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MINUTES

Sanbornton Health Insurance Study Committee (HISC)

Meeting Date and Time: Thursday, June 13, 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), Tom Salatiello (Selectmen's Rep) Ray Masse (Citizen Rep), Jim Dick (Citizen 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: None

New Business

- a. Paul Dexter moved to accept the minutes from 5/30. Ray Masse seconded the motion. During discussion, Ray identified some corrections and additions. Paul Dexter modified his motion to accept the minutes as corrected. Ray Masse seconded the motion. The motion passed unanimously.
- b. Jim Dick opened the discussion about how to move forward with developing recommendations for the Board of Selectmen based on information received so far. He suggested the Committee put together three representative plans - high, medium, and low options - that have varying amounts of policy coverage, copays, deductibles, out-of-pocket expenses, etc. They could be submitted to NEEBCo to get representative pricing for existing plans that come closest to the levels of coverage specified. That could provide a starting point for looking at different mixes of premium, HSA, and HRA benefits.
- c. Ray Masse said he was still struggling to understand the decision to cover all out-of-pocket expenses with the HRA beginning with the 2018 policy year. Even with the set back of not being able to move to the Tufts plan as anticipated, the 2018 plan from Harvard Pilgrim didn't seem to represent that great an increase in employee costs from the 2017 plan. Julie Lonergan and Paul Dexter explained that there were a lot of issues that Town employees were dealing with that year, and that morale was already very low. The sense was that the Board of Selectmen didn't want to add to the troubles (less than a week before Christmas) by announcing an increase in health care costs. All the Committee members agreed that regardless of the reason, that's the situation the Town is in now. Paul Dexter pointed out that benefits like health care take on increasing importance as employees get older, and so they become much more of a factor for older employees.
- d. Ray Masse stated that the current combination of health insurance premiums and HRA coverage will eventually become unsustainable. All of the other Committee members agreed. Ray believes we can find a different mix of policy, HRA and HSA benefits that can reduce the total cost to the Town without placing a significant burden on the employees.

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- e. Ray Masse noted that he had taken a second look at some of the premium information that had been provided to the Town by HealthNation. Although the cost seems high at first, they may have some coverage options that would help reduce the variable portion of the Town's health care bill (the HRA payments) in favor of a larger fixed cost for premiums. Paul Dexter recommended inviting a representative from HealthNation to meet with the Committee to explain their products. Chair Dick will coordinate with TA Ambrose to contact HealthNation and invite them to the Committee's next meeting.
- f. The Committee proceeded to build three "sample" policies using a range of deductibles, out-of-pocket expenses, and co-pays/co-insurance. Chair Dick will provide those to Mike Connelly from NEEBCo and ask him to match them to the closest existing policies in the Town's market in order to get some representative pricing. The same samples will be provided to HealthNation once contact is established, as discussed in paragraph (e) above.
- g. The Committee had a brief discussion about what happens to the remaining health care budget at the end of the year when it isn't spent. On average (FY15-19), the Town only spend 85% of the budgeted amount for health care. The rest lapses back into the fund balance at the end of the fiscal year. That tends to make the cost look higher than it actually is.
- h. The next meeting was tentatively scheduled for Thursday, June 27 at 2:00 PM, pending the availability of a representative from HealthNation..

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

Meeting adjourned at 3:25 pm.

Respectfully submitted,
Jim Dick

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