

Health Insurance Trustee Meeting – Minutes

Thursday, September 21, 2017

8:00AM

Room 13, Administration Building

Member Attendees:

Bob Evans, Steve Barrett, Mary Brolin, Peter Berry

Non-member Attendees:

Marie Altieri, Mike Kaplan-Bie, Mike Breen, Stephanie Burke, Maryanne Fleckner, Tim Harrison, Jodi Phelan, Peter Savage, Dave Verdolino

1) Meeting was called to order at 8:05AM by the chairman.

2) Approval of Minutes

Minutes for the June 2017 meeting were approved as is.

3) Introductions

David Verdolino was introduced as the school district's new Finance Director. In addition, Mike Breen and Stephanie Burke from Blue Cross Blue Shield and Mike Kaplan-Bie from Harvard Pilgrim Healthcare were introduced as meeting attendees.

4) HSA Introduction

Marie Altieri presented the finalized plan changes to our health plans. The overview included the changes to co-pays and the introduction of deductibles. The savings associated with each change were outlined. Marie provided a cost savings breakdown for both Schools and Town based on the HMO enrollees. The savings from introducing an HSA (Health Savings Account) and the elimination of the MasterhealthPlus was not included.

A more detailed cost savings, based on 18% savings, of an HSA was presented. Stephanie Burke of BCBS gave an overview of what an HSA is. Employees, spouses and tax dependents can be covered by an HSA. An HSA can be described as a part investment and part healthcare product. The maximum total contributions to an HSA in a calendar year are \$3,450 for an individual and \$6,900 for a family. An HSA is unique in that those funds can be used to pay for long term care and COBRA payments unlike an FSA (Flex Spending Account). An HSA excludes the use of a traditional FSA for an employee or their spouse. However, you can have a limited FSA for dental and vision expenses.

\$1,000 to \$2,000 is a common minimum threshold to have in an HSA.

Management companies of HSAs do give you the ability to invest funds over a certain amount (usually over \$2,000) in mutual funds. There was discussion

concerning what education our employees would receive in order to understand their options. In turn, employees will begin to understand true health care costs.

The 50% contribution of the deductibles needs to be funded. Discussion ensued as to whether the contributions should come from the town and schools or from the Trust. Sentiment leaned towards the schools and town. The schools and town would be receiving the benefit of paying lesser health care premiums and therefore should fund the contributions.

In order to be prepared to introduce an HSA to employees, the board was asked to consider voting on healthcare premiums earlier. The target would be the end of January. It was agreed this was feasible.

Medex rates would be set next month (October) for November enrollment.

5) Treasurer's Report

As of June 30, banking was moved to Citizen's Bank, which should yield more interest income. Reconciliation between cash flow and the treasurer's report is closest it's ever been. The differences appear in costs that appear in Cook & Co numbers and Medicare revenue that treasurer's report shows. The new reporting system from schools has helped to clean up this up.

We are still waiting on word on the state of the audit.

6) Cash Flow Report Discussion

First two months of the year are showing strong. BCBS will see some additional charges in next two months.

7) The Medex formulary is controlled by federal government. There is a modest decrease in total charges. There are price increases to certain drugs. Members are being notified directly of those changes. The changes will be distributed to retirees early so they can look at alternatives.

8) Next Meeting: October 19, 2017 8AM

Adjourned at 9:22AM