

**MEMORANDUM OF AGREEMENT  
BETWEEN  
THE SHORE EDUCATION COLLABORATIVE  
AND  
THE M.G.L. c. 32B, §21-23-SHORE EDUCATION COLLABORATIVE PUBLIC  
EMPLOYEE COMMITTEE  
TO PROVIDE HEALTH INSURANCE THROUGH  
THE GROUP INSURANCE COMMISSION PURSUANT TO M.G.L. c. 32B**

**(July 1, 2024 through June 30, 2027)**

**WHEREAS**, the SHORE EDUCATION COLLABORATIVE, ("SEC"), currently provides health insurance benefits to its subscribers pursuant to M.G.L. c. 32B; and

**WHEREAS**, the SEC, by a vote of its SEC Board in October 2023, elected to change health insurance benefits pursuant to the three year acceptance under M.G.L. c. 32B, §21-23 by Chapter 69 of the Acts of 2011 and as detailed in this Agreement, for the purpose of implementing changes in health insurance benefits it provides to its subscribers including transferring said subscribers to the Commonwealth's Group Insurance Commission ("GIC") pursuant to M.G.L. c. 32B, §21; and

**WHEREAS**, the SEC, and the Public Employee Committee ("PEC") are entering into this written agreement to transfer the SEC's employees and retirees to the GIC pursuant to M.G.L. c. 32B, §21-23 effective July 1, 2024, through, at a minimum, June 30, 2027 ("2024-2027 Agreement");

**NOW THEREFORE**, the SEC and the PEC agree as follows:

***Purpose of Agreement***

1. The purpose of this 2024-2027 Agreement is to implement changes in health insurance benefits by transferring subscribers to the GIC, effective July 1 2024, pursuant to the of M.G.L. c. 32B, §23 as detailed in this Agreement. Accordingly, the PEC agrees that the SEC may transfer employees and retirees to the GIC pursuant to M.G.L. c. 32B, §23.

***Transfer to the GIC***

2. The SEC and PEC will take all necessary and reasonable actions to effectuate the transfer of subscribers to the GIC effective July 1, 2024 and to maintain coverage with the GIC for the duration of this Agreement.
3. For the duration of this agreement, premium contributions of the monthly premium rates established by the GIC for all subscribers under the GIC shall be as follows:

Active Employee Non-Medicare Plans

70% SEC / 30% subscriber

***Mitigation Plan***

1. Effective July 1, 2024, Collaborative agrees to establish an “Employee Health Mitigation Fund” (EHMF) of a sum equal to twenty-five percent (25%) of the actual first year’s total savings as a result of the transfer into the GIC. The calculations of the savings shall be the difference between total actual costs paid for the prior 12-months period (7/1/23-6/30/24) including total premiums and administrative fees paid to Harvard Pilgrim and the total premium costs based on the actual enrollment in the GIC health plans as of the transfer date.

The Collaborative shall contribute the 25% of the total savings to the EHMF and Health Reimbursement Arrangement (HRA) annually for the three-year agreement.

2. Effective July 1, 2024, retiree subscribers shall be entitled to a 2-month premium holiday annually for the term of this agreement. The SEC shall apply this holiday on the month of July and December by not collecting premium contributions. The annual premium holidays shall be funded by the EHMF.
3. Effective July 1, 2024, the SEC will continue to fund the HRA for all subscribers for each year of the agreement. The SEC agrees to fund administrative costs for the HRA vendor of its choosing. The HRA shall be distributed through a qualified card in the amount of \$1,000 for Individual subscribers and \$2,000 for Family subscribers per year. Any unused funding shall carry over to the subscriber in addition to the annual contribution. The HRA reimbursement will be in accordance with IRS regulations and applicable laws of the Commonwealth.
4. Apart from the EHMF and HRA, SEC agrees to maintain the current one-month premium holiday for those employed and enrolled in the plans during the three-year agreement.

***Waiting/Hiatus Period***

5. Newly hired employees of the SEC are eligible to enroll in health insurance offered by the GIC in accordance with the regulation set forth by the GIC.

***Health Coverage After June 30, 2027***

6. The transfer of subscribers to the GIC shall remain in force for the health benefit year beginning July 1, 2027, the expiration of this Agreement’s initial term, unless notice is provided to the GIC in accordance with the then relevant statutory or regulatory requirements, that the SEC will terminate its coverage with the GIC.

7. The SEC and the PEC shall commence negotiations for a potential agreement no later than March 1, 2026. The SEC and PEC agree to consider options outside of the GIC including entertaining bids from commercial insurance carriers for the SECs health coverage. Negotiations shall include, but not be limited to, the contents of this agreement. To facilitate negotiations, the SEC shall request specific utilization and claims data from the GIC pursuant to GIC CMR 8.05, Paragraph (29), § *a & b* which shall be made available for examination by the PEC.

***Supersedes Collective Bargaining Agreements***

8. Any and all provisions of any collective bargaining agreement relative to health insurance, between the SEC, and any of the bargaining units who are signatories to this MOA shall be superseded by the PEC agreement

***Severability Clause***

9. If any provision or portion of this "2024-2027 Agreement" is found to be unenforceable or unlawful, the remaining provisions or portions shall remain binding.

***Scope & Modification***

10. This "2024-2027 Agreement" shall constitute the whole of the Agreement between the SEC and the PEC. The Agreement may be modified only by a written agreement approved in the same manner as the original Agreement.

***Authorization to Sign Agreement***

4. Each signatory to this "2024-2027 Agreement" is authorized to bind the entity he/she represents. The PEC represents that it has the authorization and approval of a majority of the weighted votes of the PEC and that this Agreement is binding on all subscribers and their representatives.

The Shore Educational Collaborative

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Date

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Date

The Shore Educational Collaborative Public Employee Committee

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