



TOWN OF NEWTOWN

Employee Medical Benefits Board Special Meeting
Monday February 24, 2014 at 6:00PM
Municipal Center, Meeting Room #1

THESE MINUTES ARE SUBJECT TO APPROVAL BY EMPLOYEE MEDICAL BENEFITS BOARD
The Approval of minutes from the 2/10 meeting was tabled

PRESENT: Mark Mattioli (Chairman), James Loring, Dan McAloon, Paul Smith and Donna VanWaalwijk;
ALSO PRESENT: Robert Tait, Director of Finance and Joseph Spurgeon, Consultant with Lindberg and Ripple

Chairman Mark Mattioli called the meeting to order at 6:01PM

Mr. Mattioli started the meeting stating this is a special meeting called after the February 10th meeting. The Board decided to look at more recent data from the previous meeting from Joseph Spurgeon to see if we want to revisit their recommendation. Mr. Spurgeon stated Anthem has still not corrected the drug problem. It is getting better but not fixed. They state one week off but Mr. Spurgeon sees it out approx 2 weeks. Mr. Spurgeon stated that he updated the outline from the previous meeting. He stated there were no changes to items 1-3. Number 4 also didn't change. Number 5 changed to show December claims in which he was adjusting \$80,000 for missing claims. Last time he thought it was approximately \$116,000 or so for missing claims. He sees improvement in the running fiscal year. We are running at around 4% better than claim projections.

Bob Tait stated January was significantly better and the report shows that. The straight Anthem claim data shows we were at 75% expectance coming off the month where we were at 107% expectance. Mr. Spurgeon sees it improving in the Year End with approximately 3% improvement. He states A-Q stays the same with Anthem projections. A-H experience period through November and then he updated that. I-M is his attempt to get to their claim projection. R-Y are his updated projections and he went over each line item thoroughly with the Board. Below is a small chart which compares the exhibits Joe shared on 2/10 and 2/24, as it relates to the top line numbers.

	2/10/2014	2/24/2014
2013-2014 program cost projection	13.3 million	13.3 million
claims	12.16	12.16
admin/NAF/Reinsurance premium	1.14	1.14
2014-2015 program cost projection	15.1 Million	14.5 million
claims	13.8	13.2
admin/NAF/reinsurance premium	1.3	1.3

Reserve fund target (consultant)	3.509	3.364
reserve fund projection for 6/30/14	2.296	2.296

Mr. Mattioli and Mr. Spurgeon spoke earlier in the day. They thought that things were going in the right direction. Claims were better than the last meeting. Mr. Spurgeon numbers are still off from Bob's number but indicated that February looked good. Anthem hasn't updated their projections.

Mr. Spurgeon discussed the carrier renewal and stated what it does:

1. It validates a budget with your own interpretation gives you a budget number.
2. It derives fixed cost.
3. The primary objective is to give you a base for Employee Contribution rates.

Mr. Spurgeon stated you can update and lock in at any time. He stated if you wait one more Month you may come closer to 4% which is Bob's projection and he stated the Board may feel more comfortable with that.

The Board decided to go with their recommendation of \$400,000. Some Board members will attend the Board of Finance Meeting on March 6th at 7:00PM . They will be there to answer any questions the BOF may have regarding their recommendation. Mark Mattioli and John Spurgeon will be attending the meeting. The group decided that they would not produce another communication in advance of the 3/6 BOF meeting.

Meeting was adjourned at 6:50PM