

**Approved minutes from HIT meeting February 10, 2011**

The trust met and discussed the (2) cash flow report, (#)potentially approving the audit, (4)target level reserves, (5)premium rate discussion, (6)potentially adding a premium senior plan to replace the recently dropped Harvard Pilgrim plan, and (7) the Governors' GIC proposal.

Attendees were: Bob Evans; chair, Mike Gowing; Sec., John Murray, John Petersen, Don Aicardi, Peter Savage and Tess Summers.

Meeting called to order at 8 AM.

(1)Motion was made to approve the minutes from the December 16, 2010 meeting: **approved unanimously.**

(2)A discussion was held about the cash flow from July, 2010 through January, 2011. It showed a favorable variance of \$763,000 (+8% year-to-date). Master Health Plus continues to lose money each month. All other plans continue to show a positive.

(3)A discussion was held regarding the Health Insurance Trust FY 10 audit report. A motion to approve was made: **approved unanimously.**

(4)The trustees discussed a target level for the HIT reserves. It was determined that the trust should maintain between 15 and 25% of annual expenses in reserves to cover variations of claims.

(6) A discussion regarding the replacement of HP HC Senior Plan, which will be discontinued effective March 1, 2011, resulted in a decision to not extend an option beyond March 1. The dropping of Core Associates in New Hampshire will affect two people currently covered. The decision was made to let the HMO find an alternative local carrier for those people. No other offering except Medex will replace it.

(5) After much discussion, the trustees, in looking at prospective premiums and considering various factors, including: favorable actuarial performance year-to-date and current reserve level, cost increases on healthcare, migration from Master Health Plus to PPO, and changed Federal

requirements (no co-pays for preventative care and family plan coverage extended to adults under 26 living at home), decided the following.

The trustees set the preliminary rate percentage increases for next year (to be confirmed at next meeting of the HIT, February 24, 2011) as follows:

|            | MHP | Blue Care Elect | Net Blue | HP HC |
|------------|-----|-----------------|----------|-------|
| Individual | 8%  | 4.5%            | 4.5%     | 2.9%  |
| Family     | 12% | 7.5%            | 6.5%     | 4.3%  |

The average rate increase for Master Health Plus is about 10% (under unfavorable year-to-date experience drove this number). The difference between the Net Blue percentage and the HP HC percentage was to equalize the payments. The average rate increase for HMOs and PPO is about 5%. Town and school rates were unified. Medex rates were unchanged. It was also discussed whether Medex payments should be lessened and roll the savings into a prescription drug plan. No decision was made on Medex, it will be discussed at our next meeting after evaluation of the numbers. **Trustees plan to review difference between town and school copays on the 24th to determine whether or not the town rates should be lower than the school rates.**

The trust voted on a motion for the rate increases; it was approved by a split vote, three ayes, one nay, one abstained. **Motion carried.**

**The trustees will review and vote the final rates at our February 24 meeting.**

(7) The trustees discussed the Governor's GIC plan. It was determined that it would be a good time to talk to the unions regarding the GIC. There is some movement on Beacon Hill to try and get the GIC inclusion percentages dropped from the current percentage (70%) union participation.

A motion to adjourn was made: **Motion unanimous.**

Respectfully submitted, Mike Gowing: Sec.