

Health Insurance Trustee Meeting – Minutes
Thursday, October 19, 2017
8:00AM
Room 13, Administration Building

Member Attendees:

Bob Evans, Peter Berry, Mary Brolin, Margaret Dennehy

Non-member Attendees:

Marie Altieri, Tim Harrison, Jodi Phelan, Peter Savage, Dave Verdolino

1) Meeting was called to order at 8:07AM by the chairman.

2) Approval of Minutes

Minutes for the September 2017 meeting were approved as is.

3) Discussion of Cash Flow

There are continued favorable conditions across all plans. This is encouraging in light of no hike in premiums for this fiscal year.

4) Discussion of Treasurer's Report

The quarterly information will be provided next meeting.

5) Discussion of Draft Audit

In the management letter of the draft audit there was little change noted.

There were two adjustments. One adjustment was to increase re-insurance by \$29,000 to account for July & August and an increase to the IBNR.

The management letter also stated their finding of an internal control weakness. To address this, monthly bank statements will be sent to the Treasurer for her to review creating a better checks and balances system. The audit would like to see a further separation of duties where bills and statements are completed by the town/school side and Borgatti Harrison only does statements.

A response to the letter will be drafted by Tim Harrison. It will state there are mitigating controls. The addition of sending bank statements to the treasurer will address the concerns stated in the management letter.

Audit will be approved after the response letter.

6) Vote on Medex rate for CY18

There was a proposal to keep the rate the same. After discussion on the plan's performance in FY17, Mary Brolin motioned to set rate at \$315.82 per month for calendar year 2018, Margaret Dennehy seconded. Motion approved.

7) Budget Advice for FY19

A balance in the trust fund and favorable Q1 reports, supports no change to rates at this time. For the HSA, it was proposed to set rates at 18% below the HMO plan. HSA will have little effect on current HMO pricing for this coming year. Peter Savage forecasted into FY19 incorporating all plan changes. He proposed a more conservative approach with a 4% increase.

Marie Altieri suggested that a decrease in premiums provides a positive reinforcement for the negotiation with unions.

A key question is what will happen to the fund balance as it is getting too high. Marie indicated it could be used to help offset lower premiums. Peter Savage stated we could have premium holidays to keep the fund balance at an appropriate level and keep rates at more expected levels. Mary Brolin suggested we may want to use some of the fund balance to incentivize the HSA adoption. The town and schools would pay for their deductible share and the Trust could pay for any incentive amount from the fund. Peter Savage mentioned legal counsel should be consulted regarding use of Trust funds for the HSA. Expected savings justifies the payment. It was asked to verify with our health providers if HSA employee contributions can be mandated.

8) Next Meeting: November 16, 2017 8AM

Adjourned at 9:00AM