

EMPLOYEE MEDICAL BENEFITS BOARD
Meeting Minutes
MONDAY, May 5, 2014 6:15 PM
NEWTOWN MUNICIPAL CENTER, 3 PRIMROSE STREET, NEWTOWN, CT
MEETING ROOM 1

Present: Mark Mattioli; Donna Van Waalwijk; Jim Loring; Also Present: Ron Bienkowski; Bob Tait; Joe Spurgeon; Absent: Paul Smith; Dan MacAloon;

Members of the public: Robert Hatcher; Charles Nostrand

Mr. Mattioli Called the meeting to order @ 6:15PM

Mr. Mattioli made a motion to approve the minutes from the 2/24/14 special meeting; Ms. Van Waalwijk seconded; All were in favor; Minutes were approved

New Business:

1. Mr. Tait reported that the group claims experience for the months of February, March and April of 2014 were \$924,000, \$1,192,000 and \$1,000,000 respectively. Mr. Hatcher asked if these were incurred or paid claims. Mr. Spurgeon replied that they are claims paid during the period. Mr. Tait told the group that he receives daily updates on the status of claims paid. Mr. Mattioli asked the group if they had any other questions or concerns about the claims experience.
2. Mr. Tait reported that the current estimate for the status of the reserve fund on 6/30/14 is \$2,411,439, based on the assumption that with 10 of 12 months experience complete for this plan year (this is roughly 82% of the claims he expects to see for the total plan year); additionally, the current estimate for the status of the reserve fund as of 6/30/15 is \$2,735,439, based on a 6% claims increase over the next plan year and \$400,000 additional contributions to the reserve fund.
 - a. After reviewing the exhibits from Mr. Tait, Mr. Mattioli asked Mr. Spurgeon if Anthem had provided an updated renewal exhibit, incorporating the most recent months of experience, and their latest estimate for trends. He said he had not asked them to prepare that.
 - b. Mr. Mattioli asked the group if they had any questions or concerns about the reserve fund.
3. Mr. Mattioli initiated the discussion of providing the legislative council with recommendations for improving the ordinance which governs the self-insured health insurance fund and committee. He shared that he had an exchange with a member of the legislative council, who indicated a willingness to visit this topic after conclusion of this budget cycle. Mr. Mattioli asked for the group to review the ordinance and provide their input by the next meeting. He put forth two ideas for improving the ordinance, in response to concerns about timing of the boards' recommendations and documentation of the reserve fund status over time:
 - a. Mr. Mattioli asked Mr. Tait and Mr. Bienkowski to consider the timeframe as it relates to the budget cycle, and ask themselves and Pat Llodra and Dr. Erardi respectively, for their input. Mr. Bienkowski indicated that looking at the most recent budget cycle, having the recommendation come from the board in Mid-February was a positive. But that in another year, with different financial circumstances, a recommendation (to add 400k to the reserves) earlier in the process might put pressure on other programs to be reduced. Mr. Tait said he would review the Charter after the meeting, and share his input with the group. He liked the idea of drawing a line in the sand, but was not sure about using a specific date. *(On 5/7, Mr. Tait emailed Mr. Mattioli, having reviewed the Charter, and indicated "around the second Monday in February. Perhaps the third Monday?")*. Ms. Van Waalwijk, agreed with the idea of inserting a specific timeline, but was hesitant to specify a date, like February 10th. Mr. Spurgeon shared that he did not think the board should limit itself, as

things might change from year to year. He said, you might wish to provide an initial recommendation, and update it. Mr. Mattioli disagreed with that, as it removes the idea of a deadline. Given the very stable size and benefits of this group, relative to others, one month of experience should not change a projection significantly. We should be able to provide a recommendation within a specified timeline. We can always provide preliminary numbers earlier in the plan year (i.e. Nov, Dec, Jan). The group meets quarterly (or more frequently as needed), and is available to the partners for consultation throughout the year. Regarding political influence or the appearance of it, Mr. Mattioli mentioned that delaying a recommendation could be seen as the result of political pressure. By adding a very specific timeline for releasing a recommendation, the possibility of political pressure becoming a factor could be avoided in the future.

- b. While the claims experience reports are robust, the board does not have much in the way of documentation of the Reserve fund. Since it is a primary purpose of this board to protect this reserve fund, more documentation would help the group now and in the future. Mr. Tait has been providing estimates of future reserve levels, but we do not get a monthly report of the status of the actual \$ amount of the fund (see topic#2 above). There are reasons for this. At Mr. Tait's suggestion, on a go-forward basis, he will start providing the board with a quarterly report, which will show the cash reserves, the quarterly contributions, and will indicate a number of other items which impact the level of the reserve fund (i.e. retiree contributions). After providing the group this solution, Mr. Tait had to excuse himself for another meeting.

Communication: Nothing new was discussed

Announcements:

1. Mr. Hatcher is a Newtown resident employed as an Actuary focusing on Reinsurance. He shared with the group that he would be happy to assist us, as we assess the reinsurance needs of Newtown. If we need a subject matter expert on the topic, he is happy to help. With premiums for Reinsurance approaching \$783,000 for the coming year, it is good to know we have a local expert willing to assist us, in addition to the insurance consultant.
2. For the purpose of this meeting, Mr. MacAloon recused himself. He said that he is finalizing discussions with his employer, which will allow him to continue his participation with this board. He indicated that he expects this to be finalized soon, allowing him to continue. Mr. Loring is the alternate who stood in Mr. MacAloon's place. While I marked his as absent, Mr. MacAloon was present, but not participating.

Mr. Loring made a motion to Adjourn; Ms. Van Waalwijk seconded; all were in favor; The meeting was adjourned at 7:15 PM.