

Acton Health Insurance Trust

Friday, April 25 2024 – 8:15 AM

Member Attendees:

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

Non-Member Attendees:

Peter Light, Superintendent
Andrew Shen, Deputy Superintendent
Sheri Matthews, Director of Finance and Operations, ABRSD
Marianne Fleckner, Director of Finance for Acton
Steph Krantz, District Assistant Treasurer
John Mangiaratti – Acton Town Manager
Tim Harrison HIT Treasurer
Diane Laflash, Gallagher Representative

Minutes:

- Call to Order
 - Meeting was called to order at 8:15 am by the Chair.
 - Approval of Minutes
 - Motion – Alyssa
 - Second – Andrew
 - Vote : Unanimously approved
- Treasurer's Report
 - Provided in DocuShare and in person
 - Focus on report is on the monthly cash flow
 - All accounts have been closed aside from main account to combine all financial resources
 - Now :
 - \$2.5mm cash on hand
 - Owed \$579,000 through reimbursement
 - a. \$340,000 should arrive shortly
 - Accounts payable due May 1
 - a. \$2,890,000
 - Town should provide approx. \$150,000 for it's May payment
 - Remaining after payments, \$250,000 in the bank (does not include BCBS April Settlement)
 - a. BCBS has been running higher than \$250,000
 - Details are available on DocuShare
 - A rebate of \$238,000 towards the BCBS charge will post in May (not a cash check, but an account credit back based on the Pharma rebate plan)
 - Going into the end of year, some additional cash may be necessary
 - Q: how does the timing work?
 - A: We will get one month of additional payment from town/school to close out the HIT. After July 1, any additional fees would constitute run-out charges
 - After July 1, 2024 HIT will continue to accrue pharma credits, but as of June 30, we may be liable for around \$1.5mm (prior to reinsurance, rebates, etc., that may offset that amount)
 - As a reminder, there will be no additional funds coming from the district to the Trust after July 1 as we have done for the previous years, as any payments going forward will go to the new insurer
- Gallagher Report
 - Review of documents

- Year over year we are about 22% higher than last year
 - Inpatient admission is a driver
- Increased rates are helping, but the costs are still higher than expected due to necessity of care
- Medex
 - Run out through March - \$24,000
 - Will continue to run out, but the claims will continue to drop in size monthly
 - Total \$157,000 in runout since December 31, 2023
- 8 of 9 reinsured are in excess, the 9th is LASERed
- Q: As far as large claims go, they are high. Our reinsurance rose a few hundred thousand – are these the same claimants incurring more charges?
- A: Yes
- The quarter ending June 30 will create a timing issue, as the credit won't be applied to the account, but may actually be a cash-credit to the remaining Trust
- Q: It sounds like, from a district perspective as 78% of the trust, that there's a 750,000 to 1.5mm liability for July/August
- A: Yes, based on last year it may be 1.5, based on other increases it could be higher. But it could be lower too
- Q: Does that mean that the town would expect between \$250,000 and \$500,000?
- A: yes
- Q: May we be short before June 30?
- A: Maybe, but upcoming credits, payments and etc may provide us with a balance of approx., \$220,000 at the end
- Q: At last month's meeting, the request for town and district to pre-pay for the remainder of the fiscal year, and counsel said that it required a vote – are we close enough to the end-of-life for the Trust to allow us to pre-pay now?
- A: We should be close enough for that
- Two things will occur for the June billing
 - There's a set premium each month
 - There's an additional settlement for the remainder
- Bills from BCBS and HP will not be completely received until July
 - HP is quarterly, and they will begin charging monthly after June 30th for runouts
- Update on Contracts
 - Abacus will terminate the contract on June 30
 - Treasurer will reduce invoice based on Time and Materials consumed – and as the trust document is dissolved, this may reduce to zero over time
 - Cook & Company may be retained 1 day per week but would be paid separate from the Trust
- Update on Legal Steps to Dissolve the Trust
 - School committee voted based on new language
 - Town believes that the entity of the trust remains viable and as a no-longer active participant, however, the town may need to go to town meeting to remove from the trust
 - School committee withdrawal may have cued the dissolution of the Trust
 - Option may be for the Trust to amend the powers of the Trust to align with the needs of the participating entities.
- Adjourn
 - Meeting was adjourned at 9:06 am
 - Moved :
 - Seconded : Alissa
 - Vote: Unanimously approved
 - Next HIT meeting will be hybrid and occur on May 23, 2023 at 8:15 am

Handouts:

- Meeting agenda

- Previous Meeting Minutes
- Documents are stored on the HIT Document Site
 - <https://doc.actonma.gov/dsweb/View/Collection-17241/Collection-17437>