

Health Insurance Trust Meeting – Minutes
Thursday, March 5, 2020, 8:15AM
Room 13 – Administration Building

Member Attendees:

Peter Berry, Margaret Dennehy, John Petersen, Steve Noone

Absent: Steve Barrett

Non-Member Attendees:

Marie Altieri, Jon Benson, Sue Shillue, Dave Verdolino, Todd Vickstrom

1. Meeting was called to order at 8:17am by the Chair;
2. Minutes of February 6, 2020 were unanimously approved (Motion: Peter Berry, Second: Margaret Dennehy);
3. Cash Flow – Cook & Co.
 - Front page contains combined cash flow, showing that cost exceeded funding by \$226,000;
 - One claim in January accounted for \$272,000. This will be refunded in its entirety due to exceeding the stop-loss limit
 - \$272,000 loss would not be reflected in revised projection; current projections of \$1.6 million will be closer to \$1.4 million;
 - Several minor errors were present in the cash flow document (administration fee, Medex contribution); an updated version will be posted on DocuShare once completed;
 - Blue Cross Blue Shield five-week month had an impact on actual January results, leading to an increase in variance at year end
 - BCBS accounts for 61% of total claims
 - Sue's report for 50% of stop-loss limit (\$62,500) claims accounts for under \$2 million
 - Trust consensus is that comments for Lasers will not be included due to the low number of PPO subscribers;
4. GIC Plan design and rate comparison – Cook & Co.
 - GIC has not made plan design changes for FY21; average premium rate increase is 5.1% (FY20 rate increase was around 3.6%);
 - HIT PPO does not have in-network deductibles at current time; Marie Altieri cited signed Memorandum of Understanding that all plans would incur a deductible; Marie will consult legal on how to implement missing deductible as of 7/1/20;

- Trust noted that PPO subscribers' cost-sharing is greater than other plans, leading to lower subscriber rate; PPO is priced relative to other plans, and therefore lead to a relatively low impact of deductibles;
 - GIC Benchmark is current Tufts Navigator plan;
 - Biggest differences lie in primary, specialist, pharmacy and hospital tiering
 - Hospital tiering is tied to increased usage of outpatient visits, increase of out-of-network outpatient providers, whose charges can vary by location for the same procedure;
 - IF HIT plans were mirrored to match GIC benchmark plan, estimated claims savings would average 3-4%;
 - Tiering is a large change, but there is a philosophy behind it; low-cost vs. high-cost
 - Migration to GIC plans
 - GIC offers 11 different plans, which run the gamut of rates; this makes it very difficult to predict migration to GIC, which is all-or-nothing;
 - Two examples given: cost estimate would be higher for migration to Tufts Navigator; lower for Unicare Plus;
 - GIC migration would be difficult in all facets (union negotiation, lack of BCBS options)
 - With no Laser subscribers, high-claims cost could be distributed across a larger pool;
 - The consensus of the trustees is that while comparing current plans to GIC is a valuable exercise, the lack of control in migration and plan design, as well as volatility in potential savings supports not moving to GIC; trustees agree to hold off on additional comparisons this year;
 - It is noted that district and town open enrollment schedules are aligned (April);
5. Blue Cross/HPHC Renewals – Cook & Co.
- Blue Cross Blue Shield were approached to re-negotiate their administrative fees;
 - BCBS administrative fee is fixed;
 - HPHC will revise down 4.5% based on current prescription drug rebates; HPHC would decrease fee by 11.2% if rebates are eliminated; Cost savings would be \$24,000 vs. \$57,000 in rebates, so this rate will not be explored;
6. PBM, Specialty Drug Update – Cook & Co.
- Utilization data and narrative as to how companies manage prescriptions and claims in more cost-effective means has been requested from BCBS and HPHC; will be presented at a future meeting;
7. Report on Southeastern MA Health Group Meeting – Petersen
- PBM carve out, unrestricted reserve, investment policy

- Attendance at other group meetings is beneficial to see others work through similar issues; gives clarity to current policies (contrast and compare); give thought to other vendors for services (audit, etc.);
 - SMHG is approximately twice the size of HIT;
 - SMHG's reserve is above 30%; aggressive rate changes and volatility led to communities leaving the group (Town of Berkley);
 - Pharmacy carve out is complicated; 76% of prescriptions are flowing through three companies; financial flow-chart gives clarity to cost and money flow;
 - Much more convoluted than generic vs. brand name drugs; single-source generic; moving things around changing economics about brand
 - SMHG rate voting was quick and lacked discussion due to large reserve;
 - When setting rates, it is important to compare and contrast costs with different proposals and to look at ratios to get a complete picture;
8. HIT Online (Town of Acton website)
- Link to Docushare website to be included and embedded in meeting agenda;
 - It is helpful to have the Docushare link in the meeting reminder email;
 - Should SMHG information be included in Docushare?
 - What does town do with similar information?
 - Trustees agreed that information discussed should be available;
9. Meeting Calendar through June 2020 (March 26, April 30, May 28, June 18), agenda items for next meeting – vote RFP stop-loss
- RFP can be presented in April, as Sue will have claims data at that time;
 - March 26th may be cancelled pending further developments; Trustees will be notified within a week;
 - Need for May meeting will be discussed by trustees at the April meeting;
 - June's meeting agenda will contain: Stop-loss vote, discussion on guidance for school district and town regarding future rates;
10. Motion to adjourn, seconded; Adjourned at 9:35am by Chair

Handouts:

Meeting Agenda

Cash Flow Summary Review (Shillue)

GIC Plan Comparison (Shillue)

Administration Fee Breakdown (Shillue)

Confido PBM Carve-Out Presentation (Petersen)

Southeastern MA Health Group Meeting Agenda (Petersen)