

# Acton Health Insurance Trust

Thursday, November 30, 2023 – 8:28 AM

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## Member Attendees:

Chair: Steve Noone, Finance Committee  
Clerk: Andrew Schwartz, School Committee  
Yanxin Schmidt  
Melissa Andrew, ABRSD Treasurer (Remote)  
Theresa O'Leary, Town Tax Collector (Remote)  
Alissa Nicol, Acton Select Board Representative

## Non-Member Attendees:

Peter Light, Superintendent  
Andrew Shen, Deputy Superintendent  
Sherri Matthews, Director of Finance and Operations, ABRSD  
Marianne Fleckner, Director of Finance for Acton  
Diane Laflash, Gallagher Representative  
Marian Gil, Gallagher Representative  
Lucy MacCallum, Gallagher Representative  
Mike Balulescu, ABRSE President

## Minutes:

- Call to Order
  - Meeting was called to order at 8:28 am by the Chair.
- Approval of Minutes
  - Motion – Alissa
  - Second – Theresa
  - Voted Andrew – yes, Alissa – yes, Theresa – yes, Melissa – yes, Steve – yes
- Introduction of new Gallagher (GBS) team
  - Diane Laflash
    - Consultant for Gallagher
    - Municipal focused, districts across Mass
    - Have worked in some extent with Anthony
  - Lucy MacCallum
    - Area President for Gallagher
    - Moving forward Chris and Anthony are no longer affiliated with Gallagher
    - Lucy will be handling the transition
    - Diane will step in to replace them
    - Q: With the recent engagement of Gallagher with the HIT, and the exceptional situation we're in, the decision to create this transition is perilous
      - A: "I want you to understand that this was not Gallagher's doing, it was their choice to leave, it was not our decision, it was there's to move forward."
      - "I feel extremely positive that the day-to-day is going to be covered. Diane and Marina were in the background handling things with Acton and that you're in good hands. We're also looking to add an additional lead for the account. Potentially there's another lead to the account. I'll let everyone formal communication when that's confirmed"
    - Q: I know people choose to leave, what I don't understand is the abruptness of the transition. There seemed to be no opportunity for a handoff. I would have expected that the guys would have been able to give notice and provide a more smooth transition
    - A: I can appreciate this – when a decision like this comes down it can be a shock. We would need to prepare for this and make change. We have a policy with producers that when they give notice they shut down access in the potential of a competitive

- situation. It's difficult in that situation when they choose to resign. We don't plan for these things, we were caught off guard, but we have confidence with our team

  - Q: This isn't a question about what happens, more about the path forward. This is a very tenuous situation. The current plan costs us millions of dollars, we have a very short timeline to make significant decision for our communities and employees. During the transition what is the plan to have information fast that we can rely on and trust.
  - A: this is where I would provide the team with more information. We are trying to work quickly to bring in additional consultants to get next steps together. (Diane) we have hit the ground running – from Medex to PBM to additional programs to introduce as well.
  - Q: The transition, again within the lens of our current situation, is pushing this further towards crisis. I am more concerned about the communication and collaboration on this. When your policy imperils your client, you may need to bend your policy
  - A: I hear your statements and I take them seriously. Take your comments very seriously
- Audit Contract
  - Motion to sign the contract – Alissa
  - Second
  - Vote – Andrew – yes, Alissa – yes, Melissa – yes, Theresa – Yes, Steve – yes
- October Cash flow results- GBS
  - Discussion of Documents
    - There are a low number of claimants who are averaging up the total costs
    - Suggestion to go through CareRx for our claimants to save money
    - October looks better than we've had previously
    - Q: Do we have annual utilization meetings with our insurers?
    - A: They have not come in, we have received documents. BCBS or HP have not come in to review
      - They need about a month or so to create the report. January could be the first opportunity for this kind of call
    - About \$470,000 due in reimbursements currently
    - Q: We keep hearing that some of the claims should have been paid in the last fiscal year, but we were running a deficit last year as well. Why do we keep bringing up the previous fiscal year if there weren't fund for it?
    - A: In Fy23 we were in deficit, HP went down in April, May and then back up in June. There were a few months where the unpaids were due in fiscal 23. We spoke about budget in jan/feb. Now that we have a fiscal year budget for 24, we are already over budget because of the lag in payment. Our loss ratio v. budget will be 'off' due to the offset of the payments.
      - Another way of looking is that our running rate of claims is not as bad as it looks. We are recovering stop-loss payments and making payments towards previous fiscal responsibilities
- Update on Financial Status
  - Tabled to next meeting
- Discussion of Implementation of Cost Saving measures- GBS
  - Medicare Migration
    - Non-Medicare Eligible retirees would like to move to med-ex
      - Analysis of the costs and benefits for the shift
        - a. Medicare Part a would include a Trust Paid penalty
        - b. Medicare part b would include a retiree's paid penalty
      - CMS will increase fees based on age, years in the program
        - a. ROI – if a claimant costs \$2000/year for the penalty, but \$100,000 a year for coverage, we would save

- January 1 is the beginning of enrollment
- Q: what is GEP?
  - A: General Election Period – the time when folks can enroll in the program
  - Q: is this a choice? Does the individual choose or is this a policy that aligns to the entirety of the populace
  - A: This is a policy across the populace choice. If a decision is made, everyone who is eligible would be transitioned
    - For some folks, this may end up being more expensive
  - Q: Would we know who would be cut in the case of this decision
  - A: Yes, and we can give you a snapshot view of the costs to the trust
  - Q: before we'd need to make a decision, we'd have the information about the folks who would be hurt by this move?
  - A: we don't have access to the individuals, we can't tap into the social security accounts
  - Q: Can the impact on the subscribers be extrapolated from the impact on the trust
  - A: We can predict
  - Q: Is that penalty for a lifetime?
  - A: Yes, we would need to get them either post retiring, when they become 65 or as soon as possible
- PBM Discussion
  - Normally we will go out to bid with the PBMs to find the best path forward to save
  - Gallagher to provide a presentation within a month on the comparison between the various PBM options for the Trust
- Continued Discussion of other possible ways to provide Health Insurance
  - Discussion on options
    - Fully Insured model
    - Joining a Larger Joint Purchase Group
    - Joining the Group Insurance Commission
  - GIC cannot be done for next year (deadline is tomorrow)
  - MIIA is a potential
    - Need to stay for 24 months or pay a penalty of 12 months of premiums
    - No renewal negotiations
    - Trust Fund Levels may not be able to allow for transfer to contain both existing runout claims
  - Q: What about the GIC?
  - A: We are still liable for the runout claims
  - Gallagher to do an analysis of the HIT to GIC costs comparison
  - Q: Is there ever a scenario – and who would play a role – if there are groups with minuteman who are looking to sign on, would there be a benefit to the regional districts to join into our trust ?
  - A: There would be an option – and it will be explored
  - Q: Could our rates go down as our risk pool grows?
  - A: Yes and what some do is have a legal review and participation agreement expansion that would allow more communities to join in the process
  - Gallagher Summary of efforts:
    - Connecting with consultants for HIT expansion to include multiple regional groups
    - Review of the process for the creation of this potential expansion
    - PBM Comparison analysis
    - Joint Purchase Group comparison analysis
    - Medicare migration analysis
    - BCBS and HP Year in Reviews

- Comment: Considering all of the above, it seems like a costly and large time consuming series of activities. Is the effort worth the benefit?
- Q: Considering our issues, why would another group want to join?
- A: With so many changes, maybe waiting a year may make sense. It's not a quick process.
- Q: Thinking about different priorities and scenarios, we increased our rate in the hopes that we would need to not raise again. If there's a need to raise again, it could break budgets. Is there a nuclear option?
- A: Try to hold off as long as possible to start the renewal. Get as much claims data as possible to get the best direction we can.
- HIT Chair to revisit review sessions for Annual Reviews for BCBS and HP
- Q: How much lead time is necessary for a year end review?
- A: About 6 weeks
- Adjourn
  - Meeting was adjourned at am
  - Moved : Alisa
  - Seconded : Andrew
  - Voted Andrew – yes, Alissa – yes, Theresa – yes, Melissa -Yes, Steve – yes
  - Next HIT meeting will be hybrid and occur on December 28, 2023 at 8:15 am

Handouts:

- Meeting agenda
- Previous Meeting Minutes
- Documents are stored on the HIT Document Site
  - <http://doc.acton-ma.gov/dsweb/View/Collection-11383>