

Health Insurance Trust Meeting – Minutes

Thursday, October 22, 2020, 8:15AM

Virtual Meeting

Member Attendees:

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

Non-Member Attendees:

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

1. Meeting was called to order at 8:17am by the Chair;
 - COVID-19 public gathering declaration was utilized to call meeting to order;
 - School Committee member Evelyn Abayaah was introduced as a non-member attendee

2. Approval of Minutes;
 - **Motion** to approve Minutes of September 17, 2020 passed via roll call (Motion: Snyder-Grant, Second: Noone)

3. Cash Flow – Cook & Co.
 - Updated Cash Flow for claims through September 2020;
 - September was a five-week payment month for HPHC claims
 - The variability in September is balanced by the total claims experience and balances for the third quarter (July, August, September 2020);
 - Cost breakdown by plan shows \$313,000 deficiency;
 - Medex and HPHC High Deductible plan are showing a surplus
 - Stop-Loss Recoveries have decreased since July, reflecting the end of FY20 recoveries; FY21 reinsurance claims have not yet begun;
 - Impossible to project other cost recoveries, as reflected in original paid claims projection; paid claims include estimate of net;
 - Variability in HSA plans often lead to unpredictable claims experience; variability also exists from plan to plan;
 - Overall subscriber base can lead to more stability; no differentiation in family size can lead to adverse selection with variability;
 - Pool is too small; rates would only be different if fundamental cost of care differences exists;
 - BCPPO pool is small and is reflected in claims experience;
 - Can smaller HPHC pool be rolled into BCBS? AHIT is self-insured, and a combined pool would still encounter the same claims experience and cost;

4. Rate Setting – Votes: Medex; Tufts Senior Plan
 - PDP is not self-insured; original projection of 551 subscribers at \$328.50 per month;

- Prior 12 months of claims are lower than expected as there was a decrease in paid claims for April, May, and June; the annualized rate is still lower than expected;
 - Renewal projection column takes 2019 and 2020 into consideration; 33% credibility for 2019 claims, 67% credibility for 2020 claims;
 - How much of the claims experience is related to subscribers not seeking care due to COVID-19? Will this continue in 2021?
 - How many of the claims are COVID-19 related? Claims sheet is not broken down by plan;
 - Medex total projected cost is 2.3 million; current rate of funding would be deficient; new rate should take fund balance and trust policy into consideration;
 - Medex typically runs a small profit for the trust, but should ultimately net out even, and a small loss would be acceptable; \$100,000 surplus should not be adjusted too quickly, as it could lead to the rate being too low, and require bigger adjustment up in future years;
 - Margaret Dennehy suggests keeping the rate steady seems reasonable given the uncertainty of future claims experience due to COVID-19;
 - **Motion:** Jim Snyder-Grant motions to keep the 2021 Medex rate the same as the 2020 rate (\$328.46 per month); Second (Dennehy); approved unanimously via roll-call vote;
 - Trust approves Medex rate of \$328.46 per month for 2021;
 - Tufts Medicare Preferred plan is community rated, and Trust does not set the rate; current rate increase is 4.4% (\$332 per month); no vote required to accept new rate;
5. Discussion of Budget for FY22, Calendar for Rate-Setting
- Acton Town Meeting and budget has been delayed; Trust would like to know when towns would like budget guidance;
 - HIT will project health rates but will not be bound to projection; guidance should be as close to final number as possible;
 - Acton town budget projected to be completed by 3rd week of December; December 3rd HIT meeting will discuss providing rate guidance to entities;
 - Insurance rate voting on February 4th will be sufficient for entities' new deadlines;
 - Proposals needed for new auditors in March;
 - Stop-Loss proposals needed in March for a vote in June; Trust should look to bring in more quotes for FY22, as there was only one for FY21;
 - All other items to be sent to John Petersen;
6. Annual Audit – review draft
- Margaret Dennehy will check on the status of the audit draft;
7. COVID-19 (discuss possible impact on Trust expenses)

- Sue Shillue provided an updated COVID-19 related claims report for BCBS; HPHC not available
- CARES Act reimbursements and general strategy;
 - CARES Act funds are with Town of Acton and not the district; Steve Barrett is town point person for dissemination of information on funding; Town of Boxborough has also received funds;
 - Funding should ideally flow from towns to district in fair and appropriate manner, and need to be requested by the end of 2020;
 - Information on funding to be given to Dave Verdolino and Steve Barrett in a timely fashion to ensure proper processing time;
 - HIT would be sub-grantees under law;
 - Three items required for reimbursement:
 - Cover letter with calculated costs;
 - Certification form;
 - Copies of invoices backing up reimbursement claim;
 - Steve Barrett will work with Margaret Dennehy and Dave Verdolino to obtain required documentation; need to ensure there is no HIPAA violation within documentation;
 - Sue Shillue will set up a call with BCBS and HPHC to inform them of the need for documentation to see what they can provide; Steve Barrett will participate in this call;
- Jim Snyder-Grant notes that claims have been lower as a result of COVID-19 and asks why seek reimbursement?
 - Sue Shillue notes that claims experience from March through August totaled \$248,000; the reduction in claims is due to a reluctance to seek preventative services and some claims reductions will not occur again; other procedures have been put off and will be realized in the future;
 - Dave Verdolino notes that a significant allocation of money must be spent on COVID-19 related expenses between 3/2020 and 12/31/2020; if awarded, funds would allow a restoration of reserves as others are being depleted;
 - If funds are distributed, they can be re-distributed fairly with general funds;
 - District has realized large costs associated with COVID-19 and school preparation (remote staff hires, PPE, etc.) that would qualify for CARES funding; will work offline with town finance;
 - If Trust ends up with a surplus, it could funnel funds back to entities via insurance premium holidays;
- HPHC presented Trust with plan amendment in October to cover COVID-19 related telemedicine services in full; BCBS did not supply Trust with the same amendment; additional language in letter present for enrollment timeframe, with 60-day special enrollment period being disregarded; Trust assumes additional risk due to uncertainty;

- Marie Altieri notes that Trustees can design the plan due to self-insured nature, with modifications potentially adding costs to administrative bucket;
 - Sue Shillue notes that plan can be customized, but entities are ultimately responsible for plan design;
 - **Motion:** Margaret Dennehy moves to accept the HPHC plan amendment as described by Sue Shillue; Second (Snyder-Grant); approved unanimously via roll-call vote;
 - The Trust has accepted HPHC plan amendment as described by Sue Shillue;
8. Discussion of Policies – Reserves & Investment
- No issues discussed
9. Agenda Items for December, Meeting Calendar for 2020-2021
- Next meeting of the Acton Health Insurance Trust will occur on Thursday, December 3rd at 8:15am;
10. **Motion** to adjourn (Dennehy); seconded (Noone); approved via unanimous roll-call vote; Adjourned at 9:32am by Chair

Handouts:

Meeting Agenda

Draft HIT Minutes – 09/17/2020

Cash Flow Summary Review – September 2020 (Shillue)

2021 Tufts Plan Highlights – ABRSD

2021 Tufts Plan Highlights – Acton Public Schools

2021 Tufts Plan Highlights – Town of Acton

Tufts HMO Prime Rx Document

ABJT COVID Claims Detail Dashboard

Acton Medex 2021 Document

COVID-19 Harvard Pilgrim Plan Amendment

HIT Working Calendar