

# REGIONAL SCHOOL DISTRICT # 8 HEALTH AND MEDICAL INSURANCE CONSORTIUM

## REGULAR MEETING

THURSDAY, DECEMBER 8, 2016

Members Present: R. Siminski, T. VanTasel, D. Sklarz, D. Lanza, A. Tierney, B. Burbank, C. Bourassa, H. Wagner, A. Traversa, L. Davids, S. Doyen (9:47 a.m.)

Guests: Hebron Town Attorney Ken Slater, C. Petruccione, R. Skoly, M. Leichter, IPI Representatives: Deb Nazario, Karen Palmieri, Reggie Andrews

Press: J. Cooper, Journal Inquirer

### **Call to Order and Attendance to Ascertain a Quorum**

The meeting was called to order at 9:36 a.m.

D. Lanza distributed a draft of a proposed blended agreement.

### **Presentation by IPI Regarding Administration of Plan**

C. Petruccione introduced IPI a vendor who has submitted a quote for administrative services.

D. Nazario gave an overview of services indicating that IPI has been in business for 50 years, has 70 employees and handle pension, annuities, service municipalities. Have established relationships to service clients closely with 60,000 plan participants. Can do premium billing, exception billing, COBRA billing, claims handling.

They can customize any type of solution – they can pay all of the vendors. D. Nazario opened floor to questions. This would be the first time they are dealing with this unique type of arrangement. She envisions one corporation, with subdivision numbers, to be billed separately. R. Siminski referred to the draft agreement Article 7 and 8 and that IPI could potentially be serving as the Executive Manager. Discussion of the need to have eligibility confirmed from each entity. C. Petruccione stated that M. Bowker has indicated there will be no actual bills from Anthem, fees and claims will be taken out of the account and Anthem will send an accounting. Need to determine who will be reviewing eligibility; reporting can be split up by entity. IPI indicated that they can take over the eligibility review. C. Petruccione indicated it would be more cost effective for the group to retain eligibility review. R. Siminski asked about how claims would be reviewed to determine legitimacy i.e. automobile accident. C. Petruccione indicated the insurance carrier would be monitoring claims as they are today, already paying an administrative fee to Anthem for that type of service. Anthem's review of claims would not change. R. Skoly recommended conducting an internal audit on an annual basis. Discussion of the working rates and the claims fund processing. C. Petruccione indicated that Anthem will be looking to take claims from the account daily. C. Petruccione confirmed that the claims will be paid from the fund as a whole, not broken out by individual towns. R. Siminski suggested a sub-committee of the consortium to work with IPI to come up with a process and structure that can be proposed, and considered for the decision. C. Petruccione asked if IPI can provide more detailed pricing proposal broken down by services. IPI confirmed this would be done and offered to provide any assistance to the Consortium. R. Skoly asked about turnaround time, D. Nazario responded a few days.

## **Attorney Slater Regarding Consortium Agreement and Voting Requirements**

Ken Slater from Halloran & Sage – R. Siminski presented the draft document and asked Ken Slater for his thoughts. K. Slater discussed an insurance group he knows of and recommends Beth Cook and Arnie as they have worked on language for self-insurance concept. Needs simple agreement managing a common broker, feels B. Cook would be a great fit to help with this work, would like them to dig into the language. They have more experience dealing with the detailed governance of similar type organizations. (A. Tierney stated that Beth works with ECHIP) K. Slater stated must have a strong agreement in place for this to work. K. Slater introduced himself and the firm and his connection to the group. K. Slater will work with B. Cook to schedule her for availability for a Special Meeting of the Consortium next week. Tentatively set for Monday, December 12, 2016, at 9:30 a.m.

A. Tierney asked Ken Slater for opinion on how to move forward with the approval for the move to self-funding. S. Doyen asked for clarification on who actually votes. K. Slater stated that under existing agreement the representatives have been delegated by legislative bodies to act. Would look to the local Charter to see what approvals are required, depends on the kinds of changes and would need to get the Boards of record to approve the changes. K. Slater stated would need to look to Charter, in Hebron may need to come before the Town Meeting as legislative body. This will be considered as a new consortium as it will have different powers from the old Consortium agreement. K. Slater will review Charter and Statute. R. Burbank asked if we need a legal opinion if we can go with self-funding with our current agreement or do we need a new agreement. A. Traversa also asked for a draft of a Trust Agreement for Monday, concerned about the time frame to move this forward, concerned about getting done. D. Lanza pointed out in the Hebron Town Charter the Town Manager would be authorized by the Board of Selectmen to enter into contract/agreement.

R. Skoly asked if current consortium agreement allows for a new financial agreement, would this group be willing to do it. If no, don't even need to consider a new agreement. A. Tierney stated that all entities may not have enough information to make a decision at this time.

H. Wagner asked if member towns of ECHIP had to go to Town Meetings, followed by discussion that this group is unique.

A. Traversa stated that as long as the fees come in and there is long term savings, she is in favor of pursuing this, either for July 2017 or July 2018. A lot of work has gone into this, in favor of finding answers.

R. Siminski asked if the same requirements would have been necessary if group had decided to move to ECHIP.

A. Tierney stated that there is significant savings and we must keep pressing on. K. Slater will confirm Monday meeting Ms. Cook and notify D. Lanza.

## **Approval of Minutes**

R. Burbank, moved, second by T. VanTasel, to approve the following minutes as presented: November 30, 2016 – Regular Meeting and December 5, 2016 – Special Meeting. The motion passed unanimously.

**Claims and Loss Ratio Information** – C. Petruccione reported no updates. May have info for Monday meeting.

### **Collective Bargaining Updates**

Tim VanTasel reported Hebron BOE non-certs for wages and benefits opener clause during January

R. Siminski reported RHAM non-certs in the spring.

A. Traversa reported Marlborough teamsters for June.

**Review of Bid Responses** – C. Petruccione reported no updates. A. Tierney asked for information on all RFP responses as Hebron needs to provide information to Hebron BOS.

**Discussion of Projected FY 17-18 Budget Costs** – Waiting for December 15 information from Anthem.

### **Self-Insurance: Presentation, Committee Recommendation and Draft Calendar of Next Steps**

C. Petruccione distributed a spreadsheet streamlining the information to be used for a future presentation, flow chart, and a proposed presentation and a sample self-funding report from Anthem.

R. Skoly stated that moving ahead and when presenting to larger audience who may not completely understand, questioned how to explain going from conventional to self-insured arrangement. Need to explain the increase (4 %) of going to a financial arrangement that is supposed to be saving group money. C. Petruccione will try to put something together for the Monday meeting, feels it is already there from the previous presentation but need to switch out numbers. R. Skoly stated that he feels it does not yet exist with the detail needed. A. Traversa asked Randy to provide a format that he has in mind and he agreed to provide.

### **Next Meeting Dates:**

**Monday, December 12, 2016 – Special Insurance Consortium Meeting**

**January 12, 2017 – Regular Insurance Consortium Meeting**

### **Adjournment**

Motion by R. Burbank, second by A. Traversa, to adjourn the meeting at 10:58 a.m. The motion passed unanimously.

Respectfully submitted,

Donna Lanza