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Minutes of the Health Insurance Trustee Meeting

November 21, 2013

8:00 a.m.

Superintendent's Conference Room  
R.J. Grey Junior High

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

Also Present: Tim Harrison, Ruth Cvitkovich, Marianne Fleckner, and Don Aicardi

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

**Approval of Minutes:** The minutes of the October 17, 2013 meeting were approved as submitted.

**Treasurer's Report:** Tim Harrison reviewed the September 30, 2013 reconciliation with Cook and Co reports. One variance between the reporting is the school prepaid revenue that is available for July and August payments. Auditing costs and treasury costs are also not reported in the Cook reports. The trustees agreed that the only times these two reports can be reconciled is the end of a quarter, when quarterly settlements have been received from Blue Cross and Harvard Pilgrim. The trustees will meet with Mr. Harrison in February to review the treasury reports and to reconcile the December 30 quarter.

**Discuss Cash Flow Report:** The trustees reviewed the October 2013 cash flow summary report presented by Mr. Savage. The report shows a projected loss for FY14 of \$272,058. Mr. Savage reported that claims have been lower for the year, and there has been one claim that exceeded the reinsurance level. There is \$37K due the trust for reinsurance reimbursement.

Mr. Savage reported that consultant Wendy Larson will be starting at school and town locations on Mondays and Fridays after Thanksgiving. This is a temporary measure until a permanent solution is found.

**Early Retiree Plan:** Mr. Evans reported the request to seek alternative plans was withdrawn after it was learned the number of retirees in other states (5) was insufficient to support an additional plan.

**Comparison with Self-insured Trusts:** Mr. Savage asked for additional time to present this information. Mrs. Summers gave information on the Minuteman Nashoba Health Group rates and costs to Mr. Savage.

Mr. Gowing asked that information be obtained from Boxborough on the number of individual and family members coming to the trust in July, as well as claims information for the Boxborough group. Mr. Aicardi reported the receipt of this information for FY15 budget purposes, and stated he would

share the information with the trustees. Mrs. Summers will contact the Boxborough Treasurer to seek claims information for the Boxborough group.

**FY13 Audit:** The trustees reviewed the draft audit, and the MD&A section presented by Chairman Evans. Auditor Bill Fraher made an adjustment to decrease the IBNR by \$200K from the previous year. This was due to favorable claims history at the end of the year. The trust does show a net loss for FY13 of \$731,553. This is greater than the loss of \$583,879 for FY12. The number of subscribers in the plan was 1,170 as of June 30, 2013. This is a decrease of 26 subscribers from the previous year. The trustees thanked Chairman Evans for the thorough MD&A which will be included in the audit. Mr. Barrett questioned revenues going down by 4.7%, and will contact Mr. Fraher for an explanation. It was felt this was due to transfer of subscribers from indemnity plans to HMO accounts, and movement to Medex coverage.

On Mr. Barrett's motion, seconded by Mr. Gowing, it was unanimously VOTED to accept the FY13 audit presented by Bill Fraher, CPA.

**Medex 2 and 3 Discussion:** The trustees asked for more clarification from the town and school on this issue. There was disagreement on whether discussion should occur with active employees as well as retirees. There is also concern that retirees were given assurance that change in health insurance would not be considered until FY16. The trustees will wait for Mrs. Fleckner and Mrs. Altieri's recommendations, and will place on a future agenda.

**Health Insurance Rep:** The current temporary solution will need to be resolved in early 2014. The trustees discussed the issues involved in hiring someone to work for the trust vs having an independent consultant. The trustees asked Mrs. Fleckner, Mrs. Altieri and Mrs. Summers to review the need for additional time, and report back at a later meeting.

**Next Meeting Date:** The next meeting of the trustees is scheduled for December 19, 2013 at 8 a.m. in the JH Superintendent Conference Room.

On the motion of Mr. Gowing, seconded by Ms. McOsker, the meeting was adjourned at 9:10 a.m.

Respectfully submitted,

Sharon Summers, Trustee/Secretary

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Also Present: Tim Hamison, Ruth Cvitkovich, Marianne Fleckner, and Don Aicardi

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