

MINUTES

Sanbornton Health Insurance Study Committee (HISC)

Meeting Date and Time: Tuesday, September 3, 2019 at 2:00

Meeting Place: Meeting Room, Town Office

Chairman Dick called the meeting to order at 2:08 PM

Roll Call

Regular Members present: Ray Masse (Citizen Rep), Jim Dick (Citizen Rep) , Paul Dexter (Employee Rep)

Regular Members absent: Julie Lonergan (Employee Rep), Tom Salatiello (Selectmen's 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 8/27. Ray Masse made a motion to accept the minutes, seconded by Paul Dexter. The motion passed unanimously.

Old Business

- a. Next the Committee reviewed a summary showing the current insurance plan, the best option offered by NEEBCo, and the best option offered by HealthTrust. Jim Dick explained that the cost info was based on the data provided by the two companies for their policies. The figures also included an allowance of \$10,500 for Town funding of a Flexible Spending Account (FSA) for each employee to help offset some of the increased out of pocket costs that could result from a change in the HRA policy.
- b. Julie Lonergan arrived at 2:19 PM.
- c. Julie expressed concerns about the potential increase to employees under the HealthTrust plans. Jim Dick explained how the use of the HealthTrust Site of Service (SOS) providers helped reduce that risk (Services at SOS locations carries \$0 copay or out of pocket expense). Ray Masse pointed out that SOS was good for a "planned" service - like a doctor-ordered x-ray - but for urgent care or emergency room service, going to an SOS wouldn't be an option. Jim Dick noted that under the HealthTrust rules, the Town could reimburse 50% of the cost for a deductible service like the x-ray example, which would reduce the out of pocket expense. Paul Dexter pointed out that it's not just deductible expenses - that copays for doctor visits and prescriptions also have to be considered.

- d. The Committee discussed the two FSA options: Town-funding of \$500 per employee and Town matching of employee contributions. Although the Town can match any amount up to the maximum FSA limit, a maximum match of \$500 was discussed. That would only be paid if an employee contributed their own funds into the FSA. Although it would reduce the potential savings from the insurance policy change, the total amount saved would still represent a 33% savings over the current budget. It was agreed that the FSA was an important way to support the employees, especially during the initial transition to a new policy.
- e. Ray Masse brought up potential pay matrix adjustments. He said that the Town needs to consider making some adjustments to make potential increases in out of pocket costs for health care easier to absorb. Jim Dick pointed out that the Cost of Living Adjustment (COLA) the Town provided in the FY20 budget was only 2.0% - whereas the actual cost of living increase calculated by the Federal government was 2.8%. That means the employee wages fell even further behind in terms of true purchasing power - so adding more health care costs has to be managed carefully. Julie Lonergan stated that if a pay adjustment can't go through, the Town would need to rethink making insurance changes or risk losing large numbers of employees.
- f. Jim Dick asked the members what steps need to be taken before the Committee is ready to make a recommendation to the Board. Julie felt there needed to be a commitment from the Board to pursue the wage adjustments. Paul Dexter said the report and recommendations need to go to the Board first, so that they have the information to be able to put in for any adjustments. Ray Masse felt that we needed to "put pen to paper" in order to give both the Board and the Budget Committee enough information and time to use in the development of the budget. Julie Lonergan expressed a concern that all of the savings would be taken in the budget process and none of it would be reinvested in efforts to retain and compensate the employees at something closer to the market rate.
- g. Jim Dick provided a report outline to help focus the Committee's efforts. Paul Dexter suggested putting together a simplified presentation to outline the recommendations to the Board, then letting the more detailed report provide backup and data for more detailed discussions during budget sessions.
- h. The next meeting is scheduled for Tuesday, September 10 at 2:00 PM, to review recommendations concerning health care coverage.

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

Meeting adjourned at 3:25 PM.

Respectfully submitted,
Jim Dick