

Health Insurance Trustee Meeting – Minutes

Thursday, April 18, 2019

8:15AM

Room 13, Administration Building

Member Attendees:

Steve Noone, Mary Brolin, Margaret Dennehy, Steve Barrett, Peter Berry

Non-member Attendees:

John Petersen, Jodi Phelan, Sue Shillue, Dave Verdolino

1) Meeting was called to order at 8:15AM by the chair.

2) Approval of Minutes

Motion to approve. Unanimously approved.

3) Discussion of Cash Flow

Gross claims are 8% higher than last year and we are currently showing a \$911,000 loss. If we were to remove the one laser, we would be showing closer to a 5.5% loss. In addition, contributions to the Trust are 10% less than the previous year. This is a result of multiple factors. The rates are 5% lower than last and the high deductible plans have rates that are 18% lower than our low deductible plans. Our claims experience is higher. Both HSA plans are running as under funded. This may need to be reviewed to understand if the 18% lower rate is appropriate. We may need to revisit with actuaries at BCBS & HPHC to understand this.

It was noted the original projection on the cash flow for the year is out of line with the current forecast. It was noted that the original projection could not take into effect the impact of the high deductible plans and therefore there is the discrepancy.

There are currently 22 large losses (in excess of 50%). Nine are at least 2 years in a row and the other 13 could be on-going as well. John Petersen suggested relative rates for plans may need to be looked at. For example, if large losses are occurring in the PPO plan we may want to set rates relative to that factor. Sue Shillue stated normal practice is to price a PPO plan at a 10% difference from the HMO plans. The Trust plan differential is higher than this already. Due to such a small pool there are no claims validity to the PPO experience.

4) Discussion of Treasurer's Report –

The Treasurer's report was emailed by Tim Harrison to Board members earlier in the month. Mary Brolin will ensure all board members received it.

5) Discuss and approve RFP for Stop Loss Insurance – 7/19 – 6/20 Vote

The average claims to loss percent was around 57% over the last few years. This year is running at about 86%.

There were minor changes to the proposed RFQ. Jodi Phelan will receive all the RFQs and distribute to board members.

Motion to authorize the release of the RFQ – unanimously approved.

There was discussion around how to determine the correct deductible amount for the Stop/Loss insurance. For many years we have been at \$125,000. The bid will include other deductible amounts as well.

John Petersen asked what recoveries might be at year end. They will be higher than \$410,000 but the final number can not be predicted.

6) Approve FY20 Contract Renewal for Consultation Services – Vote Services provided by Cook & Co. were discussed at the March meeting. No further discussion was needed.

Motion to approve the current contract through 2020. - Unanimously approved

7) Next Meeting: Thursday, June 20, 8:15AM

Adjourned at 8:45AM

Handouts:

Cash Flow Summary Review
March Draft Meeting Minutes
RFQ Acton Health Insurance Trust
Acton Stop Loss History