

Health Insurance Trust Meeting – Minutes

Thursday, January 20, 2022 – 8:15 am

Virtual Meeting

Member Attendees:

Steve Barrett, Margaret Dennehy, Himaja Nagireddy, Steve Noone, John Petersen

Non-Member Attendees:

Marie Altieri, Marianne Fleckner, Lena Jarostchuk, Sue Shillue, Dave Verdolino,

1. Call to Order;
 - Meeting was called to order at 8:20 am by the Chair;
2. Approval of Minutes;
 - Minutes from 10/28/2021 were approved with one abstention (H. Nagireddy)
 - Minutes from 12/8/2021 were unanimously approved
3. Cash Flow – Sue Shillue
 - Updated cash flow summary through December 2021
 - Total variance shows a deficit of \$568,000; reinsurance recoveries of \$372,000;
 - Original projection on paid claims for FY22 would be \$17.2 million, which would be a projected annual deficit of \$1.9 million; revised annual deficit is \$1.58 million;
 - No questions or comments on cash flow
4. HIT Presentation to School Committee-John Petersen
 - John Petersen presented a draft of the Acton Health Insurance Trust Overview to be presented to ABRSD School Committee next week.
 - No comments or concerns from the members regarding the presentation.
5. Rate Setting FY23
 - Current year financials were reviewed and discussed.. FY21 year end balance was about 3.2 million. Chair called on members for comment;
 - Steven Noone thinks loss will be close to 1 million. Paid claims for six months are trending a little lower than previous years
 - Margaret Dennehy agreed with Sten Noone's estimate

- Steve Barrett thinks loss will be about 1 million and notes that five of eight payment periods have been made;
- Himaja Nagireddy notes that preparing for the worst case scenario may be prudent;
- Marie Altieri agrees with the 1 million dollar estimate;
- [John Petersen](#) notes that for the purpose of discussion the trust would have about a 2 million dollar reserve at the end of FY22 and that the number of subscribers would not significantly affect the numbers
- Margaret Dennehy notes that a loss this year could cause the balance of trust to be as low as 11% which is beyond the limits allowed.
- Sue Shillue discussed BCBS and HPHC projected renewal premium and gain/loss: BCBS renewals 7.7 %, HPHC =8.5%. Sue projects BCBS will come in 20% and HPHC 15%
- Margaret Dennehy asked for a large claims report. Sue Shillue noted that there are just two people, with 6 people at 50% which is low and encouraging. At the end of last year there were 14 people who hit the deductible, with 12 people at 50%
- Sue Shillue went over the FY 23 proposed rate calculations showing an overall funding increase of 10%, with a ratio increase from .82 to .85 for HSA plan vs. HMO and PPO at 173% of HMO. Option 2 shows 10% increase of HMO plan with other plans calculated at the same ratios.
- Margaet Dennehy stated that she would not like people dissuaded from HSA plan, and supports an incentive to get people off the PPO. Steve Barrett thinks this rate could allow us to break even. John Petersen explained the reasoning for BCBS and HCHP being the same rate.
- **Motion:** Margaret Dennehy moves that Trustees set plan rates in reference to the HMO individual rate as follows: BCBS and HPHC rates will be the same, the family rate will be 2.415 times the individual rate across all plans, the HSA rate will be 0.85 times the HMO rate, and the PPO rate will be 1.74 times the HMO rate. Motion was seconded and passed unanimously.
- **Motion:** Motion was made to recommend that the plan rates be increased so that the Acton Health Insurance Trust rate increase will average 10%. Motion was seconded and passed unanimously.

7. COVID-19 (Trust Impact, reimbursement)

- Sue Shillue noted that carriers are not applying COVID factor to claims—thinks they are “normalized” at this point. Had no more to add.

8. Trust Chair Transition

- John Peterson will not be running for School Committee and will no longer be a member of the HIT. He is committing to be here through June FY22 . A new chairperson will be needed for the June meeting.
- Steve Noone stated that his own term on the Finance Committee expires in May or June but that he will most likely be reappointed. He can chair the June meeting and HIT can discuss going forward;
- Margaret Dennehy moved that Steve Noone will become chair of HIT at the conclusion of Acton Town Meeting. Motion was seconded by Steve Barrett and approved unanimously.
- John Peterson noted that services are needed to maintain and update documents for the trust. What documents are important, how should they be maintained? etc.

9) Separating prescription and Medical Services - Sue Shillue

- Sue Shillue will be doing a cost analysis from Optum, gathering information from carriers and going through different scenarios. Hopes to have a representative from BCBS come in to discuss reasons to keep these together.

10) Plan Design and Administration/Wellness Benefits

- Sue Shillue discussed the Abacus Diabetes Management program presentation given to the Town and School. Currently, BCBS and HPHC have 111 members that could qualify. Total costs are 1.7 million dollars. Program provides incentives to members w/diabetes to complete certain health initiatives and then they get free/prescriptions and supplies
- The program would take about 3 years to get to level.
- If 35% people participated Trust would pay about \$60,000, but rebates would lead to, net cost of about \$27,000
- Marianne Fleckner noted that her calculations showed a potential \$170,000 savings in three years and that the program would work toward our goal of keeping employees healthy and costs down. Noted that Abacus has experience in MA municipalities.
- Marie Altieri agreed that the program will keep our members with diabetes healthier and save money. Noted that we could have Abacus present to the Trust, and that everything would have to be ready by April for open enrollment.
- Dave Vertolino asked where the \$170,000 in savings originates. Sue Shillue responded that it represents a 10% savings of total claims.

- Steve Noone inquired if the program includes retirees. [Sue Shillue](#) responded that the program is only for those on active plans.
- Marianne Fleckner added that she likes that patients must take ownership. Steve Barrett and Margaret Dennehy both agreed that the program is a good idea. John Peterson inquired about a term; Sue responded that there would be a three year contract.
- A motion was made to engage with Abacus Health Solutions to provide Wellness Benefits for a three year period;
- Members were hesitant to vote for something without seeing detailed financial information. Sue Shillue added that there is a one time setup fee of \$3000. Marianne Fleckner stated that the program must be in place by late March to be part of open enrollment.
- John Petersen noted that approval is required from the trust. Margaret Dennehy agreed and read from the HIT Agreement. Noted that any contract would be with the trust, like BCBS and HCHP. Marie Altieri noted that late February or early March would be too late to approve this program as information would be sent out in mid-March.
- **Motion was amended to the following and seconded:** The trustees provide contingent approval of a contract with Abacus. Contingent to the trustees being provided timely materials and allowed to review Abacus documents. If no trustee shows objection to the chair, then the chair is authorized to sign said contract by February 4th. The motion was unanimously approved.

11) FY21 Audit Discussion

Margaret Dennehy inquired if audit discussion was sufficient for acceptance of the audit. Answer is yes, and final report will be issued.

13) The next meeting was scheduled for March 3rd, 2022

14) Meeting adjourned