

Approved Minutes for Mar 24, 2011

The trust met and discussed the (3) cash flow report/stop-loss, (4) approve Medex co-pays (and perhaps others), (5) approve NHRC co-pays (mental health), (6) discuss co-pays and RDS subsidy, (7) continue discussion of the philosophy of ratesetting.

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

Meeting called to order at 8 AM.

Motion was made to approve the minutes as amended. **Passed unanimously**

(3) Cash flow report -- we continue to stay ahead of the curve on cash flow due to lack of sizable claims. Master Health Plus continues to be down (\$192,000) but was offset by Blue Care Elect. Harvard Community Health now running about \$700,000 to the good. Stop-loss RFP would go out for April but we would not be able to vote on it until the May meeting. There is a slight return (\$16,000) but it falls within the \$60,000 corridor.

A discussion continued about the possibility of expanding the corridor to three or \$400,000 (essentially, self insuring). By the end of the discussion the group had rejected the idea of self insuring and to keep the corridor smaller.

(4) Medex co-pay -- concerned that the Medex co-pay bumps up against part D. \$10/20/35 still qualifies you for the RDS. If it becomes too rich, you lose the benefit. Keep the premium as is (\$383) and change to \$10/20/35 retail. One co-pay on a 90 day supply. Marie Altieri wanted it noted that the cost of Medex which is the only plan option available to many is still very high for someone on a fixed income.

A legislative update on GIC may change the way we focus on how many plans and what plans we have to offer in town. The legislators are getting pressure from both sides on coming up with a suitable compromise on healthcare.

Bob Evans moved to accept sheet "A," a proffered rate sheet by Peter Savage, as the new Medex rate this year (Mike Gowing second). John Murray offered a friendly amendment to change the Medex to \$.86 from \$.85. (Divisible by two) **Passed unanimously** on the amendment. The overall rate was then voted on and **passed unanimously** as well.

John Murray moved to accept the co-pays provided by Peter Savage in the previous week (Mike Gowing second). **Passed unanimously.**

(5) Mental health co-pay -- Federal regulations require that the co-pays be the same for biological based illnesses and mental health.

John Petersen moves that we meet the Federal regulation (Mike Gowing second). **Passed unanimously.**

A discussion followed on the philosophy of rate setting.

- John Murray opined that individuals that choose to stay in expensive plans should have to pay regardless of the expense as they have other choices. The burden of in expensive volunteer plan should not be subsidized by other members who don't subscribe to it.
- John Petersen responded that not having enough quantitative data within all of the plans to be able to assess a specific rate (statistically significant -- not enough data points) should not unduly be placed upon an individual that selects a plan that we are offering. As an example, he stated that if a broken leg under Master Health Plus cost 20% more than the HMO, then the person should pay 20% more in their premium. He reiterated the need for three-year rolling average to take out some of the peaks and valleys.
- Mike Gowing offered a third position, assuming that we don't have a great enough sampling rate to truly determine what our costs would be going forward. Create an umbrella where all of the plans were rolled into one and we create one rate for all. Considering that insurance is just the ultimate stopgap against catastrophic medical expense, we could then use industry actuarial numbers to judge.
- Bob Evans implied that he came down somewhere between the two Johns' positions. That we need to move away from Master Health Plus and set limits.

Peter was asked to compile a sheet of rates for both the schools and the town.

The next meeting was set for April 28, 2000 8 AM.

John moved to that we adjourn, Mike second, meeting ended 9 AM.

Respectfully submitted,

Mike Gowing, Clerk