

Health Insurance Trustee Meeting – Minutes
Thursday, November 16, 2017
8:00AM
Room 13, Administration Building

Member Attendees:

Bob Evans, Peter Berry, Mary Brolin, Margaret Dennehy, Steve Barrett

Non-member Attendees:

Marie Altieri, Jodi Phelan, Peter Savage, Dave Verdolino

1) Meeting was called to order at 8:00 AM by the chairman.

2) Approval of Minutes

Minutes for the October 2017 meeting were approved with one amendment by Peter Berry.

3) Discussion of Cash Flow

First four months of the fiscal year are still looking good. Paid claims were down in October. This could possibly be due to the number of weeks versus other months.

4) Discussion of Treasurer's Report

Tim Harrison could not make the meeting. The reconciliation between the treasurer and the Trust will be reviewed at a later date.

5) Proposed Solution to Internal Control Issue

The response letter to the auditor proposed by Tim Harrison was reviewed. Steve Barrett raised the question of having a bond, which could also address the internal control issue. Borgatti and Harrison do carry a bond. It would not be necessary for the town or schools to carry one as well. There is professional liability insurance policy. Our auditor, Bill Freher, was comfortable with this. Steve Barrett requested a copy of the insurance policy.

Margaret Dennehy motioned to approve sending the letter as is. Motion was seconded and approved.

6) Accept Audit

Mary Brolin motioned to accept the audit. Motion was seconded and approved.

7) Accept Report for Acton's Town Report

Chairman Evans asked for comments. Peter Berry asked to add in a notation about the Health Savings Account plan being accepted and that it may bring down costs. Motion to approve with amendment. Motion accepted and approved.

8) Other:

Peter Berry asked if labor counsel was consulted to understand if Trust funds could be used to incentivize HSA participation. Steve Barrett is to speak with counsel. Marianne Fleckner, Human Resources Director for Town of Acton, may have already inquired about this topic. If funding directly from the Trust to employees is not possible, could the Trust reimburse the Town/Schools for additional contributions? Peter Berry wanted to understand if any incentive had to be negotiated with unions. It was advised to check with counsel.

Marie Altieri provided an update on the Health Insurance Working group meeting. The unions were in agreement with the proposed HSA plan details. In light of the negotiations, it was proposed that rates should be set relative to the savings the negotiations provided.

The insurance rates reflect what actual costs are. Peter Savage stated it was logical to reduce rates as we are 'overpriced' based on today's claims. However, claims are cyclical. In the recent past, the Trust may have over compensated for a trend of high claims cost. At the same time, the addition of the Boxborough staff also helped to defray higher cost claims. Claims have remained pretty steady but it was cautioned there are always exceptions.

It was recommended that wellness programs at work have gained interest and adoption. The Town of Acton has implemented some events and contests to highlight wellness. Mary Brolin provided an example of what Brandeis University is doing. A reminder about the fitness reimbursement would be one step to take.

Peter Berry wanted to understand why some may be adverse to providing a health insurance holiday. Past holidays produced a deficit that had to be made up. The approximate cost for a one month holiday is 1.5 million dollars.

9) Preliminary rates

Rates need to be locked in so both the town and the schools can prepare for educating staff on plan changes. Chairman Evans proposed an earlier meeting in February to work toward earlier rate setting. The town and schools are using a 0% increase for budgeting.

10) Next Meeting: January 18, 2018 8AM

Adjourned at 8:49AM