

Approved H. I. T. minutes from October 27, 2010

Basic meeting agenda covered the approval of the previous meetings' minutes, discuss cash flow, discuss status of the audit, discontinuation of HPHP Freedom Advantage plan, presentation by BCBS, and discuss extraordinary changes anticipated for FY12, 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); Don Aicardi (DA); Christine Conway (CC) & Tanya Chakmakian (TC) of BCBS.

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) We are doing well in most of the plans (\$5M) except Master Health Plus, which is the only one behind.

(JM) What health insurance changes should we anticipate for next year?

(TS) Here is the auditor's report from Bill Frater, CPA.

(BE) Who should we send questions to?

(TS) Me.

(BE) Who knows about Harvard Pilgrim's Freedom Plan?

(JM) They will be terminating the plan effective July 1, 2011. There are about 21 members who are affected (retirees).

(PS) What are the 21 plan members going to do? Medex and Tufts Medicare preferred are the alternatives that are more expensive.

(RK) May I ask a question? I think that Blue Cross Blue Shield is only Massachusetts. When July comes, what will happen for out-of-staters? Will they see a balloon premium? Is their only option Medex?

(TC) There are a couple of plans, both HMOs and PPOs, as replacements managed by and for seniors as supplemental. What will happen to Medex? Routine physicals are probably going to be included the costs shouldn't show up until July of 2012.

(PS) We should be looking at three-tier drug programs going forward. Consider adding another program in July because of the loss of Freedom Advantage.

(JM) We allow seniors in the plan in January -- what about Humana?

(PS) There are tons of plans available.

(JM) They don't provide national plans -- what can we offer?

(TC) Medicare PPO as higher deductible and costs, but co-pays are higher and there is no Medicare advantage plan.

(JM) The Medex plan is a more expensive plan than the Harvard plan.

(PS) Obama wants to get rid of the advantage plans. Medex plan adds an adverse solution. We should look at all the plans during open enrollment.

(JM) There are 22 people in the plan.

(RK) The members are comfortable with the bridge product. Only two people have to go to Medex. Harvard Freedom wasn't accepted by all doctors.

(PS) Two quotes -- one matching, one higher. I think you should wait and see what works. I think you need an HMO plan limited where you can use it. Providers may not cover.

(JM) Most of our people are good. I think we should wait and see what comes out.

A motion was made to not replace the Harvard advantage plan at this time – passed unanimously

(CC) HRA -- when using a vendor of BC BS determines what role the care receiver gets. It tackles the rising cost issue. HRA pairing usually is a \$500 deductible; most are \$1000 deductible.

(JM) I thought HSA minimums were higher.

(CC) This is an HRA -- the government requires an HSA as well.

(JM) Do you mean a minimum? What's the difference between a PPO and this in network referral?

(CC) Some features are not subject to the deductible. With an HSA plan (provided a handout) pharmacy included -- no co-pay, full cost. This has been offered since 2004 -- CDH plan, HRA and HSA.

(JM) When evaluating the plans, when the dust settles, what is the cost differential?

(CC) Not aggregate, savings per individual?

(JM) How would you know how much it would cost before entering the plan? Give me a number. The issue is total cost. Shifting costs around doesn't help the employee.

(PS) With a flexible spending plan, it has a small impact. The balance -- do they hold onto cash at the expense of their health?

(JM) It is a valued decision -- at the consumer level. The law of unintended consequences holds true by putting off healthcare.

(CC) Our surveys show that people don't forgo care when they have an HRA/HSA account. How do we continue the savings? The employer is covering so why should employee worry?

(JM) Will my premium go down enough to offset by deductible? Adverse reaction is that we derive our healthy people out of the plan thus making the other plans untenable. Can it be offered at a premium basis?

(TC) All of the plans on a premium basis?

(CC) Deductibles. Everything applies except preventative. People are basically saving (HSA) to cover deductibles. Alternative services have to have a communication plan.

(JM) Has the banking industry made money? Who takes this? The average 60-year-old isn't likely to take it.

(CC) It depends entirely on the population.

(BE) Can we go back to MRIs? Which rate -- discount or full?

(CC) Discounted. HSA is the fund going forward (rollover) they shouldn't pay upfront.

(JM) Interested in an HSA with a model change in distribution.

(JP) What is the projected return on the HSA?

(MG) What is the percentage?

(CC) \$33,000 out of the \$400,000 (CDH).

(JM) Do you have people who are taking advantage of the system?

(CC) I think it is aggressive.

(JM) How long is the communication plan?

(CC) Six months.

(PS) In the public sector, I don't think it is a good plan because of the unions.

(JM) It takes a two year educational process in the plan to get the message fully to the employees. Education is the key -- covering catastrophic care, we can discuss it.

(MG) Like a 401(k) program.

(CC) 125 match -- if they walk away.

(TS) Does it become premium based?

(TC) No.

(JM) Shorter-term benefit -- we would have a discussion around cost transparency. It's around total compensation -- it all flows back to you.

(CC) Consumerism -- wellness workshops, education, reeducation.

(JM) Should Wellness University educate consumers on cost analysis?

(TC) Pam (BC BS) will train people. The training is mandated.

(CC) Is everyone using the BC BS website?

(JM) Will BC BS do an explanation of benefits (EOB)?

(TC) No, it is too much work.

(BE) Is there anything that they can send?

(TC) There is a report, I will send it to Tess.

(JM) Are there any tools that you can provide?

(CC) There are videos and software tools.

(MG) What kind of software tools?

(CC) Coverage advisory tool -- it is a consumer tool.

(JM) Can we get an HSA rate quote?

(TC) HSA plans could be used (wrongly) to pay for other things.

Christine Conway had to leave at this point; Tanya Chakmakian stayed on.

(PS) People are afraid to move out of MHP plans. How many changes were made to the plans? You may not be grandfathered.

(JM) We went from 20 to 25.

(PS) Then you won't be grandfathered. It is the zero dollar co-pay for preventative that keeps you out.

(TS) About 1.5 points as a guesstimate.

(JM) How many adult children would be added to the programs?

(PS) Less than 10%.

(TC) 286 in Net Blue and 77 Blue Care Elect.

(RK) Approximately 15 fall into this category on the school side.

(JM) If we have 50 on a thousand, is needed for budget -- what percentage?

(PS) Save 10% on claims, it will end up being all retired folks.

(JM) PPO versus MHP?

(PS) Most municipalities have moved to PPO instead of MHP.

(JM) Look at the aggregate -- if all moved to the new plan, it would be around \$200,000. What is inflation for next year?

(TC) 11% for HMO and 14% for PPO increase for next year.

(JM) What are we (Don) going to put in for inflation? Right now, we're carrying 10 -- should it be 12? Eight?

(JP) It should be eight. If we are under now, we should bring it down.

(TS) Last year we went with 10 and later lowered it.

(PS) What is the trust balance?

(BE) \$2.961 million.

(JM) We are just now going through the budget numbers.

(PS) I could go with eight.

(BE) I wouldn't go below nine. I'm looking to the trustees for their guidance.

The trustees voted to set it at nine. Passed unanimously.

(BE) When do we need to meet again? Do we need a meeting in November? If not, our next meeting would be December 16. Agreed?

The next meeting is scheduled for December 16 at 8 AM in the superintendent's conference room.

(PS) RDS recovery -- two applications BC or HC.

(BE) I move that we adjourn.

Meeting closed at 9:20 AM.

Respectfully submitted,

Mike Gowing – HIT Clerk