

MINUTES

Sanbornton Health Insurance Study Committee (HISC)

Meeting Date and Time: Thursday, August 15, 2019 at 2:00 PM

Meeting Place: Meeting Room, Sanbornton Town Offices

Chairman Dick called the meeting to order at 2:00 PM

Roll Call

Regular Members present: Paul Dexter (Employee Rep), Julie Lonergan (Employee Rep), Ray Masse (Citizen Rep), Jim Dick (Citizen Rep) Tom Salatiello (Selectmen's Rep)

Regular Members absent: Budget Committee Rep

(Note: The Budget Committee in regular meeting appointed Craig Weissman as the representative to the Committee. He subsequently sent an email to the Board of Selectmen stating that he would not serve on the Committee. To date, the Budget Committee has not met to appoint an alternate representative. The Budget Committee position remains open until they select a member to participate.)

Others present at the meeting: Trish Stafford, Town Administrator

New Business

- a. The Committee reviewed the minutes from 7/18 and 7/24. Julie Lonergan made a motion to accept the minutes. seconded by Paul Dexter. During discussion, Ray Masse noted a minor correction to the 7/18 minutes. Julie Lonergan moved to accept the minutes from 6/13 as amended. Paul Dexter seconded the motion. The motion passed unanimously.

Old Business

- a. Next the Committee discussed the rate information for the plans received from both NEEBCo and HealthTrust. Jim Dick told the Committee that he had put the plans into a spreadsheet for easier side by side comparison. The spreadsheet shows the premium costs, as well as the Town's HRA liability that goes into the budget (10 employees at 100% based on maximum out of pocket expenses). The assumptions for the NEEBCo and HealthTrust policies are different. NEEBCo allows the HRA to cover anything (deductibles, copays) in any amount, while HealthTrust does not allow the Town to pay any more than 50% of the deductible. That significantly changes the potential HRA liability and the amount that needs to be budgeted. It also puts more of the burden back on the employees. Jim Dick pointed out that under the HealthTrust plans, employees can minimize out of pocket expenses by using the Site of Service (SOS) providers in the network, and that the number of facilities is very large. Julie Lonergan asked about whether Dartmouth Hitchcock was one of their SOS providers. The Committee will verify with HealthTrust is Dartmouth Hitchcock is covered under their plans.
- b. Jim Dick explained that the analysis only shows the NEEBCo and HealthTrust plans that were likely to save the Town money on Budget Line 4155.210. There were four plans that are examined in detail, and they all appear to offer significant savings over the current plan. That savings is greatest when the Town's HRA is limited to 50% of the deductible, as required by HealthTrust. That 50% limit was applied to the NEEBCo plans to provide a comparison of what would happen if it was applied, even though NEEBCo allows greater HRA use. Julie Lonergan pointed out that the copays for the HealthNet plans are much lower than with the current

Harvard Pilgrim plan, which would reduce the impact if employees had to cover copays themselves instead of the Town paying with the HRA.

- c. Ray Masse commented on the impact of pay versus benefits on employee recruitment and retention. He stated that most people are attracted by the salary, not the benefits, especially the younger employees. Julie Lonergan noted that surrounding towns are paying higher wages and offering zero out of pocket health care to town employees.
- d. Paul Dexter noted that the importance of benefits vary based on the employee's personal situation. He also agreed that the Town pays wages that are low - but balancing that with benefits and taxes is a challenge. He also pointed out that increasing wages creates another budget burden for the Town in the way of retirement and payroll taxes. Julie commented that employees may prefer to pay something weekly to get better insurance coverage than get "surprised" with a big out of pocket expense. The Committee discussed the possibility of adjusting the pay matrix using part of any potential savings from changing coverage plans. Julie Lonergan pointed out that across the board percentage increases don't necessarily give the most benefit to the people who need it the most. Tom Salatiello said it might be useful for the Committee to look at the 2017 Wage Survey and Compensation Study and see if there are any changes to the Pay Matrix that should be considered. Employees are a critical part of the Town's infrastructure and they need to be compensated appropriately.
- e. Trish Stafford suggested that the Town consider offering a Flexible Spending Account (FSA) that would help cushion the employees from large out of pocket expenses. Both NEEBCo and HealthTrust offer FSA's at no cost. The plans can be funded by the employee with pre-tax payroll deductions, and the Town could contribute if desired. The maximum amount for an FSA in 2019 is \$2650, which would not be enough to cover all of the potential costs for a family, but it would help. FSA's expire at the end of the calendar year, so any contributions an employee makes must be used or they are lost (subject to any grace periods or a maximum rollover of \$500).
- f. Julie Lonergan requested the Committee analyze two of the higher-priced HealthTrust plans to see how they would impact the employees in terms of potential out of pocket liability. Jim Dick said they would run the analysis on two of the other HealthTrust plans to see the differences.
- g. The updated spreadsheet will be provided to the Committee members to review for discussion at the next meeting.
- h. The next meeting is scheduled for Tuesday, August 22 at 2:00 PM, to continue the discussion of the various plan options..

A motion was made by Tom Salatiello to adjourn the meeting, seconded by Ray Masse. Motion passed unanimously.

Meeting adjourned at 3:10 pm.

Respectfully submitted,
Jim Dick