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Minutes of the Health Insurance Trustee Meeting

April 25, 2013

8:00 a.m.

JH Principal's Conference Room

Members Present: Bob Evans, Kim McOsker, Steve Barrett, Mike Gowing, and Tess Summers

Also Present: Tim Harrison, Peter Savage, and Tanya Chakmakian

The meeting was called to order at 8:00 by Chairman Evans.

Approval of Minutes: The minutes of the February 28, 2013 meeting were approved as submitted.

Treasurer's Report: Tim Harrison presented both the February and March 2013 balance sheets and detailed income statements. There was discussion on reconciling the information between treasury and Cook and Co reporting. It appears the variance is due to credit due from Harvard Pilgrim on the quarterly reconciliation. Both Messrs. Harrison and Savage reported Harvard Pilgrim had not forwarded the quarterly reconciliation as of this date.

Financial Update: Peter Savage presented new cash flow summaries thru March. These reports show a combined, revised projection of positive \$168,588 at this time. He noted the trust has actually lost approximately \$1,500,000 for 2013. This loss has been offset by reinsurance reimbursements of over \$2Million received from the previous year's claims.

Mr. Savage will prepare an RFP for reinsurance coverage for 2014.

Master Health/Blue Care Elect Indemnity Plans: The trustees discussed the process of offering one indemnity plan. Mr. Savage responded the change would need to be negotiated with unions. It was noted both plans are national plans, and Blue Care Elect offers 10-12% better negotiated rates for services. There currently are 18 members in the Master Health Plan, and three are active employees. Ms. Chakmakian reported meeting with Town of Acton employees individually to review details of each plan. The trustees agreed this should be done with the active and retired employees on the MHP plan. The town and district treasurers were asked to work with Blue Cross in setting up a time to meet individually with these subscribers.

Alternative Drug Coverage for Medicare Retirees: Tanya Chakmakian presented summary information on senior products offered by Blue Cross, and National Health Care Reform changes to coverage effective July 1, 2013. The trust currently offers Blue Cross Medex 3, and the trustees requested information on other Blue Cross plans for retirees. Tanya presented three options – 1) Medicare HMO Blue/Medicare PPO Blue, 2) Managed Blue for Seniors, and 3) Medex 2 Plus Blue

Medicare RX. After discussion, it was agreed that town and school HR departments should be consulted, and a conference call arranged with BC implementation staff to review the details of these programs.

Blue Cross is issuing a one page report of changes due to National Health Care Reform, and Tanya will forward a copy to the trustees when it is available.

FY14 Contracts: On the motion of Mike Gowing, seconded by Kim McOsker, the following contracts were approved for FY14:

Treasury Services – Borgatti Harrison & Co - \$19,320

Bill Fraher - CPA audit - \$9,000

Cook & Co. – consulting - \$24,000

Cook & Co. – in house personnel - \$20,000

Cook & Co. – Retiree Drug Subsidy - \$4,500

Next Meeting Date: The next meeting of the trustees will be held on June 20, 2013, unless there is a need for a May meeting

The meeting was adjourned at 9:50 a.m.

Respectfully submitted,

Sharon Summers, Trustee/Secretary