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Minutes of the Health Insurance Trustee Meeting

January 30, 2014

8:00 a.m.

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

Members Present: Steve Barrett, Kim McOske, Mike Gowing, and Bob Evans (Chair)

Absent: Tess Summers (Secretary)

Also present: Tim Harrison (Treasurer for HIT), Peter Savage (HIT Consultant) Don Aicardi, Marie Altieri, Ruth Cvitkovich

(1) The Meeting was called to order at 8:05 A.M.

(2) The minutes of the December Meeting were accepted as written.

(3-4) Tim Harrison discussed his Report on the results of the first six months of Trust activity. They showed a loss of \$87,746.67 and an undesignated fund balance of \$2,299,608.46 as of December 31, 2013.

There was a brief discussion of how to reconcile these results with cash flow data which showed a positive variance of \$39,517 at the end of December, but with a projected negative variance for FY 14 of \$270,621. The cash flow results do not include reinsurance costs and Medicare drug reimbursements.

Given the different purposes of the two documents members were comfortable that the two told essentially consistent stories of the Trust which will end the year with modest losses.

The Treasurer had been asked to discuss the Trust's cash balance and his need for cash to properly pay monthly bills. Mr. Harrison said the answer is cash equal to approximately three months of premiums, or about 3 million dollars.

(5) There was a preliminary discussion of possible rates for FY 15. The addition of approximately 50 participants from the Boxborough schools who will join the Trust as part of the Regionalization of Acton and Boxborough elementary schools into the Region on the first of July was noted along with possible impacts on the Trust including long term medical needs for one person, and possible contributions to the Trust balance from their previous trust.

Mr. Aicardi and Ms. Altieri were asked to discuss these Boxborough issues with the Boxborough Town Treasurer.

Mr. Savage noted that he had calculated potential increases using alternative methods with results between 7.5 and 9 percent with Medex at 3 percent.

Mr. Evans said that in his view an increase that would include money needed to bring FY 14 rates into balance, medical inflation, the cost of one long term medical situation, and some money to make sure that "break-even" rates broke on the positive side would be a 10% increase.

(6) The next meeting was set for February 27th at 8:00 A.M.

(7) The meeting was adjourned at 9:20 A.M.

Respectively submitted:

Bob Evans, Secretary for the day.

Documents at the Meeting:

Cumulative Six Month Cash Flow Report; Six Month Treasure's Report