

Minutes of the Health Insurance Trustee Meeting

May 1, 2014

8:00 a.m.

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Superintendent's Conference Room  
R.J. Grey Junior High

Members Present: Bob Evans, Mary Brolin, Mike Gowing, and Sharon Summers

Member Absent: Steve Barrett

Also Present: Peter Savage, Ruth Cvitkovich, Tim Harrison, Marie Altieri

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

**Treasurer's Report:** Tim Harrison presented the quarterly Treasurer's report and noted that the reports show an overpayment of \$455K. The level monthly payments to Blue Cross and Harvard Pilgrim were larger than the claims paid for this quarter. The credit will be used to reduce the next level monthly payments to the insurance companies. Net income as of March 31, 2014 is a positive \$11,700. Mr. Harrison will verify head count data with the Cook report for the next meeting.

**Cash Flow Report:** Mr. Savage reviewed the Cash Flow Summary report for March. The revised projections show a \$113,575 positive projection for the year. He noted there are no pending reinsurance recoveries, and projected a positive \$200K from the original estimate.

**Discuss HP and BC MOOP:** Mr. Savage reviewed the four benefit changes that are being required by the Affordable Care Act, specifically the essential medical coverage portion of the law. Durable Medical Equipment is being changed from a \$1,500 benefit to no dollar limit with a 20% co-insurance payment; Prosthetics-Wigs, from a \$500 limit to no dollar maximum; Low protein formula, from \$5,000 limit to no dollar maximum; and a Maximum Out-of-Pocket (MOOP) limit is required by law. The Affordable Care Act allows this MOOP limit to be up to \$6,350 for individuals and \$12,700 for families. The trustees at a previous meeting voted to set the MOOP limit for Blue Cross at \$5,000 for individuals and \$10,000 for families. This vote was in line with the requirements set by the State of Massachusetts. The limit needs to be set for the Harvard Pilgrim Plan. (Pharmacy is not included in this limit for FY15, but will become part of the MOOP in FY16.)

Marie Altieri asked if our subscribers have hit these levels, and it was stated that no subscriber was greater than the \$5,000 annual limit. There was discussion on contracts with the insurance companies, and Mr. Evans stated the trustees are the designated signors of contracts with the insurance companies.

On Mr. Evans motion, seconded by Mr. Gowing, upon the recommendation of the town and schools, it was VOTED to set the FY15 MOOP for individuals at \$5,000 and to set the MOOP limit

at \$10,000 for families in all active employee plans in order to comply with the requirements of the Affordable Care Act.

**Discuss Officer Liability Insurance:** Mrs. Summers report on conversation with MIIA to bid on Trustees Liability Insurance. The current company is the only company writing coverage for trustees, and MIIA would not provide a quote at this time. Mr. Savage requested a copy of the policy to see if there are other companies who would bid. Mrs. Summers will also contact MIIA to see if trustees are covered under current town and school insurance plans.

**Discuss Reinsurance Bids:** The trustees reviewed the RFQ for the FY15 health insurance stop-loss coverage. Quotes will be accepted for specific levels of \$110K, \$125K, \$130K and \$135K. Additional claims history may be required for incoming subscribers, and Mr. Savage will contact the Minuteman Nashoba Health Group for that information.

**Discuss Cook & Co Contracts:** Mr. Gowing and Mrs. Summers will contact respective legal counsel on the need to bid these contracts. If it is necessary to prepare a formal RFQ, the trustees agreed that Mr. Gowing and Mrs. Summers would prepare the necessary documentation to receive quotes before the next trustees meeting.

**Next Meeting Date:** The next meeting of the trustees is scheduled for June 19, 2014 at 8 a.m. in the JH Superintendent Conference Room.

The meeting was adjourned at 9:26 a.m.

Respectfully submitted,

Sharon Summers, Trustee/Secretary