

Health Insurance Trust Meeting – Minutes
Thursday, September 26, 2019, 8:15AM
Room 13 – Administration Building

Member Attendees:

Steve Barrett, Steve Noone, Margaret Dennehy, John Petersen, Peter Berry

Non-Member Attendees:

Tim Harrison, Sue Shilue, Todd Vickstrom, Marie Altieri

1. Meeting was called to order at 8:22am by the Chair;
2. Minutes of June 20, 2019 were unanimously approved (Motion: Peter Berry, Second: Steve Barrett)
3. Cash Flow – Cook and Company
 - June 30 year end cash flow showed loss of \$1.4 million as intended by the Trust Cash flow for BCBS through July/HP through August was presented, no notable results YTD. Last year, the rates for FY20 were set to further reduce the unrestricted assets of the Trust.
 - Run out claims – Master Health Plus claims are likely complete; MHP will be dropped from the cash flow packet going forward
 - Considering relative plan rates; a disproportionate share of the loss in FY19 (about 1/3 of the total loss incurred by 1% of the insured pool) occurred in the PPO, Blue Care Elect. The trustees discussed increasing the rate for BCE:
 - If BCE loss is driven by one claimant, it speaks to bad luck in BCE and cost is appropriately spread over total HIT insured
 - If BCE is repriced, it should be based on look at large non-HIT pool
 - Sue – older, sicker people remain in Master Medical; adverse selection with people remaining in higher priced plan; expected that the plan will run a deficit, with too small a group to have any predictability in claims
 - Marie – in addition to the much higher premium in BCE, participants also pay 50% rather than 25% for other plans providing a strong incentive to leave BCE
 - If plan was priced to cover \$500k loss, it's anticipated that everyone would leave the plan; this would serve to drive people to lower premium plan (which would raise that plan's premium).
 - Rate setting – going forward, we need to capture why we did what we did
 - Potential impact of specialty drug claims on Trust expenses. One insured may be using a specialty drug with an annual cost of \$700,000 annually. This one drug could increase Trust expenses by 4%. – Sue asked if the Trust would like a

presentation from a company that claims to be able to reduce specialty drug costs. The Trustees agreed to a presentation from the company at a future meeting.

- Trust can gain a list of specialty drugs from BCBS and HP to send to company; how to create connection to patient? Will be part of conversation going forward
- Dave Verdolino has been speaking to a vendor suggesting separating drug from health and have a separate pharma vendor. Currently CVS Caremark thru BCBS; may have the potential to save money
 - Explore other Pharmacy Benefit Managers (PBM), Blue Cross and HP have buying power; GIC has carved out; not many of Sue's clients have carved out pharmacy; other discussion tabled to review of calendar

4. Treasurer's Update – June 30, 2019

- The unaudited treasurer's report showed a loss of \$1.1 million on revenues of \$17.4 million for the year ended June 30, 2019. These financials are consistent with the cash flow presented by Cook & Co. The loss is in line with expectations and leaves the Trust with an unrestricted fund balance of \$6.7 million. Interest income has increased and is aligned with prevailing interest rates (increase);
- There is not a major difference between Santander and MMDT – accounts with Santander are still collateralized, and the Trust is notified of rate changes;
- In general, interest rates went up and have now settled in and are pulling back; acceleration of interest rates, but are dropping below 2.5%;

5. HSA Enrollment Update

- 28% of subscribers enrolled in High Deductible Plan with HSA;
- Over 30% total on HSA for District versus 36% for Town;
- Requested Cook and Co. analyze total cost – copays vs. decrease in claims (18%)
- High Deductible and HSA Plans involve relatively small insurance pools and therefor volatile numbers – data set needs to be at least 2-3 years
 - Loss - with employees hitting claim numbers, how much loss is due to structure of plan?

6. HIT Online Documents (Town of Acton Website)

- HIT Description - Town of Acton website/Finance Committee shown and Trustees agreed to have an HIT page structured like the Finance Committee page
 - Trustees should send updated site information ideas to Todd Vickstrom for compilation and finalization at next meeting;
 - Review draft page and next meeting to finalize
 - Pathway to HIT Information site: Government → Boards and Committees
- DocuShare – Town of Acton– An HIT folder has been created on DocuShare, for the purpose of initiating folder John Petersen and Marie Altieri have write privileges. Read is unrestricted.

- Trustees discussed how to organize (by meeting, by subject/audit reports); what's going to be easy to maintain, ease of searching;
 - Access breadcrumbs: Government → Town Clerk → Public Documents → Boards and Committees → Docushare;
 - Discussion of amount of information is fluid; More pressing topic is ease of navigation; structure to be finalized for October meeting;
 - Minutes need to include list of all documents; do we need to include all documents in archiving; look at other committee minutes/documents to see what is done; folder for minutes important; not sure if we need monthly cash flow and Treasurer's reports
 - For ease of system navigation, is there a way to have HIT or Docushare access under "Government?"; can there be a link from the school committee web page?
- Karen Coll will be heading up posting and organization of information once the system is established

7. Meeting Calendar for 2019-2020

- A draft calendar for FY 20 was presented and discussed. Trust has historically met later in the month due to cash flow and treasurer information; quarterly review needed at end of month;
- Time/Day of meeting – Trust will continue to meet on Thursdays at 8:15am, if conflict with ALG meetings, delayed start time will be 9:15am.
 - December 5th will include an audit presentation; Tim will ask auditor to present at this meeting
- February 6 meeting will include presentations by Blue Cross Blue Shield and Harvard Pilgrim (prior to renewal);
 - Not plan design discussion, but BCBS and HP will present changes to programs offered
- Send additional agenda items to Chair directly for addition to future meetings;
- 8. Other Business Re: Harvard/Tufts merger; what does it do to cost and competition? Banding together is going to create less competition, but more buying power with providers. Everything is up in the air currently – impact to be seen; Sue will send updates as they are available
- Sue distributed Medex renewal information for Trustees to review prior to the Medex rate vote at the October meeting
 - Projected claims at \$962,000 for calendar year; actuarial trend is 2.6% - claims at \$986,000/admin fee 2% increase
 - 2.2 million dollars total cost; bump rates up by 8% to cover costs; still lower than BCBS recommended rate; does HIT use trust fund surplus to cover costs?
 - What has been done historically? Are BCBS and HP working to contain costs? Admin fee used to be a percent of paid claims

- Enrollment projection: 542 current enrollment; should projection include an increase in Medex population? Budget uses working rate and increase budgeted amount.

8. Motion to adjourn, seconded; Adjourned at 9:17 am by Chair

Handouts:

Meeting Agenda

Proposed Health Insurance Trust Working Calendar 2019-2020 (Petersen)

Proposed page for Acton Health Insurance Trust (Petersen)

AHT P&L Reconciliation (Harrison)

Treasurer's Report (Harrison)

AB Joint Trust Medex Renewal email (Shilue)

Health Plan Renewal Worksheet CY20 – Medex (Shilue)

Cash Flow Summary Review – Medex (Shilue)

Cash Flow Summary Review – July 2018 – June 2019 (Shilue)

Cash Flow Summary Review – July 2019 – June 2020 (Shilue)