

Acton Health Insurance Trust

Friday, March 28 2024 – 8:18 AM

Member Attendees:

Chair: Steve Noone, Finance Committee
Clerk: Andrew Schwartz, School Committee
Melissa Andrew, ABRSD Treasurer
Theresa O'Leary, Town Tax Collector (Remote)
Alissa Nicol, Acton Select Board Representative

Non-Member Attendees:

Peter Light, Superintendent
Andrew Shen, Deputy Superintendent
Sheri Matthews, Director of Finance and Operations, ABRSD
Marianne Fleckner, Director of Finance for Acton
Stephanie Krantz, District Assistant Treasurer
John Mangiaratti – Acton Town Manager
Nina Pickering-Cook – Attorney
Russell Dupere - Attorney
Diane Laflash, Gallagher Representative

Minutes:

- Call to Order
 - Meeting was called to order at 8:17 am by the Chair.
 - Approval of Minutes
 - Motion – Alyssa
 - Second – Andrew
 - Vote : Theresa – Aye, Melissa-Aye, Alissa-aye, Andrew-Aye, Steve-Aye : Unanimously approved
- Treasurer's Report
 - Provided in Docushare and in person
 - As of Feb 29, 2024
 - Loss of 3.5M
 - Cash 3.1M
 - Remaining \$60K
 - Reinsurance Claim 394K incoming
 - Feb was hard
 - BCBS – \$783,302 for February
 - HP has not been received yet (April)
 - Request :
 - Can Town pre-pay premiums for the remainder of the year:
 - Yes, it is budgeted but will necessitate some internal actions to execute
 - Can School Pre-pay premiums :
 -
 - Stoploss report:
 - Reinsurance receveables
 - Just over \$1mm eligible
 - 24K in outstanding reimbursements from prior period
 - \$394 total coming in through reinsurance
 - Situation
 - With large Jan/Feb claims, we have reached the stop-loss limit
 - We have large claims and expect that we will “limp to the finish line”
 - 6 new covered at 50%
 - Suggestion is to pre-pay premiums from Town/School to cover

- Q: From a procedural standpoint – if HIT needed to ask for more money, the School Committee can vote for that without need to call a town meeting. Will the Select Board need to call a town meeting?
 - A: That is correct.
 - Q: What if it is a reserve fund?
 - A: Yes, still need a town meeting
 - Q: the school committee would need to withdraw from E&D, which would demand a vote and a placeholder on the warrant for a separate vote at town meeting – when done earlier we did not cause a meeting, this needs to be determined
 - School committee needs to provide notice to select boards in town and allow them to determine the method of approval
- Discussion of legal steps to dissolve the Trust
 - As the school committee already voted to dissolve the trust, the school committee's withdrawal from the trust dissolves the trust
 - One question from Attorney – the town meeting approval and any notice necessary. Additionally would there be a need to provide notice to the Attorney General's office?
 - Confirmation from the AttyGen office to come
 - The trust will need to exist for run-out claims, what is the legal status through that timeframe?
 - Legal contracts exist with entities through the trust
 - Retirees, Diabetes management, etc
 - As the School Committee withdrew from HIT as of June 30, some contracts that remain may cause issue
 - Potential to move Abacus and Powers&Sullivan may move to MIIA
 - Aetna agreed to bill separately
 - Retiree First/ Aetna will be contacted
 - As long as they all bill town and school separately we should be ok
 - The Gallagher contract is autorenewing, but the question of scope shift needs to be addressed (24month term)
 - Currently Gallagher is paid through the trust
 - Amendments to the agreement will be necessary
 - Runout needs to be left open for multiple years – at least 24 months
 - With the School Committee pulling out as of 6/30/24 and with the understanding that there's a runout period, the definition of the runout period responsibilities need to be defined
 - Q: will the trust have funds to pay out the runout claims or will the parties need to contribute?
 - A: We do not have visibility
 - A motion will be crafted with the assistance of the attorneys regarding the runout obligations of the school committee and town
 - Select Board voted to leave the trust as of June 30, 2024, an additional vote may be necessary
 - Q: If one party leaves the trust, the trust is dissolved. How can we explain that the entity still exists?
 - A: We are withdrawing as an active member as of 6/30/24 and will solely exist to support the runout period
 - Q: Does the trust need additional language to manage the shift from active to non-active members during the runout period?
 - A: Trust has a provision that addresses termination, some additional discovery may be necessitated
 - Q: What happens if a claim comes in after the runout period has ended?
 - A: That needs to be defined.

- Comment: A date certain is a good idea and it should be 24 months. "For the period of participation", that being the key language. As a trust without an agreement based on active participation, the trust language post breakup may need to be adjusted
 - The trust agreement can be amended at any time by the members
 - Attorneys – the agreement won't be fully dissolved, but will maintain under a shifted focus to manage dissolution / runout
 - The motion will encompass the responsibilities of the shifted focus of the trust
 - Request to create a budget and plan for the dissolution of the trust over the course of the final 24 months
 - Q: Potentially an MOU might be created to manage the ongoing management, is our approach to paying runout claims following on the shared ownership cost (dividing between town and school) or are we going to go back to the sourcing relationship
 - A: Maintaining through runout period makes more sense as a way to mitigate friction
 - Q: Can we put together that budget/plan for review at our next meeting?
 - A: District staff and HIT representatives will take that first cut
- Cash Flow
 - Document available through Docushare
 - February claims were higher
 - BCBS this past month
 - HP the prior month
 - Actual Claims – 2.2mm (152% loss ratio)
 - All BCBS went up in costs
 - HP went down
 - Q: Based on Jan/Feb, should we be expecting a quarterly
 - A: yes
 - Historical Claims v This year
 - We are 20% over last year
 - Q: are these higher number of claims or higher costs?
 - A: In-patient hospital costs are almost 90% more than last year, actual claims are higher
 - Medex
 - We are in runout from Medex
 - No revenue coming in, we are paying runout claims
 - Jan 80k
 - Feb 53k
 - Once the claims run out
 - Stop Loss
 - Contract is over June 30, 2024
 - As trust is dissolving, we will not enter a new contract for fy25
 - Q: A question returns based on the view of the stoploss data, looking at the date of services as the same, and the amount is nearly the same.
 - A: it is a split claim – due to system issues and standard practices
 - Q: How does the dissolution of the trust affect our rebates?
 - A: We will get 2 additional rebates after 6/30 from BCBS
- Adjourn
 - Meeting was adjourned at 9:34 am
 - Moved : Alissa
 - Seconded : Andrew
 - Vote : Theresa – Aye, Melissa-Aye, Alissa-aye, Andrew-Aye, Steve-Aye : Unanimously approved
 - Next HIT meeting will be hybrid and occur on April 25, 2023 at 8:15 am

Handouts:

- Meeting agenda
- Previous Meeting Minutes
- Documents are stored on the HIT Document Site
 - <http://doc.acton-ma.gov/dsweb/View/Collection-17925>