

Health Insurance Trust Meeting – Minutes

Thursday, April 27, 2023– 8:15 am

Member Attendees:

Steve Noone, Margaret Dennehy, Himaja Nagireddy, Theresa O’Leary, Andrew Schwartz

Non-Member Attendees:

Lena Jarostchuk, Sue Shillue, Marie Altieri, Marianne Fleckner, Tim Harrison

1) Call to Order;

- Meeting was called to order at 8:18 am by the Chair

2) Tim Harrison- Two year contract

- There was a motion to renew the Borgatti Harrison and Co. contract for Treasury Services for FY24 and FY25. The motion passed unanimously.

3) Cash Flow – Sue Shillue, Cook and Company

- Sue presented the year to date cash flow with claims through March. Variance shows a deficiency of \$1.3 million. Abacus costs are over \$92,000. Majority are claim costs for the prescription drugs, not an additional cost. We are paying the copayments for these drugs. We will receive the first quarterly rebate check of about \$3050 in a few weeks. Abacus claims- they are not broken out by plan. We could ask them to do it, but right now they are embedded in “other costs.”
- Utilization. Through March, three people have reached stop loss limit of \$175,000. The total excess claims over the limit total \$164,000. Last year we also had 3 people at this time, by end of year we had five, with a total of \$538,000 excess claims.
- Currently, 15 people are over the 50% stop loss limit with total claims of 2.5 million. Last year, we had seven people over 50% with total claims of 1.6 million. We have over twice the amount of people at 50% with about \$900,000 higher claims than last year.
- Sue stated that across the board, all of her groups have increased utilization this year. Much is attributed to COVID bounce-back. People delayed services and are now getting routine and elective care postponed during the pandemic.
- Sue shared a spreadsheet showing utilization. Looking at a two year period, the number of claimants either stayed the same or went down, but the costs went up. The unit price of services is escalating. Providers lost money during COVID and now the cost is increasing.
- Sue again reiterated that we will need to look at the differential between types of plans and tighten up the difference between the HMO and High Deductible plans, as well as considering other changes.

4) End of Public Health Emergency

- Sue Shillue stressed the importance of keeping the Harvard Pilgrim and BCBS coverage consistent and making sure we keep employees informed of any changes regarding coverage now that the health emergency has been lifted. For BCBS, COVID tests ordered by a provider and vaccines will continue to be covered. The only change is that OTC COVID tests will no longer be covered.
- Marie Altieri clarified that Massachusetts has requirements that we could opt out of because we are self-insured. If we opted out with HPHC, we would not be consistent with BCBS.
- Marianne Fleckner: Does not wonder why we don't have an option with BCBS. Her question is how will this affect our bottom line.
- Sue Shillue stated that BCBS could change the policy if we want to. Our COVID costs have not been significant. The easiest option is to *not* opt out. OTC tests are not covered, but everything else is. This would only be until the end of the state guidance. As a self-insured plan, we must follow federal but not state.
- It was decided not to opt-out of the state guidelines with HPHC.

5) Discussion and Vote on Consulting Services Vendor

- At the request of the chairperson, each member share their thoughts and scores on the vendors who presented their proposals.
- Himaja Nagireddy shared her observations and said goodbye to the board and thanked them. The Trust members thanked Himaja for all her work, and wished her well.
- It was generally agreed that Cook and Company has served us well and that Gallagher has experience managing various models and may bring us more opportunities for stop-loss insurance and pharmacy options.
- A motion was made to enter negotiations with Gallagher for independent insurance broker services. The motion passed unanimously.

6) Approval of Minutes;

- Minutes from March 23, 2023 meeting were unanimously approved.
- Minutes from April 13, 2023 meeting were unanimously approved.

7) Discussion of Policies – Reserves & Investment

- No new discussion

8) Meeting was adjourned at 9:26 am. The next meeting will be on Thursday, May 25, 2023.

Handouts:

Meeting Agenda

Borgatti & Harrison Proposal

Acton Contract Service Representative 2023

Draft HIT Minutes for March 23, 2023

Draft HIT Minutes for April 13, 2023

Acton HIT March 2023 Cash Flow – Cook & Co