

**REGIONAL SCHOOL DISTRICT # 8 HEALTH AND MEDICAL INSURANCE CONSORTIUM
REGULAR MEETING**

THURSDAY, MAY 19, 2016

Members Present: Andrew Tierney, Donna Lanza, Tim Van Tassel, Laureen Davids, Robert Siminski, Bob Burbank (9:46 a.m.)

Guests: Randy Skoly, Joe O'Connor, Chuck Petruccione

Call to Order and Attendance to Ascertain a Quorum

The meeting was called to order at 9:41 a.m. without a voting quorum present.

Claims and Loss Ratio Information

C. Petruccione distributed claims report through April showing increased claims as anticipated due to many members in HDHPs, with a rolling 12 month loss ratio of 91.5 %. Is a pattern that will continue, loss ratio will be sloped over the course of the year. (R. Burbank arrived quorum attained)

Life Insurance Renewal

C. Petruccione distributed the Anthem renewal document and census data. LTD rates remain the same, Life and ADD increasing slightly, rates guaranteed for two years.

Collective Bargaining Updates

R. Siminski reported RHAM administrators start in October; do not anticipate any great changes. Have heard that new contracts should include language for Cadillac Tax, one year before parties would get together to agree on a plan that would avoid the Cadillac Tax. C. Petruccione confirmed that this is standard language the idea in general is good. C. Petruccione stated that CEA proposed that Cadillac Tax was not subject to bargaining; A. Tierney will check on the status of that proposal.

T. VanTassel reported Hebron BOE is negotiating teachers.

Pick Alternative Dates for ECHIP Presentation

ECHIP cannot make June 9 meeting. Group selected alternate dates June 15 or 16 for C. Petruccione to bring back to ECHIP. T. VanTassel suggested drafting a list of questions to ask and group decided will ask questions based on presentation.

R. Siminski moved, seconded by T. VanTassel, that the June 9 meeting is cancelled and will be held on the date decided by ECHIP for the presentation. The motion passed unanimously. R. Skoly suggested that if seriously considering going self-funded the group should be looking at other options besides ECHIP, should we be putting together an RFP. A. Tierney and R. Siminski stated that if the group did on its own would need formal

agreement, accountant, administrator, feel it would be better to look to groups already in place. Administrative structure is already in place with ECHIP. ECHIP is less expensive than Anthem for administration. C. Petruccione stated do not want to put all eggs in one basket, must look at all options, ECHIP does want Region 8 to be comfortable with their structure and well as costs. C. Petruccione stated if going self-funded will most likely cost more the first year to fund the reserves, savings will be realized in future years. C. Petruccione recommended proper funding of the reserve and all claims paid out of fund for all members of the group, not separate fund for each entity of the group.

R. Skoly stated that there is a lot that needs to be addressed. If go into ECHIP, group claims will not be shared with any ECHIP entity, but he is unclear as to why not looking at other opportunities. All these questions need to be addressed wherever group goes.

A. Tierney stated we thought we would have already had presentation and discussed options by this time. R. Siminski stated that ECHIP uses CIGNA will have to negotiate changes in carriers. R. Skoly stated that bid red flag went up at the ECHIP presentation, regarding claims audits. He has concerns if claims are not be adjudicated appropriately. A. Tierney stated good question to ask at the next ECHIP presentation.

A. Tierney stated that the group does not normally meet during the summer but suggests that with all the work to be done the group continues to meet during the summer.

R. Skoly asked if it has been agreed that this group will move together; R. Siminski stated it has to as otherwise would not be credible. R. Skoly asked if there has been a determination on how the claims fund would work. Group agrees that claims will be pooled, not looking to individual entities. Discussion of allocation rate (ghost billing rate) and R. Skoly asked who provides that rate. R. Siminski stated that ECHIP entities retain their individual consultants. C. Petruccione stated that he believes CIGNA has provided allocation rates. R. Siminski stated must have good stop loss consultant, and set the correct stop loss rate. C. Petruccione stated will need to ask ECHIP about the aggregate stop loss numbers. R. Siminski stated must also look at the provider disruption rate.

J. O'Connor speaking as a tax payer recognizes experiencing tight budgets, insurance is the big player this committee must do its due diligence. Glad to see the committee will be working through the summer, important to try to get away from the 7 – 14 percent premium increases. Major portion of town and BOEs budget. Self-funding seems to be the way to go. Have good advisors, mission should be to get it going. A. Tierney stated the group has made progress by getting the Consortium agreement in place and will continue to work to move to a more affordable plan.

Lebanon Town/BOE Interest in Joining Group

C. Petruccione stated Lebanon has decided to move to Connecticare for the new year. B & B is helping them make the move, do not know what they intend for next year.

R. Siminski stated that if we are going to look to self-funding it may impact the rates,

asked if they know if they will be looking to join Region 8 consortium next year. C. Petruccione stated that it will not make a huge difference in the rates. R. Siminski asked if there is a chance of a negative impact. C. Petruccione stated that in a given year it might but not in the long run. R. Skoly stated will have to look at their historic losses to see if there are any major losses, and consider if they will have a negative impact going forward. R. Siminski asked if we should give them a date certain to advise by if they want to join. C. Petruccione stated it is a good idea. ECHIP has a date certain. R. Siminski stated that there is also a concern with voting rights with considering Lebanon joining.

J. O'Connor asked if there are any other towns that can be looked at to approach joining Region 8 consortium. T. VanTasel suggested East Hampton. Must determine where we are heading and what might entice other towns. T. VanTasel stated must consider effects on collective bargaining.

Schedule for 2016-2017 Meetings

R. Siminski moved, seconded by R. Burbank, to approve the 2016-2017 Meeting Schedule as presented with the addition of July 14 and August 11. The motion passed unanimously.

Approval of Minutes

T. VanTasel moved, seconded by R. Siminski, to approve minutes the April 14, 2016, meeting minutes as presented. The motion passed unanimously.

Other Business

R. Siminski reported that RHAM has been working on enrollment through bswift and C. Petruccione has been helping and it has been working well, few bumps have been worked out.

T. VanTasel stated B & B has been out to help with the move to HDHP have been great educating and helping teachers shift over. C. Petruccione has been good at providing information for negotiations.

Adjournment

R. Burbank moved, seconded by R. Siminski, to adjourn the meeting at 10:45 a.m. The motion passed unanimously.

Respectfully submitted,

Donna Lanza