

**JOINT REGIONAL SPECIAL MEETING OF THE  
REGIONAL SCHOOL DISTRICT # 8 HEALTH AND MEDICAL INSURANCE CONSORTIUM,  
ANDOVER, HEBRON AND MARLBOROUGH BOARDS OF SELECTMEN, FINANCE AND EDUCATION,  
RHAM BOARD OF EDUCATION, AHM YOUTH SERVICES  
WEDNESDAY, SEPTEMBER 14, 2016**

**RHAM HIGH SCHOOL AUDITORIUM**

**7:00 p.m.**

**Consortium Members Present:** R. Siminski, D. Lanza, T. VanTasel, A. Tierney, C. Bourassa, H. Wagner, D. Sklarz, A. Traversa, R. Burbank, L. Davids

**Andover/Hebron/Marlborough/RHAM Board Members Present:** D. Larson, G. Richmond, B. O'Connell, M. Leichter, D. Veschi, P. Kasper, R. Bieri, E. Bromley, M. Leichter, J. Rainville, R. Shea, D. Knowlton, K. Hjulstrom, D. Holtsclaw, R. Jacobson, J. O'Connor, several other Board members

**Guests:** C. Petruccione, R. Skoly, E. Griffin, K. Griffin

**Call to Order**

The meeting was called to order by R. Siminski at 7:08 p.m. welcoming everyone to the meeting.

**Introduction**

R. Siminski gave a brief history of the consortium and introduced C. Petruccione of Brown & Brown.

**Brown & Brown Presentation on Self-Funded Medical Insurance**

C. Petruccione reviewed the PowerPoint presentation; explained fully insured vs. self-funded arrangements. Explained the individual stop loss and aggregate stop loss insurance. Reviewed the advantages and disadvantages. Explained the tax advantages. Explained the need to establish reserves. C. Petruccione explained the self-funding sample financial comparison, stating in the long term can expect to save 7 percent. C. Petruccione reviewed the FAQs and again stressed the need to build strong reserves. He explained monthly rolling cap.

## Q & A

RHAM Teacher stated concern of employer finding loop holes that cannot cover things in ACA mandates. C. Petruccione stated this will not happen here because of the contracts, and consortium and unions will come to agreement to abide by former and future state mandates

D Larson questioned IBNR will have run out claims that need to be paid if change the plan down the road. C. Petruccione replied they will calculate an amount to be held in the reserve.

D. Knowlton questioned the management of the trust account and claims processing, additional expense and what is the scope and cost? C. Petruccione stated it depends what the group decides, i.e. ECHIP, insurance provider or someone Reg. 8 may have to hire.

K. Hjulstrom mentioned the different plans with different unions, with 7 separate entities with separate budget, and how to come to an overall agreement, will it be majority or everyone needs to agree? C. Petruccione reported that different plans have no effect, current plans stay as they are. Each individual member sees no difference. Will look at total cost of the plan, add expected claims and other fees come to bottom line, will take that amount and determine rates for each entity based on their plan designs. R. Siminski addressed the question on how the decision is made, all parties will have to sign on to the agreement "governing constitution" do need to look for all entities to agree. If someone pulls out that smaller group will not be credible and may pay a much larger premium.

D. Knowlton questioned breakout of cost by entity, today Anthem does the calculation, with self-funded who does that? C. Petruccione stated B & B will calculate and it is part of the package, they have actuary on staff. D. Knowlton asked how the individual stop loss and aggregate stop loss premium gets broken down; C. Petruccione stated that it is the same for the entire group. One client with one contract.

R. Shea questioned B & B experience with resistance from employees? C. Petruccione stated it may not necessarily be a new carrier, may stay with Anthem, employees would see no change. Benefits do not change. C. Petruccione stated that other carriers can now match benefits, network matches have improved. May remain fully insured but move to another carrier. Must look at a provider disruption and see at least a 90 % match. Need to work on educating the unions. B & B has moved many towns and boards to other carriers, it must be done right.

M. Leichter asked if there are any contracts that specify Anthem and if you can change even if Anthem is in the contract? C. Petruccione replied that B & B has reviewed all contacts none were so tough that it would not be able to be done. M. Leichter asked how the stop loss is divided; per entity, per plan, per benefit design.

R. Shea mentioned negotiations with Anthem over the last few years, when doing comparison from Anthem current plan and self-funding plan, how do you decide if you don't know final numbers until April? C. Petruccione responded that with a fully insured renewal they always start high and work down, on self-funded it is harder to budget, must calculate renewal on claims and project.

D. Holtsclaw knowing in advance, actuarial research and not having many unknowns. C. Petruccione agreed need good actuarial numbers, can lock in administrative fees, cannot lock in stop loss fee  
R. Siminski stated we are going out to bid now, so will have information soon and time to analyze.

P. Kasper stated that customers don't usually move for 6 – 7 percent, and asked what motivation or other benefit is besides savings. C. Petruccione replied must weigh risk versus savings. P. Kasper asked if towns have switched back. C. Petruccione must have good management; groups do not usually go back. Money will be set aside in a trust not to be used for any other purpose, cannot be raided by any entity.

D. Holtsclaw asked when the last time the consortium saw a flat or decrease in the renewal. R. Siminski and C. Petruccione replied not in the last several years. D. Holtsclaw stated we are not becoming insurance company, funding the losses, but not transferring to the insurance company. Driving rates of inflation and health care, must find ways to make more manageable, make employees to share more in the costs, and now the consortium is trying to share more than transfer to insurance company.

R. Jacobson questioned if this is separate from the HDHP/HSA. C. Petruccione confirmed it is a separate issue.

C. Petruccione thanked audience, advocates for educating employees, moving to HDHP, encourages employee buy in.

R. Siminski stated that the proposed timeline available (attached).

### **Adjournment**

The meeting adjourned at 8:17 p.m.

Respectfully submitted,

Donna Lanza