	0		
Winchester	5/29/2003	90, 85 67, 53	50	<u>1</u> 90% Managed Blue, 67% HMO & Family Coverage, 53% Tufts Retired before 2004: 85% HMO	
Gardner	2/6/2006	75	0		Schools - custodial and lunch service City - water/sewer for distribution & collection - very satisfied with them
Canton	4/29/1998	75	0		
Acton	4/6/1992	50	0		Tried Janitorial-were not satisfied with their work- let them go and brought the work back inhouse
Westborough	10/29/2007	75	0		Sewer/water-waste water and water treatment
Foxborough	3/20/2006	50	0		

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Holden	5/17/1996	74 & 50	0	1 74% Medicare HMO Blue & Fallon Sr., and 50% Medex	
Ashland	11/26/2007	50	0		
Oxford	10/13/1999	50	0		Trash pickup
Northbridge	10/26/1993	90 & 68	0	1 90% if not on senior plan and 68% if they are	
Millbury	5/2/2006	75	75		Garbage pickup
Charlton	Long ago	50	0		
Leicester	2000	50	0		
Dudley	Long ago	70	0		
Sturbridge	4/26/1999	50	0		Trash pickup Had a cleaning contract to have all municipal building cleaned. They did a bear minimum. They were let go. Now have their own employees and have more control using their own people. Would not go with outside people again.
Sutton	10/18/1993	50	0		Computer service Janitorial service to the Town Hall
Sterling	5/10/1992	90	0		Cleaning - did not work out. There was no saving.
West Boylston	5/17/1999	75	0		
Lancaster	5/2/2005	50	0		

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Upton	2004	50	0		
Douglas	Not sure of date	50	0		
Rutland	Not sure of date	80	0		Hired a cleaning service for a year. They were very expensive. Rutland was not happy with their work. They hired their own people to do the cleaning.
Harvard	3/27/2006	75	0		Custodial service for the schools-initially they were very good. Then the service deteriorated. Let them go and went back to using their own employees. Found it was cheaper and they could control the quality of the work.
Hopedale	2003	50	0		Trash pickup
Bolton	5/7/2007	70	0		
West Brookfield	10/2007	65	0		
Brookfield	10/24/2002	60	0		
East Brookfield	2/14/1994	75	0		Trash pickup Janitorial service in the Library
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