

## **MINUTES**

### **Sanbornton Health Insurance Study Committee (HISC)**

**Meeting Date and Time:** Thursday, August 27, 2019 at 2:00 PM

**Meeting Place:** Woodman Room, Sanbornton Public Library

Chairman Dick called the meeting to order at 2:07 PM

#### **Roll Call**

Regular Members present: Ray Masse (Citizen Rep), Jim Dick (Citizen Rep) Tom Salatiello (Selectmen's Rep)

Regular Members absent: Paul Dexter (Employee Rep), Julie Lonergan (Employee Rep), 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 8/15. Ray Masse made a motion to accept the minutes. seconded by Tom Salatiello. The motion passed unanimously.

#### **Old Business**

- a. Next the Committee discussed the rate information for the plans received from both NEEBCo and HealthTrust. Ray Masse presented a revised spreadsheet that compared the plans for both coverage and cost. He noted four things that were clarified by HealthTrust since the last meeting:
  - 1) The "short year" plan (Jan-Jun) suggested by HealthTrust isn't feasible because the deductibles and out of pocket expenses for the employees would reset upon renewal to the full plan year in July. That means employees could end up paying twice as much out of pocket as normal. Although there would also be deductibles paid out under the NEEBCo plan, that would be limited to a maximum of \$1,000 per employee based on the current HRA policy. Since the Town historically underspends Budget Line 4155.210, an option exists to use a portion of the surplus back out of pocket expenses from January to June if a decision is made to change plans. It was agreed that more research is needed to understand the mechanics of this option.
  - 2) HealthTrust confirmed that under their plans, the Town is limited to paying a maximum of 50% of the deductible. The money cannot go toward other out of pocket costs like copays or coinsurance.
  - 3) The Town could offer a Flexible Spending Account (FSA) option to employees. The Town can contribute up to a maximum of \$500 into an employee's account as a standalone contribution. The Town can also match employee contributions, dollar for dollar, up to the maximum employee contribution limit. That is an option that could be considered, with a maximum contribution by the Town (e.g., \$500) to help offset the burden of the increased health care cost on the employee.

- 4) There is also a Dependent Care option for the FSA, where employees can make pre-tax contributions to cover the cost of care like child care. That option comes with absolutely no risk or obligation for the Town - it costs nothing. It can be an excellent benefit, however, for employees who pay for dependent care.

Trish Stafford noted that the rules for accessing the Dependent Care FSA contributions is a bit more complicated than health care, but it is still a great benefit to offer.

- b. Paul Dexter arrived at 2:30 PM.
- c. Jim Dick and Ray Masse reviewed some examples that HealthTrust provided. They used 4 different scenarios to illustrate potential out of pocket costs under a specific coverage plan. Although not all inclusive, they provide a helpful illustration of how using the HealthTrust Site of Service (SOS) option can significantly limit out of pocket costs. The scenarios also showed how the out of pocket cost for catastrophic events (like cancer diagnosis and treatment) can be greatly reduced through the use of the HRA, an FSA, and the lower deductibles for the plans under consideration.
- d. Trish Stafford brought up a concern about customer service after a recent experience with HealthTrust in trying to resolve an issue with dental coverage. Although the Committee doesn't know if the same customer service organization serves health care coverage, we agreed that it is something to keep in mind.
- e. Tom Salatiello stated that the Committee should consider recommending changes to the pay matrix/position placement on the matrix to help reduce the impact of higher health care costs. Paul Dexter noted that the Wage Study from 2017 wasn't perfect, but the Town did not implement all of the grade/step recommendations in the study. In order to understand the financial impact of any recommended changes, the Committee will need to know the current grade/step (or salary) for each Town position. Jim Dick will email Trish Stafford to request the information.
- f. Jim Dick asked what the Committee members felt they needed to move forward on a recommendation to the Board of Selectmen (BOS). Trish Stafford said that it would be good to show the comparison of the HealthTrust out of pocket costs to the NEEBCo costs for the four employee scenarios. Ray Masse and Jim Dick will update the scenarios with the NEEBCo data. Paul Dexter noted that the employees will need help to understand any new plan options, since it is a lot of information and very confusing. The Committee agreed that if a change is recommended, the Town needs to work with the carrier to have a series of information sessions for the employees and their families to understand the most cost effective ways to use the new plan.
- g. Paul Dexter stated that the next meeting needs to be to decide on a recommendation to the BOS. It was agreed that the Committee would look at the options and decide on a recommendation.
- h. The next meeting is scheduled for Tuesday, September 3 at 2:00 PM, to decide on a recommendation concerning health care coverage.

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

**Meeting adjourned at 3:41 PM.**

Respectfully submitted,  
Jim Dick