

Acton Health Insurance Trust meeting minutes - September 23, 2010

Basic meeting agenda covered the approval of the previous meetings' minutes, discuss cash flow, discuss any school committee plans for their membership, interest in adding new health plans for fiscal year 12, discussion of the senior health refunds from the federal government, expected date for preliminary draft of audit, wellness programs, Young adult health care coverage, and our next meeting date.

Attendees: Bob Evans (BE), chair; Mike Gowing (MG), Sec.; Ruth Cvitkovich (RK); Tess Summers (TS); John Murray (JM); Peter Savage (PS); Marie Altieri (MA); Don Aicardi (DA).

Meeting called to order at 8 AM in the superintendent's conference room.

Motion was made to approve the minutes of last meeting; there were no changes in meeting minutes and were approved "as is."

(PS) Reviewing cash flow analysis, it appears that we are slightly in the black. Harvard Pilgrim and Blue Cross Blue Shield were doing well, Medex was on schedule and Master Health Plus had most of the claims.

(JM) What were the outstanding claims?

(PS) Still awaiting June and July with about \$6000 due back to the Trust.

(JM) The question was asked in the last month's meeting about having a treasurer present at the meeting from both the schools and the town. According to the interpretation of the law (a question arose whether the BOS and the School Committee constituted the government authority to change the law -- John will check in with town Council), they are responsible for reporting but not necessarily to be present.

(JM) John asked Peter if HSA accounts would be the next possible major change - Particularly, since there are differences in the union contracts between the town and the schools.

(PS) Peter noted that most people interested in the HSA accounts were young and healthy. If you pull the young and healthy out of the regular insurance plans, that leaves the sick -- which would drive up the cost of premiums even more.

(TS) Tess asked if Harvard Pilgrim offered an H.S.A. (Harvard Freedom).

(PS) Peter responded that Harvard Pilgrim is too localized and therefore not a cost-effective solution. If Blue Cross Blue Shield offered an HSA, similarly, it may be acceptable in other states than Massachusetts and New Hampshire.

(JM) We would have to look at changing the Trust bill, right now we are just changing rates. An HSA would require a lot of marketing.

(PS) You could look at doing an HSA on a premium based system like Blue Cross but it would be doubtful if they would allow it.

(BE) That a reduction in premium costs would reduce income overall and affect others. Going on to senior health refunds – Are our refunds returned to the town or does it flow to the trust? Peter will check on status.

(TS) Can Blue Cross and Harvard Pilgrim come in to discuss plans? Peter will schedule it -- each individually.

(JM) Harvard Pilgrim has 40 different HMO plans.

(PS) The hope is to reduce costs with shifts to managed care plans.

(BE) What about a preliminary audit?

(TE) Bill Fraher is the CPA that audits the programs.

(BE) What about wellness programs? We don't have anything offered -- who would coordinate? Things like smoking cessation, weight loss and stress management should be included.

(TS) Doesn't Blue Cross have a wellness plan?

(PS) They offer it but the difficulty is keeping it going. How do you determine whether you save money by implementing the plan? Most employees are enthusiastic in the beginning but the interest wanes. Most companies that engineer programs like wellness programs have someone designated as the point person to keep it going -- like a cheerleader. The towns and the schools don't have people in place to do that. It would seem that the unions would be better suited for that role.

(MG) The programs are useful only as long as they are used. It is difficult to quantify how successful a pedometer or smoking cessation plan is to overall health care cost reductions (particularly the premiums).

(MA) Marie supplied a memo to the Health Insurance Trust requesting that the trustees reconsider adding young adults, between the ages of 19 and 26, to the employees' health plans. The memo reflects that the law has a hole in it -- current coverage ends November 1 whereas new coverage wouldn't begin until July 1, 2011.

(BE) Young adults have to come off until July 1. Harvard Pilgrim is ending their coverage October 1 and Blue Cross November 1.

(TS) Would they have been dropped anyway under the old law?

(PS) Yes.

(TS) What about the health connector? Or COBRA? What about polling them?

(JM) The town has polled all of the employees and there are 34 who would fall into this category.

(MG) Do we have any idea how many on the school side would fall into this category?

(JM) According to healthcare.gov (handout was given out) on page 3 they indicate that adding young adult coverage would increase average family premiums by as little as .7%. I don't know if that is accurate.

(JM) Does anyone know when a handicapped person drops off of parents insurance?

(MG) It wouldn't apply; they would be picked up by Social Security.

(JM) The town has decided that 30 days before open enrollment, we will offer the adult child healthcare addition for January 1. We will do it with no adjustment to the rates.

(PS) Why can't everyone get it overall?

(TS) They can go on COBRA or the Connector, or if they want to, they can move to our plan during open enrollment.

(JM) We think it should be part of the rate setting with regard to union contract negotiation.

(PS) If we aren't changing any of the plans by more than 5%, we are grandfathered. If a child is covered under another plan, such as work, we don't have to. One of the things that impact the grandfathering is zero co-pay for healthy checkups.

(TS) So even if we change this, it still would be grandfathered.

Table vote on memo request -- the Trust voted not to reverse its earlier decision. (BE) noted that we are in compliance with state and federal law.

(MA) John, did you receive the notification from Harvard Pilgrim that they won't cover?

(JM) I don't remember.

(PS) None of the co-op's have done this -- no other municipalities are doing it. Any changes to the law will dictate going forward. If you change the Five dollar and 90 sent co-pays or 5% on contribution level, you will lose your grandfathered status.

(MA) The schools have two settled contracts (not the teachers), that have gone to 75/25 and Master Health Plus at 50/50, similar to the town. That represents half of the school employees.

(JM) Does it affect the grandfathering?

(PS) Possibly, yes.

(MA) In the end, all co-pays will be the same. How are you handling Master Health Plus in your new union negotiations?

(JM) We have gotten them to move from Master Health Plus to the less expensive HMO in exchange for percentage raises allowing a zero net increase. Although Master Health Plus is still showing "available," they are freezing Master Health Plus on all new hires and there is poison pill language if it is challenged in court, allowing us to reverse the raises.

(BE) When is our next meeting, October 28?

(DA) I think we have a conflict with the ALG, can we choose a different date? How about Wednesday, October 27 at 8 AM?

(All) That's acceptable.

(BE) I move that we adjourn.

Meeting closed at 9:20 AM.

Respectfully submitted,

Mike Gowing – HIT Clerk