

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

THURSDAY, JULY 14, 2016

Members Present: Andrew Tierney, Donna Lanza, Tim Van Tassel, Laureen Davids, Robert Siminski, Amy Traversa, Haley Wagner, Nella Stelzner, R. Burbank (10:47 a.m.)

Guests: Chuck Petruccione

Call to Order and Attendance to Ascertain a Quorum

The meeting was called to order at 9:49 a.m.

Approval of Minutes:

A. Traversa moved, second by A. Tierney, to approve the June 16, 2016, meeting minutes as presented. The motion passed unanimously.

Claims and Loss Ratio Information

C. Petruccione distributed claims and loss ratio information, closed year with an 89.2 % rolling 12 month loss ratio. Loss ratio for July should be much better with move to the HSAs. C. Petruccione explained that it is standard for a group with many members in education to see higher claims in summer. Discussion of the MLR. Loss ratio should be around 85%. If group runs under 80 % loss ratio, premium increase could be very low or zero.

Collective Bargaining Updates

RHAM administrators in the fall, last group to look to move away from PPO. Marlborough DPW in the fall. Hebron BOE wage and benefit reopener with non-certified contract in September.

C. Petruccione stated that the State plan is coming up everywhere, the unions are pushing it, but arbitrators have ruled against it, ruling in favor of Boards and the HDHPs.

R. Siminski asked if there is recommended language for the "luxury tax" to be included in contracts. C. Petruccione stated the only thing that both sides will probably agree to is reopener language. Should discuss and reevaluate plans a year before, to avoid the Cadillac tax. T. VanTassel stated that the Hebron BOE just filed the certified teacher's contract, with all members shifting to HDHP July 2017. Discussed the timing of the contribution and funding of the deductible (65/65/55). C. Petruccione stated that it is not good practice to up front all of the deductible. D. Lanza stated that the Town of Hebron has an agreement with employees that they will up front the full town's share of the deductible at the employees request for a medical emergency. Discussion of using an HRA as a means of funding for all employees. C. Petruccione explained the requirements for having an HSA.

Discussion of Self Insurance Proposals

R. Siminski had the Farmington self-insurance agreement, which will be sent out along with the ECHIP agreement. R. Siminski has information prepared by Anthem regarding a self-funded account through them. R. Siminski distributed information prepared by a former broker on potential savings with moving to self-insured. R. Siminski stated we will be asking C. Petruccione to look at current fully insured plan and provide a projection with going to self-insured and funding arrangement, administrator and other issues to be considered. Will be looking for an analysis of the pros and cons of ECHIP, Anthem and other options. Need to get all boards involved as there will be policy changes. Need to do critical path of steps necessary to get there, know what and when has to be done. Anthem would be willing to make a proposal and asked C. Petruccione if he knew of anyone else. C. Petruccione stated there are more options with self-insured than fully insured; all four big players, and then a dozen stop loss vendors. B & B have asked Anthem, Sun Life and AIG for proposals for July 2017, just to compare to ECHIP. Will be paying a stop loss vendor about 10 % of total claims. ECHIP offers the administration. A. Tierney stated he is leery of options other than ECHIP with concerns about all the work that all would have to be done. Does understand that some feel it should be put out to the market, but is concerned about administration, auditing, etc. C. Petruccione stated that even with ECHIP, Region 8 group will still need an administrator of its own. T. Van Tassel asked if we should be hiring a consultant that helps set up self-insurance. R. Siminski responded in 2014 RHAM went through the ECHIP contract to look at all parts. D. Lanza stated that Brown & Brown is the consultant that would help guide the group through the process.

R. Siminski asked C. Petruccione to prepare a critical path so that numbers could be available by December to prepare for the upcoming budget season. C. Petruccione stated they can work on that. N. Stelzner recommended year one budgeting full premium amount keeping the money as the reserve. C. Petruccione stated that in the long haul, over a 10 year period would look to save 7 percent overall. A. Tierney stated he is concerned about going with Anthem for self-funded as we are a unique group, ECHIP is a proven setup. T. VanTassel stated he is concerned with unions with potential change of carrier, change in funding is concerned may end up in contract disputes may stall the entire group. T. VanTassel stated he also thinks if we push ECHIP, unions may want to look at State plan again. Discussion of network disruption.

R. Siminski recommended a special meeting on August 4 at 9:30 a.m. to review critical path to understand actions needed and then make decision how to move forward, and then decide if we need to meet on August 11. Consensus reached to meet on August 4. A. Traversa stated she thinks it is ludicrous to consider administering the plan ourselves. (R. Burbank arrived at this point.)

Review/Discussion Consortium Agreement and Officers and Term Limits

R. Siminski stated that at the last meeting there was discussion and concerns on the Agreement regarding the Secretary position and term of officers. R. Siminski suggested a sub-committee to consider options and bring back a proposal to the group. Consensus reached to take this approach with A. Traversa, R. Siminski and A. Tierney volunteering to serve on the sub-committee.

Adjournment

A. Tierney moved, second by A. Traversa, to adjourn the meeting at 10:55 a.m. The motion passed unanimously.

Respectfully submitted,

Donna Lanza