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Minutes of the Health Insurance Trustee Meeting

TOWN CLERK, ACTON

June 20, 2013

8:00 a.m.

Superintendent's Conference Room - Junior High

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

Also Present: Peter Savage, Marie Altieri and Ruth Cvitkovich

The meeting was called to order at 8:04 by Chairman Evans.

**Election of Officers:** Mr. Barrett moved, and Mr. Gowing seconded the nomination of Mr. Evans as chair for FY14. No other nominations were received, and Mr Evans was unanimously elected to serve as Chair. On the motion of Mr. Barrett, seconded by Ms. McOsker, Mrs. Summers was nominated to serve as Secretary. No other nominations were received, and Mrs. Summers was unanimously elected to serve as Secretary.

**Approval of Minutes:** The minutes of the April 25, 2013 meeting were approved as submitted.

**Financial Update:** Mr. Savage presented the cash flow summary thru May. The revised projection shows a positive \$279K at this point. There have been over \$2 million in reinsurance recoveries, mostly from prior year claims, that have created this year's positive projection.

Level monthly payments to both Harvard Pilgrim (HP) and Blue Cross (BC) were discussed. Mr. Savage is negotiating with HP to lower the monthly payment to \$360K from \$462K. BC has increased the level monthly from \$812,900 to \$852,300 and may decrease the amount after first month actual claims are received.

**Reinsurance Bids:** Mr. Savage reported a reinsurance invoice in 2012 had been retracted and was rebilled after the 18 month contract date. This has created a reinsurance overpay situation to be resolved. For this reason he recommended going to the 12/24 contract from the 12/18 contract.

The trust received three proposals for FY14 reinsurance. Mr. Savage prepared an analysis of the proposals, and recommended the trustees accept a \$125K specific level on the 12/24 contract basis from BC. Monthly rates for individuals is quoted at \$33.32, and for family, \$79.60. After discussion of the various proposals, Mr. Gowing made a motion to accept the \$125,000 proposal from BC with 12/24 contract. Mr. Barrett seconded the motion, and it was unanimously voted.

**Indemnity Insurance and Alternative Drug Coverage for Medicare Retirees:** Mr. Barrett asked if this item could be moved to the next meeting as additional time is required. Mrs. Altieri noted that school HR has met with Master Health Plus (MHP) subscribers and that one active member remains on the schools' plan. Mr. Barrett reported the Town has frozen membership in the MHP

plan for new employees. Mrs. Altieri noted a change in the two spouse rule for school employees to move these employees in line with payroll deductions of other employees by 2015.

Mr. Savage reported that Employer Group Waiver Plans (EGWP) would lower cost for Medex subscribers. It would require going from Medex 3 to Medex 2, with separate prescription drug coverage. The Retiree Drug Subsidy (RDS) would no longer be received with this change. Mr. Savage will obtain a disruption list from BC for the next meeting to see if there are drugs that would not be covered for our members. Steve Barrett, Marie Altieri and Marianne Fleckner will continue to look into this option, and report at the next meeting.

Mr. Savage will forward information on fees to be charged the trust per the Affordable Care Act.

**Next Meeting Date:** The next meeting of the trustees is scheduled for September 26, 2013 at 8 a.m. in the Superintendent's Conference Room at the Junior High.

The meeting was adjourned at 9:30 a.m.

Respectfully submitted,

Sharon Summers, Trustee/Secretary