

Health Insurance Trustee Meeting – Minutes
Wednesday, October 31, 2018
8:00AM
Rom 13, Administration Building

Member Attendees:

Steve Noone, Mary Brolin, Margaret Dennehy, Steve Barrett

Not Present: Peter Berry, record as abstain

Non-member Attendees:

Marie Altieri, Diane Baum, John Petersen, Jodi Phelan, Sue Shillue, David Verdolino

1) Meeting was called to order at 8:04AM by the chair.

2) Approval of Minutes

Motion to approve. Unanimously approved.

3) Discussion of Cash Flow

Cash flow from July through September was available to review. The current totals are close to break-even. Of the 3.7 million in paid claims, 120K are FY18 reimbursements (recoveries). These costs, incurred last year, are showing up in the current year as is the case every year. MasterHealth Plus is closed. The deductibles in the HMO plans are not included in plan claims.

In looking to set rates for next year, we need to understand how rates have been set in the past. Sue Shillue stated we take an aggregate look at HIT claims – all plans - and apply an actuarial rate to find a proposed rate increase. John Petersen asked how we get the individual rate vs the family rate. Sue would ask the underwriters how this has been calculated and if we were comparable to industry standards. Is a 2-person plan being considered? Family plan rates would increase if a 2 person is considered. Sue will get a report that looks at our actual 2 person families to help us understand this better. Mary Brolin acknowledged it would be challenging to encompass this decision in the November timeframe.

4) Discussion of Treasurer's Report

July & August statements sent by email to HIT Board. Tim Harrison will be here in November to discuss the audit and the numbers through September.

There is a concern with how much money is being held at Santander. Should the Trust have funds moved to MMDT? MMDT is safer and more liquid. Steve Barrett asked should a directive be given to the custodian to move a defined amount to MMDT. Santander has a lower rating and does not have as good an interest rate as MMDT. Steve and Margaret to call Tim to discuss/understand the rationale of

having significant funds in Santander and if he is comfortable to move more to MMDT and possibly move the checking/savings accounts to another bank. This is to be revisited at November meeting.

5) Set MEDEX rate for CY2019

It was agreed we need to look at a 2-3 year history for setting rates – not just the recent year. However, we have new plans and new plan designs which need to be factored in.

Tufts plan had no increase.

Sue Shillue walked us through the Medex renewal worksheet.

No increase to Medex rates shows a potential of loss of \$60,000. A loss helps with the management of the fund balance. How do we compare with actual rates in other industries? Sue stated we are fairly average on active plans and in line on the Medex plan.

Motion to level fund Medex rates for CY2019. Unanimously approved.

6) Discussion of Budget for FY19

What timeline can we implement for setting rates – both the preliminary and actual. Town is dealing with a pension increase – knowing rates earlier will aid the Town in accommodating these changes. It was agreed that with all of the changes last year, we will not see any more pertinent data. Marie Altieri stated an early vote on rates aids in the accuracy of the budget process. Sue & Mary will work to get information out prior to November meeting to discuss and vote rates. November/December is best timeframe to set rates – not January/February.

The goal is to reduce the fund balance – not break even. To bring the fund balance back to 30%, the Trust must take a loss in FY20 to accomplish this. A 0% increase in rates could accomplish this. If you set rates too low, you will always have to come back up. There needs to be long term plans for multiple years to manage the fund. Are interest funds being considered in rate setting? Medex should be considered in the mix for setting all rates.

7) Acton Health Trust Overview Draft

John Petersen has updated his original Health Trust overview. The document was reviewed at a high level. Any input or changes need to be to John in the next two weeks so this can be finalized and distributed.

8) Next Meeting: November 30, 2018, 8:15AM

Adjourned at 9:25AM