

## Health Insurance Trust Meeting – Minutes

Thursday, May 27, 2021, 9:15AM

Virtual Meeting

Member Attendees:

Steve Barrett, Margaret Dennehy, Steve Noone, John Petersen, Jim Snyder-Grant

Non-Member Attendees:

Marie Altieri, Rich Burrows, John Mangiaratti, Sue Shillue, Dave Verdolino, Todd Vickstrom

1. Meeting was called to order at 9:16am by the Chair;
2. Approval of Minutes;
  - **Motion** to approve Minutes of April 29, 2021 (Margaret Dennehy), second (Steve Noone); approved unanimously via roll-call vote;
  - The Trust has approved the Minutes of April 29, 2021;
3. Cash Flow (including large claims) – Cook & Co.
  - Updated Cash Flow for claims through April 2021;
    - Paid claims of \$1.7 million, reinsurance of \$89,000, with additional stop-loss recoveries to be credited for May;
    - Large deficit experienced for month, with total costs of \$2.038 million;
  - Sue Shillue has prepared information compare claims data in a different manner for March 2021 and April 2021;
    - Monthly claims feeds are provided by BCBS and HPHC, allowing tracking of subscribers who are at 50% of stop-loss limit (\$62,500);
    - From March to April, four subscribers approached this level; total claims cost increase of \$570,000;
    - Analysis of stop-loss claims by group shows three fewer subscribers in FY21 vs. FY20; total cost of claims increased by \$500,000;
      - Comparison between FY20 and FY21 is difficult due to impact of COVID-19 on claims;
      - FY20's largest change in claims was for April, May, and June (25% lower than average monthly claims); FY19 claims for the same period show a 16% increase; average of 8% is on trend;
    - Analysis of Claims FY20 vs. FY21;
      - Claims for subscribers under \$62,500 limit increased 19.6%;
      - Claims for subscribers above \$62,500 limit increased 13.3%;
      - Total increase in claims shows increase of 17.7%;
      - Claim increase supports analysis that unit cost of health care is increasing, and total costs are not driven by increased utilization;

- Reinsurance reimbursement of \$930,000 through April 2021, is higher amount than all of FY20;
  - FY20 had 13 claims for a total stop-loss recovery of \$920,000; does not include lasered members;
- The Trustees observe that smaller claims increased approximately 20% year-over-year; higher expenses should be expected to continue with regard to rate-setting guidance in future years;
- Steve Noone asks if FY18 and FY19 followed the same trend;
  - Sue will analyze both fiscal years and present at future meeting;
- Larger losses for BCBS vs. HPHC is due to adverse selection of claims within plans;
- Steve Noone has applied the cash flow analysis to the March Treasurer's report;
  - Undesignated fund balance is less than 20% of estimated claims, with IBNR approaching 25%; Trustees recognize this as the lower end of acceptable thresholds; will be factored into guidance to entities for budgets;

#### 4. COVID-19 Trust Impact

- Sue Shillue will request updated COVID-19 carrier reports for the June meeting;
- John Petersen notes the depressed utilization of services for FY20 led to skewed year-over-year comparison;
- Direct costs related to COVID-19 are not material to Trust expenses (testing, treatment, vaccine administration); impact will be felt as providers adjust rates to reflect depressed revenue;
- Margaret Dennehy notes an expected increase of expenses going forward due to ongoing COVID-19 illness impact, as well as delayed care leading to more serious illnesses;
- John Petersen notes the impact on mental health services; longer-term impact will lead to durable cost increase of services;

#### 5. Auditor for Health Insurance Trust – VOTE

- Bill Fraher has asked for additional time to submit proposal;
- Dave Verdolino has been working with Powers & Sullivan for proposal;
- Margaret Dennehy will ensure contracts are ready to review and vote for June meeting;
- Audit contract timeframe to be for two years to coordinate with other external contracts for Trust review (Cook & Co., Treasurer);

#### 6. Treasury Services Contract – VOTE

- HIT annual calendar will be updated to reflect contract renewals 4-5 months before required vote;

- Original Treasurer's contract proposal from Borgatti Harrison was for three years; Trustees would like the option to renew for one-year term; Trust will reconvene with best practice for future renewal;
  - Margaret Dennehy notes that the Treasurer's contract has not changed in 10-12 years, and accurately reflects the Treasury services;
- Trustees agree that a one-year contract is preferable to a three-year contract;
- **Motion:** Jim Snyder-Grant moves that the Trust renew the one-year contract for Treasury services with Borgatti Harrison; second (Margaret Dennehy); approved unanimously via roll-call vote;
- The Trust has approved the one-year continuation of contract for Treasury services with Borgatti Harrison;

7. Stop-loss (reinsurance) for 7/21 – 6/22

- Stop-loss renewal quotes and document will be finalized and addressed for vote in June;
- Proposals to consider may include Unum, Stealth, BCBS, and Stop-Loss Insurance Brokers (marketing to 10 carriers); LifePlus had inquired as to providing a quote, but ultimately declined to quote;
- Proposals are due June 2<sup>nd</sup>, to be sent to both John Petersen and Margaret Dennehy; proposals will be shared with Sue Shillue, who will perform analysis;
- Proposals and analysis will be available in regular meeting folder in Docushare; Trustees to review before June meeting;

8. Group eligibility for HIT membership (Regional Dispatch)

- Acton Town Manager John Mangiaratti informed the Trust that Acton Dispatch, which currently has approximately 12 employees, will be regionalized with Concord, which currently has approximately six employees;
- John Mangiaratti is aware that a formal proposal for providing health insurance to the Dispatch group is being developed, with the expectation that the Dispatch group may be interested in joining the HIT;
- New regional dispatch to begin operations in FY23 as a separate governmental entity; Acton and Concord will negotiate detailed terms, including health insurance;
- Acton Dispatch is currently covered by the Acton HIT; Concord is insured through the Minuteman-Nashoba Health Group (MNHG);
- Trustees agree that the Regional Dispatch would be eligible for HIT inclusion, as a larger pool would allow for expanded operations; caveat of current agreement and bylaws needing to be examined to follow process;
- Marie Altieri notes that the revised agreement was approved at town meeting, but now only requires approval of Acton select board and regional committee;
- The Trust is aware of differences between cost sharing for Acton Dispatch and Concord Dispatch; would be bargained as part of regionalization of entities;

- The Trust is willing to provide analysis of the differences between the HIT and MNHG offerings if this will be helpful to the Regional Dispatch negotiating team;

9. Plan Design – wellness benefits, prescription drugs

- Sue Shillue is moving forward with proposal for diabetes management program;
  - Specific claims data has been requested from carriers; Abacus Health Solutions will present data to HR representatives from town and district;

10. Remote/In-Person meetings

- Current bill filed with state legislature to extend current remote meeting order;
- Trustees are supportive of the beneficial impact of the Massachusetts remote meeting order; allows for greater participation and access in a broader context; eases commuting concerns for attendees;
- Steve Noone supports meeting in-person once per quarter with a remote element maintained;

11. Next meeting (in person), June 17<sup>th</sup>

- Will occur at Central Office Student Services Conference Room, 15 Charter Road;
- Items to be discussed:
  - Stop-loss quotes (vote)
  - Auditor contract (vote)
  - Election of Officers for FY22

12. **Motion** to adjourn (Steve Noone); second (Margaret Dennehy); approved via unanimous roll-call vote; meeting adjourned at 10:06am by Chair;

**Handouts:**

Meeting Agenda

Draft HIT Minutes – 4/29/2021

Acton HIT April Monthly Cash Flow – Cook & Co.

Acton HIT Claim Analysis

Borgatti & Harrison Proposed Three Year Treasury Services Contract – 7/2018 to 7/2021

Borgatti & Harrison Proposed Treasury Services Contract – FY22