

## FINANCE COMMITTEE

## Minutes

Date: February 22, 2017

Time: 6:00 p.m.

Present: Cofske, O'Connell, Khalife, Kennedy

Absent: Kupcinskis, Noonan

Meeting called to order at 6:05p.m.

Motioned by Khalife, seconded by Cofske to accept the minutes of January 3, 2017 as written.  
Unanimous.

Ed Burns was in to discuss Health Insurance at 6:00 p.m.

Katie McKenna, Finance Director and Dave Marciello, Town Manager, were in at 6:00 p.m.

Mary Krumsiek, and Scott Despres, BOS members were in at 6:00 p.m.

Jen O'Connell: One of our largest budgets is Health Insurance. It is close to \$6Million. I spoke to Katie about this and she contacted Ed Burns to have him come in and go over the process of negotiations.

Ed Burns: My company is NFP. The problem with some of the plans is that you need to go to certain doctors that are within their network. That is the reason that there are a couple of different plans that are offered. We try to stay transparent with the employees on any changes. We already put out an RFP. One of the carriers has already responded with a quote, which would only be a savings of about \$45,000. We anticipate getting another response next week. I hope to use these quotes to go back to our carrier to see what they can offer. Some changes that may come up could be larger deductibles, larger co-pays or even changes in prescriptions. I believe that Fallon will come down on their increase. Millbury's management has kept the increases down over the past few years. I am not sure what will come out of this year's increase. I had projected about a 13.65% increase and the actual renewal came in at 16.79%. I am still waiting to hear from MIA. They do not have a narrow network plan like Fallon.

Dave Marciello: This is 5% higher than what we had anticipated.

Katie McKenna: I estimated it at about a 12% increase, based on prior year figures.

Jen O'Connell: Do we have to offer an HMO?

Ed Burns: Yes, you do. You would need approval from the unions and the carriers to offer anything else (i.e. Higher deductibles). Since you cannot change the contribution, you could change the co-pay.

RECEIVED  
TOWN CLERK  
17 MAR 13 AM 8:28  
MILLBURY, MASS.

Dave Marciello: What is the highest amount we could go to without having to go back to collective bargaining?

Ed Burns: If we went to the old plan, it could change the increase from 17% to 8%. The Town could choose to reimburse the employee for some of the co-pay increases.

Dave Marciello: It is good to hear that we have some options on policy choices.

Ed Burns: We need to complete the process by May 1<sup>st</sup>.

Dave Marciello: What if we cannot get it done that early? Could we still do it?

Ed Burns: You could have it effective for September, but you would probably want to keep in line with your fiscal year. As is, we are looking at a \$359 increase for individuals and \$941 increase for the family plan. A change in the plan could change the increase to \$181 for individuals and \$475 for the family plan, plus the increased co-pays. With this change, it would probably bring the increase down to about 9% for the Town.

Dave Marciello: We would need to forward this to the Insurance Advisory Committee with the plan change and co-pay and deductible increases. Would there be a grace period for enrollments with the changes?

Ed Burns: We would be able to get it done before open enrollment in May. This needs to be completed by May 1<sup>st</sup>.

Dave Marciello: How long is this rate increase good for?

Ed Burns: Massachusetts only allows rate increases to be good for 12 months.

Scott Despres: What is the reason for the larger contribution for Direct Care and Select Care, since the co-pays are the same?

Ed Burns: Select Care gives a broader network.

#### Other Business

Jen O'Connell: I sat with Dave Marciello yesterday and he stated that there will be 150 buildable lots within the next year.

Jen O'Connell: We are thinking about saving time and money by having the budget books done electronically rather than in book form.

Next meeting to be Saturday, March 11, 2017 at 10:00 a.m.

Motioned by Khalife, seconded by Kennedy to adjourn at 7:20 p.m. Unanimous.

