

## Health Insurance Trust Meeting – Minutes

### Thursday, September 17, 2020, 8:15AM

### Virtual Meeting

#### Member Attendees:

Steve Barrett, Margaret Dennehy, Steve Noone, John Petersen, Jim Snyder-Grant

#### Non-Member Attendees:

Marie Altieri, Brian McMullen, Sue Shillue, Dave Verdolino, Todd Vickstrom

1. Meeting was called to order at 8:16am by the Chair;
  - COVID-19 public gathering declaration was utilized to call meeting to order;
  - Selectman Jim Snyder-Grant is welcomed by the Chair as the newest member of the Acton Health Insurance Trust;
  
2. Approval of Minutes;
  - **Motion** to approve amended Minutes of June 18, 2020 passed via roll call (Motion: Dennehy, Second: Noone); One abstention (Snyder-Grant);
  
3. Treasurer's Report – Tim Harrison
  - Unaudited balance sheet effective June 30, 2020; auditors are working remotely
  - Balance sheet shows healthy balance, with total assets over \$6 million; adjustments to IBNR and additional re-insurance may happen by year's end;
  - Projected loss for FY20 is \$901,000; actual loss at \$832,000;
  - 2019 data shows an IBNR adjustment of \$65,000; other differences mainly in decreased interest income and loss of revenue from re-insurance; still tracking almost \$200,000 better than 2019;
    - Margaret Dennehy concurs with decrease in interest rates; concerns over Santander Bank and its fluctuating rating, but is ultimately satisfied with their response;
    - Santander funds are fully collateralized; Tim Harrison received confirmation annually in July;
  - Re-insurance loss factors in cost increase, more volatility of claims; one laser at \$730,000. Stop-loss coverage is voted in the spring; prior vote revealed a non-competitive market and volatile nature of claims; Trustees agree to look further at stop-loss provider information at subsequent meetings;
  - Level payments are made each month to insurance companies and are then adjusted quarterly based on carrier data and are reflected on the balance sheet; could be classified as an asset rather than a liability;
  
4. Cash Flow – Cook & Co.
  - Cash Flow Summary for claims through August 2020;
  - Variance for August is far greater than July due to reinsurance claim;

- \$101,766 is reimbursable for July, \$36,280 is reimbursable for August;
  - FY21 cash flow other costs field shows previous fiscal year stop-loss recoveries; audited financials and balance sheet will account for this in FY20,
  - Trust agrees on objective to provide guidance earlier in the year to assist with town and district budgets; ideally to set rates to be in line with reserve balance;
    - Various carrier rate increase proposals of 7% does not apply to self-insured plans;
  - Marie Altieri notes the difficulty in assessing high-deductible claims data for start of fiscal year; subscribers are paying more toward claims prior to hitting deductible versus later in the year; claims can be artificially low;
5. COVID-19 (discuss possible impact on Trust expenses)
- Sue Shillue has received COVID-19 related reports from BCBS and HPHC through June, 2020, showing a total of \$155,000 in claims for COVID testing and treatment for subscribers; 1% of total claims for FY20;
    - Full-year estimate of claims would be 4% of total, although there is uncertainty over the course of the virus (second wave, other factors);
  - Cost of testing fluctuates, and subscribers can educate to less-costly access to testing;
  - The spring saw a depression of elective surgeries and procedures; carriers are expecting a continuation of delays in services over the next year. Some potential services will never be utilized reducing Trust expenses;
  - There is no current discussion with carriers on cost of potential COVID-19 vaccine;
  - Dave Verdolino inquires if any of the \$155,000 could be reimbursed via federal funds?
    - Sue Shillue will present documents to Town and District (Steve Barrett and Dave Verdolino) related to COVID-19 testing to explore eligibility for reimbursement under the CARES Act;
6. Plan Design & Administration – Cook & Co.
- Carriers have not updated any aspect of plan design;
  - Health Insurance and plan design is negotiated through informal coalition between Town/District and various unions, administrative and board representatives; last agreement ended June 30, 2020;
    - Outside of formal negotiations, there is not much to offer in regard to negotiations; Trust will discuss the possibility of a one-month premium holiday for negotiations;
7. Discussion of Policies – Reserves & Investment
- Reserve policy will not be discussed, but should be in place by end of 2020;
  - Investment policy draft is fashioned after district policy; Trustees to review policy and send comments to Margaret Dennehy before next meeting

8. Meeting Calendar for FY21

- HIT will meet on 10/15 at 8:15am prior to next school committee meeting; (post-meeting note the October meeting was rescheduled to 10/22);
- Sue Shillue will present updated cash flows; Trust will discuss initial rate-setting guidance for FY22; Trust will vote Medex and Tufts premium rates in advance of retiree open enrollment;
- Current audit firm is rolling back services; Margaret Dennehy asks for Trust to explore other options for auditing firm; Trust position is that current Town and District auditor will not be utilized;

9. **Motion** to adjourn (Noone); seconded (Snyder-Grant); approved via unanimous roll-call vote; Adjourned at 9:20am by Chair

**Handouts:**

Meeting Agenda

Draft HIT Minutes – 06/18/2020

Cash Flow Summary Review – August 2020 (Shillue)

Acton HIT Treasurer's Report – June 2019 – June 2020 (Harrison)

Draft Acton HIT Investment Policy – June 2020