Memorandum of Agreement Between

The Town of Natick and

All Collective Bargaining Units representing employees employed by the

Town of Natick ("the Unions")

The terms of this agreement will be in effect from July 1, 2016 through June 30, 2018

WHEREAS, the Town of Natick (the "Town") currently provides health insurance benefits to its eligible subscribers through participation in a collaborative known as the West Suburban Health Group (WSHG);and

WHEREAS, the Town and the Public Employees' Committee (PEC) have agreed to the following terms that will, if implemented, allow the Town to remain a member of WSHG; and

WHEREAS, the Town and the Unions by mutual acceptance of this Agreement acknowledge and affirm that said Agreement shall supersede and void any conflicting provisions in any Collective Bargaining Agreements (CBAs), and the parties mutually agree that the Town under the terms of MGL Chapter 32B section 19 and pursuant to a majority vote of the (PEC) have satisfied all of its bargaining obligations relating to the subjects of this Agreement:

NOW THEREFORE, the Town and the PEC ("the parties") agree as follows:

1) This Agreement will be for a two year period commencing July 1, 2016 and ending June 30, 2018. The PEC acknowledges and agrees that this Agreement shall be implemented by the Town if approved by weighted majority vote of the PEC comprised of Collective Bargaining Units of the Town.
2) Effective upon the date of execution of this Agreement by the Board of Selectmen, the Board of Selectmen's August 31, 2015 acceptance of MGL Chapter 32B, sections 21-23 is hereby revoked. This revocation is not binding on future Boards of Selectmen. The parties to this Agreement further agree that the Board of Selectmen may, and are hereby authorized to, rescind the acceptance of MGL Chapter 32B section 19 at any time.
3) The parties agree that effective July 1, 2016, the Town will contribute 75% toward the cost of the Fallon Select and Fallon Direct health insurance plans for both family and individual plans.
4) The parties agree that effective July 1, 2016, the Town will contribute 62% toward the cost of all other Rate Saver family and individual plans.

5) The Town's contribution to the Harvard Pilgrim PPO plan shall remain at 50%. The Town's contribution towards all Medicare supplement plans shall remain at 50%.
6) The Town shall continue to maintain a Flexible Spending Account program for eligible employees and shall continue to pay the administrative fee for all employees enrolled in the FSA. The Town will offer a debit card for all FSA subscribers. Notwithstanding any other terms in this Agreement, this provision shall sunset effective June 30, 2018 unless the Town in its sole discretion elects to continue the FSA program.
7) The parties agree that in order to maintain eligibility for health care coverage from the Town of Natick, all subscribers (including those who are not changing their health care provider) must select a health insurance plan during the open enrollment period for FY 2017 health care coverage.
8) The parties agree that the Town will budget $100,000 in FY 2017 for a "Continuity of Care Mitigation Fund." The Mitigation Fund is established for the purpose of helping employees/non-Medicare retirees and their covered family members who, at the time of open enrollment for the FY 2017 coverage year, are receiving active treatment by a primary specialist that specializes in a defined practice and that specialist is not covered within the Fallon Select network.

   - For these purposes, the terms "active treatment", "serious condition" and "primary specialist" are defined as follows:
     - Active treatment: treatment following an inpatient stay or outpatient procedure for recovery or rehabilitation for a serious disease. It may include continuing care for a serious disease that requires diagnostic tests or adjustment of medications or treatments that occur and are scheduled every six months or sooner. Continuing care that occurs at intervals greater than every six months would not qualify as active treatment. It may also include an inpatient procedure for a serious disease scheduled no later than July 1, 2016. Active treatment does not include preventive services or services to monitor a patient's condition after the patient completes treatment for a serious disease.
     - Active treatment shall also include mothers who give birth after April 30, 2015 and before July 1, 2016 if the mother requires postpartum care and the mother's care provider(s) is not covered under the Fallon Select plan/network.
     - Serious condition: one that is life threatening or could lead to a serious or permanent disability if left untreated.
     - Primary specialist (may include but not limited to): a primary medical specialist in the following fields or practice; cardiologist, endocrinologist, gastroenterologist, hematologist, oncologist, maternal fetal medicine, neonatologist, neurologist, nephrologist,

orthopedist, urologist, medically necessary plastic surgeon, pediatric specialist.

- An employee/retiree/covered family member who believes he/she is eligible for this benefit is obligated to apply for Fallon Select coverage and pursue Fallon Transitional Care. Should continuation of the existing care be denied, pursue all available appeals in an effort to gain authorization from Fallon Select for continued treatment and care prior to the close of the open enrollment period for FY 2017 health insurance coverage.
- For employees who qualify for the Mitigation Fund, the Town will pay a stipend equal to the difference between 25% vs. 38% of the cost of the non-Fallon plans. If, in FY 2017, the costs under this provision exceed the $100,000 appropriation, the funds will be distributed on a pro-rata basis.
- In FY 2018, the Town will budget an appropriate amount based on FY 2017 obligations under this provision, not to exceed $100,000.

9) The parties agree that the Town will budget $60,000 in FY 2017 and FY 2018 for a "Retiree Mitigation Fund." The Retiree Mitigation Fund is established for the purpose of helping non-Medicare eligible retirees who don't qualify for Fallon because they live outside of the Fallon coverage area and who have retired on or before June 30, 2016.An application form will be developed and an application deadline established. The Town will pay a stipend equal to the difference between 25% vs. 38% of the cost of the non-Fallon plans. At the conclusion of the application period, if it is determined that the amount owed to eligible retirees exceeds the amount of the Retiree Mitigation Fund, the budgeted amount will be distributed on a pro-rata basis.

   In FY 2018, the Town will budget an appropriate amount based on FY 2017 obligations under this provision, not to exceed $60,000.

10) Should the West Suburban Health Group (WSHG) disband for any reason or should the WSHG cease to offer Rate Saver health insurance plans at any time during the term of this Agreement, this Agreement shall become null and void and the Parties shall negotiate a new agreement pursuant to MGL Chapter 32B, sections 21-23 or MGL Chapter 32B, section 19, subject to the Board of Selectmen's acceptance of said statutes. If WSHG votes any other changes in health care coverage that affect this Agreement the Parties will meet to consider amendments to the Agreement regarding said changes.

11) The Town and the Union agree to promote subscribers' understanding of these health insurance changes through the use of direct mailings or emails and

distribution of other promotional materials to the Town's employees and other impacted subscribers. In addition, the Town will schedule a minimum of 12 seminars at which Fallon representatives will present information about the Fallon Select and Fallon Direct health insurance programs and be available to answer questions. Such seminars will be scheduled at various locations and times in an effort to make them as convenient as possible for employees to attend; no additional compensation will be offered to employees attending these seminars.

12) The Town will continue to offer a two-year "opt-out" program for employees who have been enrolled in a Town offered health benefit plan for at least one year prior to the date of this Agreement, with program details provided on the Opt-Out Form; payments to be $2,000 Opt-Out Stipend for those on the individual plan and $4,500 Opt-Out Stipend for those on a family plan per plan year for each year of this agreement. Individuals who initially participated in the Opt-Out benefit in FY2016 shall receive the above amounts in FY 2017 for their second year Opt-Out Stipend.

13) Any and all provisions of any collective bargaining agreement relative to health insurance rates, contribution rates or policies between the Town or School Committee and any bargaining unit shall be superseded by the terms of this Agreement.

14) The parties agree that the Town will hold quarterly meetings with the Insurance Advisory Committee and the members of the Public Employee Committee will be invited to said meetings.

15) The parties agree that the Town will commence applicable payroll deductions in June, 2016 for the insurance coverage scheduled to commence on July 1, 2016.

16) The parties agree that this Agreement shall end on June 30, 2018 and none of its terms shall be binding after that date. If the Agreement is not extended or renewed or if the parties cannot reach an alternative agreement, health insurance offered by the Town shall revert to the pre-July 1, 2016 terms and conditions.

17) The effective date of this Agreement shall be the date on which the required 51% weighted vote of all Town unions and retiree representation has been achieved and the Board of Selectmen and School Committee have executed and ratified this Agreement

18) The parties agree that should any provision in this Agreement be found to be illegal or unenforceable then it shall be stricken from the Agreement and the rest of the Agreement shall remain in full force and effect.

Public Employee Committee

The Education Association of Natick:

1) Unit A- Teachers — James Araujo

2) Para Professionals — Nancy Navarro

Food Service Workers, Local 1116 — Raechel Chiavarini DR

MTA, Administrative Assistants and Clerks — Joyce MacGregor

Local Union 1116 Laborers' International Union- Clerical — Annie Greel

Local Union 1116 Laborers' International Union- Public Works Department — Brian Caissie

Local Union 1116 Laborers' International Union- Morse Library — Karen Perkins

Maintenance and Custodians Local #1116, Facility Management Employees — David Rodrigues

Supervisors' and Administrators' Association — Thomas Collins

Natick Patrol Officers' Association — Officer Christopher DiModica

N.E.P.B.A., Local 82, I.U.P.A. AFL CIO — Sgt. Robert Dunlop

N.E.P.B.A., Local 182- Dispatchers — Tracy Bourke

Local 1707, International Association of Firefighters, AFL-CIO — Daniel Hartwell

Deputy Fire Chiefs' Association — Daniel Dow

Retiree Representative — Charles Sisitsky

Board of Selectmen:

Chair, Charles Hughes

Richard Jennett

Josh Ostroff

Nick Mabardy

John Connolly