

Minutes of the Health Insurance Trustee Meeting

February 27, 2014

8:00 a.m.

Superintendent's Conference Room

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

Also Present: Peter Savage, Ruth Cvitkovich, and Don Aicardi

The meeting was called to order at 8:03 a.m. by Chairman Evans.

**Approval of Minutes:** The minutes of the January 30, 2014 meeting were approved as submitted.

**Treasurer's Report:** The report from Borgatti Harrison for the January 31, 2014 period was received and reviewed. The report includes a balance sheet and detailed revenue and expenses by plan.

**Cash Flow Report:** Peter Savage presented the January 2014 cash flow summary report showing a projected deficit for the year of \$109,214. He noted that \$60,000 is due the trust in reinsurance reimbursements, and that most recoveries are for the current year. Medex enrollment was originally projected at 367 memberships, and is currently at 381.

**FY'15 Rates:** Peter Savage presented proposed renewal rates of 5% for indemnity plans and Medex, and 8% for HMOs. These rates include projected costs of \$80,000 for implementation of the Affordable Care Act. Concern was expressed by Mr. Evans and Ms. Summers that reserves were depleted in the two previous years, and that rates should be increased more than the recommendation. The current reserve rate is between 14-15%, and trustees have previously recommended 20-30% in reserves. After discussion, on the motion of Mr. Gowing, seconded by Ms. McOsker, it was unanimously VOTED to increase rates for Master Health Plus, Blue Care Elect and Medex by 5%, and to increase HMO rates by 9.5%. Mr. Savage will calculate the FY15 rates and send to trustees.

**FY15 Contracts:** The current contracts for treasury services and CPA services run through June 30, 2015. Quotes for in house rep, consulting services, and RDS services will be forwarded by Cook & Co.

Mr. Evans noted this is the last meeting for Ms. McOsker, who will be replaced by another school committee member at the next meeting. The trustees noted with appreciation Ms. McOsker's service and wished her well in her future endeavors.

**Next Meeting Date:** The next meeting of the trustees is scheduled for May 1, 2014 at 8 a.m. in the JH Superintendent Conference Room.

On Mr. Gowing's motion, seconded by Mr. Barrett, it was unanimously VOTED to adjourn the meeting at 8:47 a.m.

Respectfully submitted,

Sharon Summers, Trustee/Secretary