

**Town of Shrewsbury  
Insurance Advisory Committee  
Mar 21, 2023  
Selectmen's Meeting Room- Shrewsbury Town Hall  
100 Maple Ave Shrewsbury, MA 01545**

**MINUTES**

PRESENT: Adam Cameron, Sean Quinlivan, James Henrickson, Jaime Colby, Nick Hawes, David Snowdon, Keith Baldinger, Kevin Mizikar, Robert Pine, Noreen Christie, Heather Penfield, Barb Malone, Kyle Amato, Kristina Ordnung

The meeting was called to order by Kevin Mizikar at 3:16 pm. Mr. Mizikar wanted to confirm that there was a quorum and confirmed which member units were present. Police and fire were represented by Adam Cameron and Jamie Colby, Nonunion employees by Keith Baldinger, Paras by Noreen Christine, Teachers by Heather Penfield, and Selco by James Henrickson.

Kevin Mizikar asked if there were any questions or comments about the October 25, 2022 meeting minutes. There were none, so a motion to accept the minutes was made by Robert Pine and seconded by Keith Baldinger. The committee then unanimously approved the minutes.

Kevin Mizikar discussed the West Suburban financial update. Performance for FY23 is on par with what was expected. The rates were set last year in December 2021 with changes occurring as Fallon exited the market and the migration to BCBS. The anticipation was that \$6 million of the reserve fund would be used since there was a surplus to the fund balance. While drawing down on reserve it needs to stay above 8-12% and we need to be careful to not draw down further.

The HPHC Benchmark and PPO plans are underfunded, but they are very small groups so there is not a large impact. The Fallon run out has been completed and the BCBS plans were in surplus so funding is on par with expectations. The total claims exceeded revenue by \$1.3 million. In addition, the group administrative expenses brought the total to a \$3 million deficit.

Kevin Mizikar reviewed the funding analysis completed by Gallagher Benefits Services (GBS) Based on their calculations, the anticipated increase needed to fully fund the plans without using any of the trust balance was 12%. The WSHG proposed a 10% increase to reduce the trust balance usage required to \$2.5 million which allows the group to stay in the required balance range. While it allows for a lesser increase it does come with the warning that if things continue the same we will be at the bottom of the required range. The increase is more than the ideal adjustment for all parties, but necessary to keep the financial health of the group intact. The group will be weaning off using the trust from \$6 million to \$2.5 million. Mr. Mizikar continued that there will be some changes that occur next year with the merger of HPHC and Tufts, as well.

Kevin Mizikar discussed how they looked at the GIC to see how their plans and benefits are compared. They had lesser premium costs than the West Suburban Health Group plans, but higher copays and deductibles, so the group was still in a competitive position.

Rober Pine noted that if the WSHG went with the GIC, the town would lose control of the plans and the state manages it.

Keith Baldinger noted that a lot of communities have reduced their contributions to cost sharing, which puts more of the cost on the employees.

Heather Penfield asked what the average percentage increase of the plans was prior to covid and Kevin Mizikar said it was 6-7% on average. She also asked if there was a reason for universal 10% increase versus each plan increasing the appropriate amount to achieve level funding. She also asked how the Town can incentivize new teachers to be on a high deductible plan since they are financially strained at the lower end of the pay scale.

Kevin Mizikar said that if you combine the claims for Blue Cross and the run out of claims from Fallon they almost come out to be a wash. And the number of participants in the Harvard Pilgrim and Tufts plans is less than 25%, so we would need to increase those plans by about 30% if we didn't adjust the Blue Cross rates. The group had only had Blue Cross as the main provider for a short period, so the migration is also a factor since we only have about 9 months of claims data.

He also stated that the Health Savings Account is still funded 50% and the agreement goes through 2024. It was still advantageous for the town to continue funding this portion so it seemed likely it would continue.

Jamie Colby asked if the Harvard Pilgrim plans could be eliminated since they are over by so much. Kevin Mizikar responded that the claims are the claims, so those people would just move over to BCBS so the same amount would still need to be collected. Jamie Colby stated that he looked up information about the GIC and didn't see any high deductible plans. Kevin Mizikar said that most plans have a deductible but not the 2000/4000 option and nothing that qualifies for an HSA.

Adam Cameron stated that he had gotten some plan related questions from employees who have had some issues with denials from Blue Cross that they did not have as issues with Fallon. Nick Hawes said that he will coordinate to set up a meeting with a Blue Cross rep to come onsite to address people's questions and meet with employees.

A motion to accept the rates for Active Employee Insurance Plans for fiscal year 2024 was made by Adam Cameron and seconded by Robert Pine.

Mr. Pine requested that the chart with monthly and biweekly rates be sent out to committee members. Nick Hawes confirmed that he would send out the chart with the updated rates.

The rates were unanimously approved by all members and the meeting was adjourned at 3:53 p.m.

Respectfully submitted,

**Nick Hawes**

Nick Hawes

Benefits Coordinator

References & Provided Materials

IAC Meeting Package Dated 3/21/2023