

Health Insurance Trust Meeting – Minutes

Thursday, March 17, 2022 – 8:15 am

Member Attendees:

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

Non-Member Attendees:

Marie Altieri, Lena Jarostchuk, Sue Shillue, David Verdolino, Tim Harrison

1. Call to Order;
 - Meeting was called to order at 8:20 am by the Chair;
2. Approval of Minutes;
 - Minutes from January 20, 2022 were unanimously approved
3. Cash Flow – Sue Shillue
 - Updated cash flow summary through February 2022 showed a YTD loss of \$0.52 million dollars
 - January showed surplus of \$63,000, while February had a deficit of \$24,000
 - February paid claims had no claims that would be reimbursed
 - 50% claims were \$600,000 greater last year than this year
 - John Petersen noted that half of loss is coming from PPO
 - Sue Shillue noted that PPO numbers include one laser at \$730,000. Nothing showing the PPO is not appropriately priced.
 - Marie Altieri commented that it is helpful to know that laser is driving the cost, not poor pricing. Also, that the laser has an effect on the yearly surplus or deficit.
 - Sue Shillue added that a laser is removed from the pool when determining premiums and that the claims associated with the laser have an effect not only because we are self-insured, but would affect our rates even if we were fully insured.
4. Treasury Report --Tim Harrison
 - FY 21: After Audit report: Adjustments and reinsurance. Only small changes were made and closed the books on FY21
 - FY22: Tim noted that loss this year is half from last year as of Dec 31st.
 - Treasury Services Contract. It was proposed to continue with Tim Harrison and his firm, Borgatti Harrison, for three years, to be voted at next meeting.

- Tim Harrison shared that they have listed their CPA firm for sale or merger. Asked that the proposal to be one year with two year renewal option. Gail Martins could still do bookkeeping for the trust if the HIT and she were interested.
- Dave Verdolino inquired if this would be a 30B Exempt contract for CPA services and was answered that it would.

5. Actual Rates for FY23-Sue Shillue

- Marie Alteiri and Sue Shillue discussed the confusion about the rates voted in the last meeting. Sue went over two options and which was passed. It was determined that the vote was to decrease the discount of HSA plan to 85% of the HMO, and to raise rates an average of 10%. Marie Altieri will inform the school personnel and explain the rise in rates.
- Carrier recommended rates vs. HIT voted rates were discussed. With the exception of the PPO, HIT rates are lower than the recommended rates
- Dave Verdolino expressed concern that people might gravitate from HSA to HMO and what that would mean for the trust. Sue Shillue responded that Trust would increase their revenue (higher premiums), but may have increased claims without the high deductible.
- Himaja Nagireddy questioned the significance of Family to Individual ratio. Sue Shillue responded that it is a demand from the underwriters – to a certain degree individuals are subsidizing families.
- John Petersen asked Sue to calculate our claims for family vs. individual to see if claims match our ratio or if we should move toward the carrier recommended rate for future rate setting.

6. Review of Bylaws. Trustees are supposed to be appointed for three year terms.

7. COVID-19 (Trust Impact, reimbursement)

John Petersen Notes that Deer Island waste water is good, but world COVID-19 situation not over

8. Separating Prescription and Medical Services :

- Sue Shillue reported that she contacted Optum to find out about carving out the prescription plan from HPHC and BC. A utilization report from the two carriers was sent for analysis. Prescriptions totaled \$8.264 million, but a comparison cannot be done yet as carriers do not pay the full price because there is a negotiated discount. Number in chart is Average Wholesale Price (AWP)

- Optum reported the prescriptions cost using their negotiated price would be 4-5 million. We would also get rebates \$700,000.
- Blue Cross at this time takes any rebates they get and applies them to the administrative fee. It is unknown if the administrative fee would rise if we carved out the prescription plan. Sue Shillue will inquire.
- Sue has asked what discounts carriers get. The different formularies would have to be negotiated. At this time, we have very preliminary information. We should be able to find out what was actually paid with discounts and then compare both the drug formulary and financials.
- The earliest this could be implemented is July of 2023.
- Marie Altieri and John Petersen discussed whether this would be discussed in the regular union negotiations. It would not, and School Committee and Select Board would address this. It would only be discussed in the Union Health Insurance Working Group comprised of all school and town unions. Trust will determine if separating medical services from prescription benefits would save money. If separation would reduce costs, then the topic will be brought back to the unions for discussion.

9. Plan Design and Administration/Wellness Benefits Abacus

- Sue Shillue: Kickoff meeting took place and July 5th will be the start of plan. Bills will come in from Abacus and should go to Margaret Dennehy. John Petersen signed the original contract. The next agreement is Business Associate Agreement which allows Abacus to get health information from carriers.
- Steve Barrett noted that this involves employee health information which is outside of HIT, and it was determined that the Town and School should both sign, with Marie Altieri for the school and Marianne Fleckner for the town

10. Next meeting was set for April 28th at 8:15 am

11. Meeting adjourned at 9:30