

Minutes of the Health Insurance Trustee Meeting
June 29, 2012
8:00 a.m.
JH/CO Conference Room

Members Present: Bob Evans, Kim McOsker, Tess Summers, Mike Gowing and John Murray

Also Present: Ruth Cvitkovich, Pat Haras, Peter Savage, Marie Altieri, and Don Aicardi.

The meeting was called to order at 8:05 by Chairman Evans.

Approval of Minutes: The minutes of the May 24, 2012 meeting were approved as written.

Cash Flow Report: Mr. Savage presented the first monthly cash flow report by carrier and summary for FY13. He noted this is a very preliminary report for July 2012, showing claims paid in May 2012. Mr. Savage noted also that \$1.1 million is due in reinsurance recoveries for FY12. He stated that eight claimants have exceeded the \$110K reinsurance level, and that three is the normal amount of claimants exceeding the threshold. He also noted there are currently fifteen claimants over 50% of the specific reinsurance level. The current projection is a loss of \$1.7 million with \$1.1 million due in reinsurance reimbursement. Mr. Murray noted that expenses were up 12% over the previous year. Ms. Altieri also indicated that subscribers may have gone to the doctor prior to the July 1 change in insurance.

Decision on Audit: Ms. Summers reported that CPA Bill Fraher has reduced the pricing for the audit to \$9,000 per year from \$10,300. On the motion of Mike Gowing, seconded by Tess Summers, it was unanimously VOTED to accept the proposal of Bill Fraher, CPA to perform the audit of the trust. Mr. Fraher has audited the trust since 2004.

Discussion and Vote for Reinsurance: Mr. Savage reported quotes were received from Blue Cross (through Cook & Co) and SLI Brokers. He noted that no commission is received from Cook & Co on the reinsurance contract. (See attached analysis of the quotes.) Mr. Murray suggested the \$110K coverage with the \$120K Aggregating Corridor was the most advantageous. Mr. Savage noted that staying at this level protects the trust as it is hard to go back once a higher specific level is achieved. Mr. Savage is awaiting additional information from the companies regarding May claims that were presented to both vendors. After discussion Mr. Murray made a motion, seconded by Ms. Summers to accept the \$110K proposal with the \$120K Aggregating Corridor. This motion was amended by Mr. Gowing to add that if more than \$60K in liability cost were added due to the May claims information, the trustees would go with the \$125K specific reimbursement level. The amended motion was VOTED unanimously.

Vote on contracts: On the motion of Mike Gowing, seconded by Tess Summers, the Cook and Co. contract for Medicare Support for FY13 in the amount of \$4,500 was VOTED unanimously.

On the motion of Mike Gowing, seconded by Kim McOsker, the Cook and Co. contract for FY13 Clerical Support in the amount of \$19,000 was VOTED unanimously, and the contract for FY13 Consulting/Advisory Support in the amount of \$23,000 was VOTED unanimously.

There was discussion of the trust hiring an employee for the clerical support position, and the employee dividing time between Town and School departments. The trustees advised that a minimum of 90 days notice prior to the end of the contract is needed for this discussion.

Annual Plan of Meetings: Chairman Evans reviewed the proposed calendar for FY13. There was discussion on whether an August meeting was needed. Mr. Murray suggested that the trust forward a letter to Board of Selectmen and School Committee regarding the 10-12% increase in expenses as an early warning. The trustees agreed that members would relay this information to their boards, and that it was too early to tell if this trend will continue. Mr. Gowing reported on the AIM Meeting that he attended.

Mr. Murray presented the memo prepared by Town and School staff regarding the Municipal Health Reform Act requirement. This document is being forwarded to the MA Executive Office for Administration and Finance to comply with the new law, and is due by June 30, 2012.

Ruth Cvitkovich asked if all copays for FY13 had been settled. She cited instances where there were variances between Blue Cross and Harvard Pilgrim. Maryann Fleckner and Marie Altieri will resolve this issue and forward a summary of the benefits.

Next Meeting Date: The next meeting was scheduled for July 19 at 8 a.m. at the JH Central Office Conference Room. Acton Town Counsel will attend to review the trust agreement with trustees. Trustees were asked to forward comments on the current health trust agreement to John Murray.

On the motion of Mike Gowing, seconded by Kim McOsker, the meeting was adjourned at 9:15 a.m.

Respectfully submitted,

Sharon Summers, Secretary