

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

**SPECIAL MEETING**

**MONDAY, DECEMBER 5, 2016**

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

Guests: C. Petruccione, R. Skoly, M. Leichter

The meeting was called to order at 9:41 a.m.

C. Petruccione distributed information:

Flow Chart for processing claims which includes what goes into the monthly rate. Discussion of how the monthly billing will be handled. One bill to consortium distributed by the administrator, or carrier to bill to each entity. Will need an administrator for Region 8 group either way. C. Petruccione stated that IPI is willing to come out on Thursday, December 8, to discuss the administration of the plan. Consensus to bring IPI on Thursday.

R. Skoly stated will still be presenting this to people who will be comparing to conventional arrangement, if don't understand will not first step in presentation is to line conventional to self-insured arrangement side by side, showing potential savings and surplus.

Next handout is an analysis of Actual Region 8 medical/Rx claims for the last four years, comparing actual claims/fees and what might have been saved if self-insured. Four year total potential savings of \$2.3 million (7 %).

ECHIP by laws reviewed and Bob Siminski has marked up to reflect potential changes, which will need to be reviewed by an attorney. Would need a separate trust agreement. Hebron's town attorney has done some legal work for the Consortium.

More information was provided on the bids. Anthem is the lowest for self-insured. C. Petruccione stated that he is checking into if consortium could purchase aggregate stop loss if go with ECHIP.

R. Skoly taking the most conservative approach in budgeting, another way would be when moving from conventional to service contract in year two, renew stop loss on a paid basis, run off claims go into the second renewal for the stop loss.

D. Lanza asked for information on the fully insured rate proposals for Aetna and CIGNA.

R. Siminski asked how dental would be handled. C. Petruccione stated it is a separate plan, is a minor piece, claims are predictable, would recommend that also be self-funded. There are no worries with self-funded dental. R. Siminski asked if the self-funded dental and medical reserve fund can be combined. R. Skoly stated he has not seen them separate. Did not bid out dental with the RFP.

S. Doyen expressed concern about getting done by July 1, would we hire an administrator in near future to do everything, who would all of the day to day work fall on? R. Siminski asked what are next steps that need to be taken.

C. Petruccione responded must determine who is ultimately making the decision. R. Siminski stated that the governing bodies need to make the decision (i.e. Boards of Selectmen, RHAM Board). A. Tierney agreed the Consortium makes a recommendation and then take it to governing boards (Andover BOS, Hebron BOS, Marlborough BOS, RHAM Board and AHM). Determine when to hold next all boards meeting and then how quickly the five entities can get their approvals. R. Siminski asked if C. Petruccione could bring a draft of the presentation to the meeting on Thursday, December 8. R. Skoly asked if what carrier will be providing for a bill and a working rate. C. Petruccione stated that carrier will only provide claims, ASO, stop loss fees. They will provide allocation rates (Anthem claims and fees). T. VanTasel asked how claims are being audited. C. Petruccione stated that the insurance company will pull \$ from the fund monthly and will send a list of claims (name, amount) someone will have to review that report on a regular basis. R. Skoly explained claims audit.

H. Wagner asked for sample claims report from Anthem. C. Petruccione will request.

R. Siminski asked what happens if one entity does not approve. C. Petruccione stated it is up to the group. Would it need to be majority or unanimous. A. Traversa suggested having a consortium attorney looking at all documents and helping to lay out the path. T. VanTasel stated does not want to destabilize the consortium and need agreement of all parties. It was noted that if one group pulls out their coverage may become much more expensive. A. Traversa stated all-boards presentation, if it is going to be decision made by five governing entities, but presentation must be focused to the boards that have the votes. A. Tierney stated he will go to attorney to get opinion on whether or not it needs to be unanimous. R. Skoly stated must consider the claim fund, if someone were to leave how funds would be disbursed if an entity were to pull out down the road. Should we look to an attorney who specializes in medical insurance.

R. Skoly asked about COBRA administration and if the carriers are willing to do this going forward. C. Petruccione stated COBRA could stay the same.

B. Burbank anticipates a lot of questions from the Boards need to be able to answer.

Consensus was that the regional all-boards meeting would have to be held after the new year (second week of January). Look to have various governing boards vote by end of January. C. Petruccione stated if all entities vote by end of January will be able to implement for July 1, 2017. C. Petruccione stated you will not have final July numbers until March or April. C. Petruccione stated that the self-funded numbers are not the worst case scenario numbers, fully-insured are.

The entities are voting to approve the process, the move to self-funded, not the numbers.

T. VanTasel asked what happens if the numbers fully-insured vs. self-funded come back with a drastic difference? C. Petruccione and R. Skoly stated that there should not be a huge gap. M. Leichter and C. Petruccione stated that it must be stressed that this is for long term savings.

A. Traversa stated that having been in sales, asked if it is possible to bring in someone from one of the towns who has been in this for years who have had significant savings come in to the presentation. The stories sell, not the numbers. Must present simple facts, not the minutia.

R. Skoly suggested showing different versions of claims paid = conventional, expected, worse case and somewhere in the middle.

The consensus is that the governing boards are approving an overall concept, not the rates/numbers.

C. Bourassa asked if we need the attorney to attend the meeting on Thursday. H. Wagner asked if we will be looking for an attorney who specializes in this type of work. A. Tierney will request Attorney Slater if he is available, and asked Coventry administrator who attorney is for ECHIP.

RHAM has settled with the principles and will be meeting with non-cert in the spring. If Anthem is in the picture they are happy, big concern is the provider network. A. Tierney stated because we are changing, gives unions opportunity to open up discussions, they are going to want to compare to the State plan. C. Petruccione stated that language has been reviewed in all contracts, none that could deny the change. R. Siminski stated that must be stress the potential for savings.

A. Tierney stated another question is whether we are still considering ECHIP or only Anthem. R. Skoly asked if we can get aggregate stop loss if going with ECHIP, it is believed consortium can buy on its own.

C. Petruccione stated that with the the consortiums make up and history, there is a lot of logic staying with Anthem.

**Regular Meeting: December 8, 2016, 9:30 a.m. Hebron Town Office Building**

#### **Adjournment**

Motion by R. Siminski, second by A. Traversa, to adjourn the meeting at 11:14 a.m. The motion passed unanimously.

Respectfully submitted,

Donna Lanza