

REGIONAL SCHOOL DISTRICT # 8 HEALTH AND MEDICAL INSURANCE CONSORTIUM

SPECIAL MEETING

WEDNESDAY, NOVEMBER 30, 2016

Members Present: R. Siminski, T. VanTasel, D. Sklarz, D. Lanza, A. Tierney, L. Davids, C. Bourassa, S. Doyen, H. Wagner

Guests: C. Petruccione, R. Skoly

Call to Order and Attendance to Ascertain a Quorum

The meeting was called to order by Chairman Siminski at 9:42 a.m.

Approval of Minutes

Thursday, November 10, 2016 – Regular Meeting

S. Doyen moved, second by A. Tierney, to approve the November 10, 2016 Regular Meeting minutes as presented. The motion passed unanimously.

Review of Bid Responses

C. Petruccione distributed information/summary on the bid responses by entity.

C. Petruccione reported the total projected cost \$8,649,628 Anthem at 115 %. Anthem could not provide an early renewal for today, it will be available for December 15, estimated at 10 %. Self-insured estimate all in would equate to a 14.4 % increase, budgeting to the max, this is an absolute worst case scenario. Information on pricing for administration IPI \$99,000 early estimate. The self-insured estimate provides the most protection with lowest stop loss to allow for building the reserve.

R. Skoly asked with the 12/12 is there any exposure with the run off. C. Petruccione will look into a 12/15 quote.

S. Doyen asked how to present to the boards with the self-insured being a higher increase? S. Doyen stated with HDHP, sees it may be a hard sell. C. Petruccione stated they must understand that this is a long term play, will not be saving money on day one, need to build up the reserve.

R. Skoly recommended showing conventionally insured arrangement and the ASO, will save on taxes and admin fees. Claims are the unknown.

R. Siminski suggested using the information we have used before of the savings which would have been realized for the last several years if we had gone self-insured.

A. Tierney stated Tolland and Coventry with ECHIP had a zero last year and this year anticipate below zero.

R. Siminski asked if Anthem reacted to the bid as it was open to anyone else. C. Petruccione reported that Anthem gave the best bid for stop loss and administrative fee.

R. Skoly suggested showing the projection using 14 % and use expected claims (not 115%) will show a surplus on the bottom line.

A. Tierney asked about a matrix to show steps and details to be available for the regional all-boards meeting. R. Siminski stated it must be stressed that this is long term plan.

R. Siminski suggested showing history and savings that ECHIP has experienced. R. Skoly suggested instead to show real expected number for this group. Discussion on best way to illustrate to Boards.

S. Doyen asked about the flip-side with the towns that were self-insured and had issues. C. Petruccione replied that that is why he is showing the worst case scenario, there is no risk if budgeting the recommended amount. R. Skoly stated that towns that got in trouble either borrowed from claims fund or did not have appropriate stop loss in place.

C. Bourassa asked if the bank account is interest bearing or if it is invested and who owns the account. C. Petruccione stated it is owned by the Consortium, a trust would be set up with a governing agreement. A. Tierney stated that claims would be audited.

R. Skoly stated must consider additional duties that staff may have to take on with going self-insured. C. Petruccione stated he would set it up to function pretty much as it does now for billing, but instead of cutting check to Anthem, each entity would cut a check to the fund, or each entity to pay Anthem for administration fee and a second check to pay individual stop loss, a third check to group's fund for the claims for the month. Discussion on who is managing/reviewing claims.

R. Siminski asked C. Petruccione to put information together for the meeting on December 5 to be reviewed for presentation to the meeting on the 7th. A. Tierney will try to get some historical information from Coventry.

T. VanTasel asked about the bid numbers, asked if Anthem is the best bid. Anthem numbers are close to other bidders which include 12/15. C. Petruccione replied if we are going to make change, feels it will be easier to make with Anthem, easier selling to the unions. T. Van Tasel is concerned about changing his budget from 10 % to 14 %. S. Doyen and D. Sklarz stated they are in the same place. C. Petruccione stated that the Anthem 10 % rate will be lower if claims continue to run as they have been, and also the 14.4 % will come down. December 15 Anthem will provide the absolute not to exceed renewal number.

R. Siminski stated would like to see for Monday, ECHIP Coventry rate history, Colchester issue, changes in duties of staff. Flow chart for billing process.

R. Siminski asked if anyone is ready to make a recommendation. Still many questions, how reserve is established, hiring administrator, package for a formal recommendation for the all boards meeting. Need to think all things through and work out. S. Doyen concerned if there is enough time, still many outstanding questions. C. Bourassa recommended cancelling the December 7 all boards meeting,

meeting on the 5th and the 8th to review plan and consider what an agreement would look like.

R. Siminski suggested presenting a sample agreement stating that it would need to be customized for us.

A. Tierney stated we need a completed model before bringing to all boards. S. Doyen stated we also need a time line; people will view this as a major change. R. Siminski asked if this change is feasible this year given where we are. R. Siminski stated we need to determine what we need in place to move forward: flow chart, agreement, administrative structure.

C. Bourassa asked if Paula Colen would be helpful to explain how agreement was established.

R. Siminski stated that Paula Colen and Larissa would be helpful. C. Petruccione stated ECHIP has Larissa, they were all CIGNA clients originally. This consortium is already one entity. Need agreement and flow chart on how bills will be paid.

T. VanTasel stated he appreciates all the work that has been, we have put a lot of time into it, he is already in the budget process, presents his budget to Town Manager February 15, must finalize things in March/April, wonders to do all research and properly vet, discuss with administrators, put a whole package together and make formal decision in July/August for the following year. R. Siminski asked what will happen to bid numbers. C. Petruccione stated the bids are for January 1, 2017, bid numbers would be invalid.

R. Skoly suggested proceeding and getting sample administrative agreement in place.

Group agreed that December 7 meeting is unrealistic. C. Petruccione suggested meeting again next week, see where we are at and then decide how to proceed. S. Doyen, D. Sklarz, T. VanTasel cannot attend Monday, December 5. Agreed to meet informally on December 5 to look at draft documents discussed today.

C. Bourassa moved, second by T. VanTasel, to cancel the December 7 Regional All Boards Meeting. The motion passed unanimously

A. Tierney moved, second by T. VanTasel, that the December 5 meeting be informal to review information C. Petruccione has been requested to provide. The motion passed unanimously.

Next Meeting Dates:

December 5, 2016 – Review Draft Materials

December 8, 2016 – Regular Insurance Consortium Meeting

Adjournment

S. Doyen moved, second by A. Tierney, to adjourn the meeting at 11:14 a.m. The motion passed unanimously.

Respectfully submitted,

Donna Lanza