The New Bedford Public Employee Committee (PEC) was created in 2007, through bargaining between the City and all of its collective bargaining units. Over the last fifteen years, the City and the PEC have signed a series of Section 19 Agreements which manage the design and implementation of the City’s health insurance plans for Active Employees and Retirees. The PEC has been an active participant in developing plan designs and selecting carriers that have achieved significant savings for the City. Under the Section 19 model:

The PEC has been a consistent advocate for the use of competitive RFP processes to obtain the best carriers at the lowest prices;

The PEC was a willing participant in the 2007 process that replaced Blue Cross with Harvard Pilgrim and the 2014 process which replaced Harvard Pilgrim with Blue Cross. Although plan participants find these carrier changes very disruptive, the PEC has never been obstructionist in this process;

New Bedford’s annual health care costs have generally increased at lower rates than the trends seen by either Harvard and Blue Cross. Although costs have increased, they have increased more slowly than overall national and regional medical trends.

In 2018 [effective in 2019] the PEC and the City signed an important PEC Agreement which has saved the City millions of dollars. With that Agreement:

- The City eliminated its Point of Service (POS) plan and restricted enrollment in the most expensive Preferred Provider (PPO) plan to plan participants living outside of New England. By consolidating insurance plans, the City has saved $675,000 per year.

- The City increased the annual Individual Deductible by 50%, to $375 and the annual Family Deductible by 16.7%, to $875. This change has saved $600,000 per year.

- The City increased the HMO Emergency Room copayment by 33.3%, to $100, generating approximately $115,000 in savings per year.

In 2020 [effective in 2021], the PEC and the City modified the PEC Agreement to allow the City to implement a Medicare Buy-in Program, administered by Blue Cross. This program has saved approximately $1,000,000 per year allowing Retirees to participate in the lower-cost Federal Medicare program.

In 2021 [effective in 2022], the PEC and the City worked again with Blue Cross to implement the Pillar Rx Program which dramatically lowers the cost of third tier medications both for members and for the City. First year savings were approximately $800,000.
The PEC is organized under S. 19 of MGL 32(b), the section of state law used by most of the largest cities in Massachusetts including Boston, Springfield, Lowell, Lynn and Somerville. In fact, very few large cities have adopted S. 21-23, a section of the law designed for much smaller municipalities. Mayor Mitchell would like the Council to adopt S. 21-23 in hopes that shifting the cost of hospitalization and drugs to employees and retirees will “lower” the cost of health care. It won’t. Health care costs can only be reduced when employers, employees and retirees work TOGETHER to implement innovative strategies to improve participant health and wellness.

President: Kevin Cormier
Retiree Representative: Jeff Camara
Treasurer: Thomas Nickerson