



A Vision for Boston: Questions for the 2009 Mayoral Candidates

DAY 7: HEALTH INSURANCE & OPEB

What steps would you take to further control Boston's annual health insurance costs for active employees and retirees?



Michael F. Flaherty Jr.

With personnel costs continuing to rise, it is more important than ever that the city take sweeping action to reduce health care expenses and implement commonsense solutions. As Mayor, I intend to foster consensus among unions to enroll the city's employees in the state's Group Insurance Commission (GIC) as a way to achieve meaningful savings seen in Springfield and Quincy. For city retirees, we need to better inform them about what federal benefits they are entitled to and adopt the local option to enroll all new retirees into Medicare as a way to offset city costs while ensuring retirees' access to quality health care coverage. With these win-win solutions, taxpayers will no longer have to foot the city's expensive health care bills and city employees and retirees will have access to quality health insurance.

While creating an OPEB trust fund is a positive step, Boston needs to improve its commitment to expanding this essential fund and reducing its overall liability at the same time. Growing and sustaining this fund must be a priority and should be achieved by cutting spending elsewhere - health care costs, for example - and redirecting savings into this fund.

Thomas M. Menino

The City is working to minimize the impact of increasing health care costs. We will keep fighting for changes that lower costs immediately and help us manage our long-term liabilities.

- *Lowering Short-Term Costs*

We are advocating for health insurance changes because no employer can sustain the annual double-digit increases demanded by the health care industry. We will continue aggressive negotiations with insurance providers. This, together with increased premium cost-sharing negotiated with unions, saved nearly \$10 million in FY10.

- *Maximizing Federal Benefits*

The City has enrolled the majority of eligible retirees in Medicare, but I am against introducing confusing changes to our most vulnerable seniors. Instead, I am asking the City Council to adopt a provision that will require all future retirees to enroll in Medicare.

- *Managing Long-Term Liabilities*

Well before other municipalities, the City understood the extent of its growing long-term liability associated with OPEB and the importance of these benefits to retirees. We began setting aside funds two years ago, based on a prudent policy to assure payment of these liabilities. We will continue to responsibly address this issue.