

**Health Insurance Trust Meeting – Minutes**  
**Thursday, June 20, 2019, 9:30AM**  
**Room 13 – Administration Building**

Member Attendees:

Steve Barrett, Steve Noone, Margaret Dennehy, John Petersen

Absent: Peter Berry

Non-Member Attendees:

Tim Harrison, Sue Shilue, Jodi Phelan, Todd Vickstrom, Marie Altieri, Dave Verdolino, Diane Baum

1. Call to order:
  - Meeting was called to order at 9:34am by the Secretary;
  - Marie Altieri thanked Jodi Phelan for her service as Recording secretary for Trust meetings and introduced Todd Vickstrom who is Recording secretary effective today.
2. Election of Chair
  - Call for nominations for chair, Steve Barrett by Margaret Dennehy, seconded by Steve Noone; discussion regarding staff member serving as chair of committee. The chair has historically been a trustee who is on a board, not a trustee who is a staff member;
  - Margaret Dennehy withdrew nomination of Steve Barrett;
  - Nomination of John Petersen for chair by Steve Barrett, seconded by Margaret Dennehy;
  - Motion for John Petersen to serve as chair voted unanimously.
3. Election of Secretary
  - Call for nominations, Steve Barrett by Steve Noone, seconded by Margaret Dennehy. Voted unanimously.
4. Approval of Minutes
  - Move to approve minutes, seconded, approved unanimously with John Petersen's abstention.
5. Discussion of Cash Flow
  - Cash flow summary showed a loss of \$1.3 million through May 2019. The loss supports the goal to draw down the unrestricted assets of the Trust;
  - An analysis was completed based on the negative variance in May 2019. There is a deficit in the analysis between April 2019 and May 2019, as well as a comparison between May 2018 and May 2019

- April 2019 claims at 50% of stop-loss *limit* - \$3.4 million/27 people
  - May 2019 claims at 50% of stop-loss *limit* - \$4.2 million/34 people
- May 2018 to May 2019 Comparison:
- May, 2018 had 24 people at 50% mark for a total of \$1.9 million
  - May, 2019 had 34 people at 50% mark for a total of \$4.2 million
  - Discussion of whether increase in claims are due to one-time illness/accidents or ongoing, chronic illness; we are seeing many claims that are ongoing.

#### 6. Discussion of Treasurer's Report

- Comment from Margaret Dennehy about previous discussion of Santander Bank about "Blue Ribbon" ranking, which was fixed due to Santander internal accounting. Acknowledgement from Margaret to Treasurer that Santander remains a viable choice for AB business.
- March 31<sup>st</sup> presentation of Balance Sheet with a YTD loss of \$810,000. Profit Loss reconciliation at loss of \$912,000. Income that is not part of the quarterly report accounts for variance between Cash Flow report (administrative costs, interest income, cash vs. actual timing differences);
- \$2.2 Million is in MMDT; other funds are with Santander (fully collateralized) and are transferred between high interest savings and checking accounts as needed;
- May showed high cost; discussion around possible causes, including the introduction of the HSA. As there is not yet a year's worth of HSA data and information, the interpretation of claims behavior with respect to deductibles would be premature.

#### 7. Discuss and Vote on New Stop Loss Insurance Contract

- Current Stop-Loss policy with Blue Cross Blue Shield for claims over \$125,000;
  - Current cost is \$33.31 for individual; \$82.50 for family;
  - Three quotes were submitted to the Trust (Blue Cross, American Insurance). The AIC quotes were not competitive.
  - Blue Cross quote – adjustment in stop-loss market across the board (increases), increase is \$27%;
  - If moved to \$150,000 threshold, would incur a 15% increase;
  - Sue Shilue presented an analysis of the prior three years at the \$125,000 threshold and a projection of costs at the \$150,000 threshold;
  - Every underwriter looks at claims differently, leading to different Lasers on every bid;
  - Appropriate to stay at \$125,000 threshold for FY20; going forward, it may make sense to look at \$150,000 threshold.
  - Correction to Family rate for BC/BS (\$106.14 vs. \$106.41)
- Motion to accept Blue Cross Blue Shield bid with \$125,000 threshold (\$37.65 individual and \$106.14 family) by Margaret Dennehy, unanimously approved;
- Cash Flow with new projection coming for September;

- Tracking to our goal of reducing the fund balance. Objective is to have a consistent premium experience while absorbing volatility in claims experience
8. Next Meeting: Meeting Schedule for Remainder of 2019
    - Tentatively scheduled for Thursday, September 26<sup>th</sup> at 8:15; remainder of FY20 meetings to be scheduled.
  9. Call for other agenda topics for future meetings to be forwarded to John Petersen;
  10. Adjourned at 10:20am by Chair

**Handouts:**

Meeting Agenda

Acton Health Insurance Trust Balance Sheet (Shilue)

Acton Reinsurance Quote and Analysis (Shilue)

AHT P&L Reconciliation (Harrison)

Cash Flow Summary Review (Harrison)