

**Town of West Boylston IAC
Minutes of March 21, 2011:**

Members

Marcia Cairns
Jack McCormick
Judy Van Hoven
Barbara Deschenes
Sandra Ivans (absent)
Paula Menendez
Cande Kristoff
Mike Coveney
Pat Fanning

EBS Foran: Ken Lombardi

November 29, 2010 meeting minutes distributed and approved

Agenda distributed, discussion items concerned the preliminary and negotiated HPHC renewal, proposal information from BCBS and FCHP, and information on the GIC, WSHG, and MNHG as examples of area plans and rate levels.

Updated claims data also reviewed, observed that recent claims, calendar year 2010 compared to 2009 shows a 22.8% per subscriber cost increase. Recent large claims are impacting the plans experience which led to the initial 16.38% renewal proposal from HPHC, later adjusted to +9.5% after negotiations between the Town's advisor and HPHC.

There was also a discussion on the profit loss history since the group went with HPHC on July 2006 which shows that claims paid plus expenses and pooling charges minus large claims compared to premium paid is at 100% which is exactly the desired result. It was noted that the plan financials should not produce a surplus to the carrier, and if there is a deficit, would lead to higher renewal premiums. The plan trend used by HPHC is about 9% so the results are appropriate. Given the increase, the Town will see a \$271,894 budget increase and the members will a \$65,533 increase. There was some general discussion about collective bargaining and it was noted that some contributions are changing on July 2011 which will impact the budget as well.

The discussion also included the Governors GIC bill and the group was advised that if approved, another meeting would need to be convened to talk about bring the Town's plan in line actuarially with the GIC style plans. There is no information available from the Legislature about whether or not an average cost method exists on how to compare the Town's plan to the 11 GIC style active plans or 6 retiree plans. Presumably the Town's plans would need to see similar co-pay changes and deductibles to bring the plan design in line. Currently, West Boylston has premium rates that are lower on average to relative plans at the GIC such as the HPHC Independence plan but it was also note that members could enroll in Fallon for instance and see a cost savings although their share of out of pocket costs would increase.

Comparisons were also discussed to WSHG and MNHG, 2 area JPA's that some neighboring communities are part of an it was observed that rates are competitive with these larger groups as well.

Further discussion concerned the fact that the Town's plan would be complying with National Health Care effective July 1, 2011 which improves benefits and eligibility at a cost of +2.5% in the renewal rates. Members get preventive care at \$0 co-pay and Durable Medical Equipment max is removed but a 20% co-insurance is added, and full dependent coverage to age 26 will be implemented as well. To counteract this cost shift, it was recommended the group consider revising office visit co-pays to \$20 for PCP and \$25 for specialist, both of which are \$15 now. After some discussion, the group appears okay with the concept of the \$20 for both, but did not

want to penalize members who required a lot of specialist care. It was left that pricing for this change as well as the possibility of going to a three tier rate basis would be requested from HPHC for further review and for discussion and possible recommendation to the Town Manager at the next IAC meeting scheduled for April 13th at 3:30. It was suggested that email for correspondence the meantime be circulated in advance of that meeting so members could prepare for a response.