

# Acton Health Insurance Trust

Thursday, August 8, 2024 8:15 AM

Hybrid in Room 23, Admin Bldg, 15 Charter Rd and on Zoom

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## **Member Attendees:**

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

## **Non-Member Attendees:**

Tim Harrison, HIT Consultant, Treasurer  
Andrew Shen, Deputy Superintendent  
Sheri Matthews, Director of Finance and Operations, ABRSD  
Marianne Fleckner, Director of Finance for Acton  
Diane Laflash, Gallagher Representative  
Marianna, Gallegher  
Mark McCarron, Underwriter from Gallegher

## **Minutes:**

- Call to Order
  - Meeting was called to order at AM by A Schwartz at 8:16 AM
  - Approval of Minutes - postponed to next meeting
- Treasurer's Report - balance as of 8/5, \$234,489 in bank, \$340K reinsurance balance as of 6/30, no update from 7/31, \$180K deposit from BCBS, \$47K from Abacus, \$36K receivable, doesn't include what town owes, district paid share in July, town payment for Aetna in July is short by \$4400, not being paid in timely manner, HIT has to pay on first of month, need to look to determine whether town has been short for Jan-June as well; A Schwartz asks Diane to determine misalignment, Diane responds that Aetna members have been mis-designated town when should be district, Mariana is working with town to identify 5 people, can send census breakdown from Jan-June, HIT paid as a whole those month, only July moving forward payment is split between town and district, a suggestion was made to change process so that town and school work together to correct/document discrepancies in invoices and pay accordingly, DBRC sent few thousand less than needed, Sherri asks if the \$2,286,462 total current liabilities are the expected run out, and Tim reports this figure is from auditor as of 2023, A Schwartz asks Diane to share IBNR Reserve Estimate as of 6/30/24, Mark shares recommended reserve for BCBS \$1,010,000 without margin or \$1.2M with 20% IBNR margin, focused on most recent 6-8 month payment patterns, estimated what run out payments will be (75-105% of those claims), recommended reserve for HP (slightly higher percentage due to malware issue), \$561K without margin, \$6973K with margin, 98% of claims should be paid by 9/1, Melissa asks if we will see claims from August right away, Tim asks if we can get HP to bill monthly, Diane will ask for change for run out, Mark expects August claims to be similar to July claims and September claims expected to go to 10-15% of July/August claims, and minimal in October, could be claims 6-7 months because providers are allowed via network agreement to submit claims for up to 2 years
- Cash Flow Report GBS - Diane notes that report is updated through end of June, loss ratio for June was 90.8%, rebate credit from HP came in, BCBS also has \$259K rebate credit from Q1 owed, but hasn't been released still attempting to negotiate ask for deposit, Marianne asks if it can be taken off next bill, Andrew Schwartz suggests letting them hold rebate, Tim asks if we can just pay with credit rather than ask, TO suggests taking it back, Diane suggests asking for \$180K back, A Schwartz asks if there is any risk of action? DL as long as we pay base, there is no issue, TO notes we need to know cash flow
  - TO moves to direct BCBS to submit rebate, AN seconds, roll call vote motion passes unanimous

- Cash flow continued - through June, deficit dropped in last month from \$2.9M to \$2.5M; Laser has not reached \$730K limit, stop loss for additional 13 subscribers, outstanding reimbursements expected \$650,422, 22 claimants at 50% of \$175K stop loss, Medex claims have dwindled since January switch, ending in June with \$113 surplus
- Update on Legal Steps to Dissolve the Trust - no discussion
- Additional Business - will set up Sept - Nov meeting dates with Tim and Diane
- Adjourn
  - Meeting was adjourned at 9:10 AM
  - Moved : Theresa
  - Seconded : Alissa
  - Vote: roll call unanimous
  - Next HIT meeting will be hybrid and occur on August 29, 2024 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>