

Minutes of the Health Insurance Trustee Meeting

September 26, 2013

R E C E I V E D
OCT 17 2013

8:00 a.m.

TOWN CLERK, ACTON

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

Members Present: Steve Barrett, Bob Evans, Tess Summers, Mike Gowing, and Kim McOsker

Also Present: Ruth Cvitkovich, Tanya Chakmakian, Peter Savage, Marie Altieri, Marianne Fleckner, and Don Alcardi at 8:20 a.m.

The meeting was called to order at 8:02 by Chairman Evans.

Approval of Minutes: The minutes of the June 20, 2013 meeting were approved as submitted.

Financial Update: Mr. Savage presented the cash flow summary for the first two months of FY14. The report states a loss of approximately \$850K for the year at this time. Mr. Savage cautioned the trustees to wait for data from another month so all changes are recorded. Mr. Evans noted it may be necessary to increase rates 10% for the next year, since there have been two years of high losses. Mr. Savage will review the data, and revise the information for next month. He also will perform a 12 to 18 month look back on claims, and will check on the status of the December 2012 HP claim.

FY13 Audit: Mrs. Summers reported that the audit is currently in process. Auditor Bill Fraher has asked for the claims run out report in order to complete the audit.

Calendar: Mr. Evans presented the calendar for the current fiscal year, and asked if there are any additions to be made. He noted it can be revised as needed.

Retiree Drug Program: Mr. Evans noted that the trust received a retiree drug subsidy of \$164K last year. Mrs. Chakmakian presented information on an alternative drug program (Blue Medicare Rx) for retirees in the Medex 3 program. The new program would create a Medex 2 program with separate Part D premium-based drug coverage, and would be administered by CVS CareMark. The renewal date would be January 1 of each year. The advantage of the new program is the monthly cost would be reduced for retirees and employer; with a disadvantage of higher mail order costs. Some higher tier drugs prescriptions would also need to be rewritten for the program. Mrs. Altieri and Mrs. Fleckner noted the Insurance Working Group stated no changes would be instituted for retirees for three years, which would be through FY15. The trustees agreed to discuss the tiered drug coverage at the next meeting.

Mrs. Altieri asked trustees to look into affordable options for early retirees. Mr. Savage will obtain information on optional national plans, and present to the trustees at the next meeting.

Next Meeting Date: The next meeting of the trustees is scheduled for October 17, 2013 at 8 a.m. in the JH Superintendent Conference Room.

On the motion of Mr. Gowing, seconded by Mr. Barrett, the meeting was adjourned at 9:30 a.m.

Respectfully submitted,

Sharon Summers, Trustee/Secretary