

**TOWN OF PROVINCETOWN - BOARD OF SELECTMEN**  
**MEETING MINUTES – SPECIAL MEETING**  
**MONDAY, NOVEMBER, 13, 2018 5:00 PM**  
**TOWN HALL – JUDGE WELSH ROOM**

Chair Donegan convened the open meeting at 5:00 pm noting the following:

Board of Selectmen attending: Chair Tom Donegan, Vice Chair Cheryl Andrews, Members Robert Anthony, Lise King and Louise Venden

Excused:

Other attendees: Town Manager David B. Panagore

Recorder: Linda Fiorella

1. Presentation by Susan H. Shillue, LIA, President of Cook & Company Insurance Services, Inc. - Results of Health Insurance Study – Votes May Occur

DP – study on health insurance costs avenues to lower. Recommendations. Reduce the expense curve on win-win basis. Comprehensive study. Finance committee was briefed.

JCY – introduced Cook & Company Susan Shillue. Cape cod municipal health group joint purchase agreement for 50 municipal entities. CCMH self insured with blue cross and pilgrim. Provincetown gets the same rate as other towns. 183 subscribers and 160 under medicare – retired. Insurance getting insurance just for town vs through a consortium. Analysis reviewed claims on blue cross and Harvard pilgrim. Ration of claims to payments. We have a good ration. Did not get info on subscribers claims experience of high risk group.

What are options for the town.

A Status quo – 6% increase this past year.

B high deductible plans – we currently have benchmark plan GIC tufts navigator plan. Mass law allows muni to negotiate up to the limit of the GIC benchmark. Currently have the 2<sup>nd</sup> benchmark. High deductible plans are drastically different – now once deductible is met you pay copays. With high deductible 2-4k deductible pay the full cost and after that only pay copay for rx drugs. Health savings account goes with high deductible plan required that employers pay 50% of the deductible health savings account. If the premium goes down encourage employees to take savings of premium and put into the deductible account. Employees to use. Vs flex spending use it or lose it. HAS is funded by employer and employee but the HSA goes with them in full.

C negotiate to eliminate benchmark and only go to the high deductible plan. In municipal world these plans are relatively new

D go to group insurance commission. Once decision is made to go in employer and employee gives up all control the GIC sets all. Clients who have done all

E get a quote from MAYA insurance arm of mass municipal association. Over 100 participating muni entities. Rating is different – maya looks at rating of each town and sets a rate range – for each group extract claims over 75K for each group and divvy up among all groups. High claims for you you will be subsidized. If you don't you will be subsidizing other groups. When I asked maya to provide a quote they declined as they don't currently provide quotes for cape cod. Not ready to do it yet.

F look at other carriers – go out on own and go to blue cross or pilgrim tufts on your own. Risky. Small group. Could give you an attractive rate and won't allow rate cap in subsequent years. Could get hit with large increase. CCMH if large claims they are spread out with only 183 in active plans it could be a significant impact on your rates. Other joint

purchase assoc but based geographically typically. Rates generally are higher. Only one could potentially show a savings but they require a buy in of maybe 500K would make the cost greater than current cost.

G negotiate contributions split changes.

Lots of options direction depends on goals of town. cut costs Id say GIC. Group insurance commission you get the gretest cost savings higher deductible and higher copays. Town would see savings. Emplpyees wyould see plicy savings but highere deductible and copays.

DP like to hear recs for finance.

JCY – best choice is to remain and offer a high deductible plan. Town is already obligated to 50% of deductible. Best to front load that if they opt in to the high deductible and offer first year incentives by offering more of the deductible.

DP limit the front end hit. Once in that plan were saving money for every year there after so first year a little more than rbreraking even is good.

JCY – stipend program too to opt out of towns insurance proof of other insurance and a payout of 25% of towns cost savings to have them opt out of the plan.

LK – what initiated the effort.

DP mounting costs. Joint service with truro. No one has found a silver bullet. Glad to see all the data. Truro and us were very reticent given our size given the front end impact of high deductible gave more comfort to tht idea.

LV – look forward. Largest single item in our budget. Hope more of an evaluation of other elements to incentivize employees and see if other plans. Life partner is expert. She wrote up some questions. Other plans like Always? Cape cod healthcare also uses always. Offer that option? High lose ratios how many are listed?

SS blue care elect ismost expensive Harvard pilgrim.

LV lower cost plans more pressure to increase premiums. 6% increase but average statewide was 4%. Since we don't have control of the couaty plan. Questions might be asked. ACOs accountable care orgs and lump sum payment to a group of providers. Vehicles that we need to start asking questions about save money for this year there are going to be serious challenges for health providers unless we adopt other mech for controloing those costs.

RA – on the contributions between the town and the employee.

DP depending on where we head tonight. Would sit down with the unions. Change of deductible go into exec sess to address collective bargnaining strategy. Bargain the doing that. items that you have to bargain the decision and items you have to bargain the impact of the decision. Wouldn't have to come before town meeting.

RA – increase to the employee, right

DP – an option. Incentives that would help employee to get into the plan. Piece negotaiotn the front end piece.

RA im on Medicaid medicare retiree wife ison my plan how would it affect my wife. The high deductible option.

Jody – wouldn't affect her if she didn't choose to go into the high deductible plan.

SS – cant enroll if you have medicare.

RA my wife is on my policy.

JCY – it's a choice.

Jody – just offer it as an option.

CA – first question 183 employees being covered now – how many are union

Jody 40-50 in one union...

CA could someone get us that info? Impact bargaining is diff than 15 years ago. My interest is not at all changing the contribution – my goal would be to do what we can to keep the towns increase down but look at what's going on for the employees. Current policy we have and plus one and family. Some said it was illegal. Did anyone follow up on that.

Jody- its single parent single child it has to be that combo

CA do we have a chart of the town cost over 20 years. Health insurance expense. Confused about role of finance committee. Was their idea so we don't know their goal?

DP I don't know all of their thinking.

CA – they heard this presentation.

DP – a joint meeting might be in order

CA- lost HAS accounts. Flexible plan. Explain what happens to money not spent.

SS – stays in account and rolls over each year and is owned by the employee.

CA instead of front loading the HSA account why not pay bills as they come in

DP – legal. That's the way it works.

JCY – cant see their health care bills its personal

SS – HRA reimbursement account. Reimburse as they come in.

Jill- can do an HRA but for a high deductible and HSA entices. HRA is a promise to pay. giving the money up front entices.

DP – HRA is an option?

CA – obligation equalizes.

SS – healthy employee then deductible later.

CA – stipend program –

JCY – it's a cost savings to the town.

TD – general principle high deductible is meant to change the curve if you have to pay the money you begin to question health care expenditures. This is a way of involving the consumer in terms of expenses.

SS – need an MRI if footing the whole bill might look for a facility that is less expensive. Want people to participate.

TD – studies have been that healthcare outcomes are the same or better. I think stipend program is a traditional private sector. Similar plan picked on the open market and it was more expensive to get through the town. why is individual open market has lower premium? Why more expensive than open market.

SS – based on the age factor and risk associated with that.

TD – self insured plan ration mid to high 80s when no risk assumed by admin.

SS 85 – 87 is standard. took out large losses dropped down to the 70s.

TD – banded rating some towns they do bands.

SS – in general mini rate is the same add in an admin fee.

TD – claims loss ration – there has to be more solutions. If someone else is taking the future risk the 7 or 8 points. Our taxpayers are going to pay the increases in premium.

SS – carrier risk. Reinsurance policy to protect the risk.

TD – like to follow up on claims ration.

SS – you have a good loss ration but the issue and reason I see you have more limited options is the size of your group. Larger group would have larger options.

TD- employee profile im playing a family plan for me and my husband. How that translates out. What I had from the state was a two adult plan.

SS 0- we get asked this all the time. Why no two person rate. Actuarial point of view there are a higher risk group of older age couple. Probably higher claims than a two parent family with children.

LV – on the cape our cape cod hospital has a tier one rating and their rates are the same as mass general. Plymouth is not tier one. The hostipal that serves the cape has a higher cost system.

LK – collective bargaining option – truro. Opp to look at collective bargaining with more towns.

DP w’ere already in one with the cape. Look at groups elsewhere cuz size cuts costs. Would get worse going out on our own. Already in a group.

CA – is the rec from the finance dept in here

JCY the memo at the beginning.

CA – assuming if the bos is interesting in pursing any change we would start – why would any employee nnot want a choice. Do we need to show the employee or are we just expanding their options.

DP – would have to go collective bargaining. But a fair descriptin.

TD – next steps look for finance comm recs and submit questions to josee. Appreciate your efforts. Should see you in a month or two.

## 2. Supplemental staff recommendations for implementation. – Votes May Occur

Meeting was adjourned at 6:00 pm

Minutes transcribed by: Linda Fiorella