

Acton Health Insurance Trust

Thursday, October 26, 2023

Member Attendees:

Chair: Steve Noone, Finance Committee
Clerk: Andrew Schwartz, School Committee
Theresa O'Leary, Town Tax Collector
Alissa Nicol, Acton Select Board Representative
Yanxin Schmidt, School Committee

Non-Member Attendees:

Melissa Andrew, District Treasurer (   )
Sherri Matthews, Director of Finance and Operations, ABRSD
Marianne Fleckner, Director of Finance for Acton
Andrew Shen
Anthony Lively, Gallagher Representative
Chris Nunnally, Gallagher Representative
Representatives of Acton-Boxborough Teachers Union

Minutes:

- 1) Call to Order
 - Meeting was called to order at 8:18 am by the Chair.
 - Happy Birthday to our Chair, Steve Noone    
 - Munchkins were provided by the Birthday Boy in celebration.
- 2) Approval of minutes
 - Motion Made – Alissa Nicol
 - Motion Seconded - Andrew Schwartz
 - Andrew - Yes
 - Teressa - Yes
 - Alissa - Yes
 - Melissa - Yes
 - Steve – Yes
- 3) Chair Notes
 - HIT was unable to settle all the invoices for this month
 - We have seen a 45% claim increase over same time as last year
 - One piece of positive news - quarterly report on stop loss which includes runoff claims from last year - show that we had claims in excess of 1mm, but received only 300K. BCBS owes HIT the remainder - cash flow expectation is not determined
- 4) Treasurer Report
 - Quarterly report is in progress
 - Awaiting invoices
 - Some claims are estimates
 - September 30
 - 2.6 mm loss for 3 months
 - Some belongs in FY 23 due to HP breach and BCBS being behind
 - Some of the quarterly settlement should be placed in q4 23
 - Desire is to clear up the dissonance for a clean report
 - When added up last night the excess claim receivable was 1.1
 - Received a check on the 19th for 491K
 - estimates
 - September 30
 - 2.6 mm loss for 3 months
 - Some belongs in FY 23 due to HP breach and BCBS being behind

- Some of the quarterly settlement should be placed in q4 23
- Desire is to clear up the dissonance for a clean report
 - When added up last night the excess claim receivable was 1.1
 - Received a check on the 19th for 491K
 - With that in place, there's still about 2MM
 - Some receivables are still to be received
 - Another 400 or 500 K
 - Real number may be around 1.5 mm
 - About half of that would be FY23
- Bottom line - HIT is still losing money
- As of 10/26
 - With invoices accrued
 - With Quarterly settlements
 - 976K - BCBS
 - 1.2 MM - HP
 - The numbers are exceptionally high
 - History can tell you something
 - Historically there's always a small credit due
 - a. But this is beyond the expectation
 - b. We need to go back and make sure the numbers are right
 - c. The settlements seem to be inconsistent with where we've been in the past
 - 4.2 MM in payables as of today
 - 3 mm in the bank
 - Short over 1MM were we to settle today
 - Cash flow
 - Wire transfers will go out at the end of this week to pay the normal monthly amounts to HP and BCBS
 - We will stay current with the monthly payment
 - Partial payments on the quarterly settlement will buy us some time
 - Gallagher will work with treasury to verify the amount / flow in the trust
 - Net Income Loss (History) (document to be added to store)
 - From 2018 - now
 - Review of history shows flux in the premium increase
 - Change in cost
 - a. 2019 - cost went up, premium decreased
 - b. as we started to raise premium, costs rose higher/faster
 - c. A cumulative effect
 - Ex
 - i. A zero increase for 2 years
 - ii. 6% cost increase each year
 - iii. The third year creates an 18% increase
 - iv. Through UN 2023
 - 1. We are behind for a five year period of almost 22%
 - a. Costs have risen over premiums
 - b. This contributes to loss

5) Deliberation and Discussion

- Our immediate issue demands a review prior to Friday, November 3, 2023
- The trust has never asked for money from the Town or the District
 - The trust documentation states the responsibility for the funding of the trust
 - A percentage of the costs would be split between the two approx 70/30

- School - 70
- Town – 30
- Additional discussion surrounding the documentation provided by Gallagher and Treasury, available at the HIT Document Share
- Additional levers and options were again discussed to provide relief / savings for the current issues. Inclusive of MedEx shift, potential rate changes and further cost savings by adjusting specific service known costs (PBM, etc)

6) Funding Request Vote

- Motion to empower the chair to request a range of funds, not less than 1.5mm to not more than 2.0mm , as payment to the trust from the town and the district as apportioned by membership.
- Moved - Theresa
- Seconded - Andrew
- Roll Call Vote
 - Andrew - yes
 - Teressa - yes
 - Alissa - yes
 - Melissa - Yes
 - Steve -yes
- The vote passes and the Chair will draft a request for the funds

7) Adjourn

- Motion to adjourn
 - Motion Alisa
 - Seconded Theresa
 - Vote
 - Theresa - yes
 - Andrew - yes
 - Melissa - yes
 - Steve - yes
 - Alissa - yes
- Meeting was adjourned at 9:55 am

8) Next HIT meeting will be hybrid and occur on November 30th 2023 at 8:15 am

Handouts:

- 9) Meeting agenda
- 10) Previous Meeting Minutes
- 11) Documents are stored on the HIT Document Site
 - <http://doc.acton-ma.gov/dsweb/View/Collection-11383>