

**Employee Medical Benefits Board
Regular Meeting
Monday, May 2, 2022
Council Chambers in the Municipal Building, 3 Primrose Street, Newtown, CT
Meeting called to order at 6:18pm**

***THESE MINUTES ARE SUBJECT TO APPROVAL BY THE EMPLOYEE MEDICAL BENEFITS
BOARD***

Present: Jim Loring, Jim O'Sullivan, Donna Van Waalwijk

Absent: Clinton DePoalo, Peter Salonia

Also Present: Robert Tait, Joe Spurgeon

Minutes - J. O'Sullivan moved to approve the minutes of the January 10, 2022 Special Meeting. D. Van Waaiwijk seconded, all in favor.

Voter Comments – None

NEW BUSINESS

Review claims – J. Spurgeon reviewed Running Claim History and projection vs actual (Attachment A).

Review current status of Self-funded Insurance Reserve Fund and estimate for year end 21/22- R. Tait reviewed 21/22-22/23 Fiscal year forecast as well as claims analysis (Attachment B).

Review other information board members, partners, insurance consultants make available- J. Spurgeon reviewed Claim Projection Model (Attachment C) regarding Anthem's renewal.

Having no further business, the meeting was adjourned at 7:12pm

Respectfully submitted,
Arlene Miles, Clerk

Newtown: TOWN and BOARD OF EDUCATION

Running Claim History

Net Paid Claims by Month

Excess Claims All Reported in June

(1)(2)(3)(4)

	2016 - 2017	2017 - 2018	2018 - 2019	2019 -20	2020 -21	2021 -22 ⁽¹⁾⁽⁴⁾
July	\$ 1,031,113	\$ 814,547	\$ 930,743	\$ 1,022,721	\$ 782,684	\$ 1,137,821
August	\$ 927,231	\$ 880,663	\$ 860,200	\$ 897,093	\$ 1,269,233	\$ 870,723
September	\$ 804,779	\$ 742,950	\$ 767,012	\$ 940,257	\$ 928,936	\$ 1,214,073
October	\$ 979,689	\$ 784,993	\$ 901,173	\$ 1,164,432	\$ 846,649	\$ 1,116,896
November	\$ 1,171,352	\$ 881,106	\$ 859,597	\$ 1,026,411	\$ 1,211,542	\$ 1,370,143
December	\$ 1,058,536	\$ 879,984	\$ 941,132	\$ 933,671	\$ 1,290,761	\$ 1,423,539
January	\$ 789,791	\$ 976,437	\$ 1,002,550	\$ 993,564	\$ 1,236,240	\$ 1,155,222
February	\$ 724,150	\$ 942,337	\$ 956,407	\$ 999,907	\$ 968,566	\$ 1,155,972
March	\$ 1,099,505	\$ 817,907	\$ 1,475,607	\$ 1,403,005	\$ 1,169,232	\$ 1,182,398
April	\$ 803,288	\$ 1,053,245	\$ 981,788	\$ 609,701	\$ 991,055	\$ -
May	\$ 1,049,201	\$ 1,183,464	\$ 956,670	\$ 662,064	\$ 1,076,984	\$ -
June	\$ 1,094,485	\$ 1,007,754	\$ 1,093,314	\$ 1,021,419	\$ 1,181,847	\$ -
TOTAL	\$11,533,120	\$10,965,387	\$11,726,193	\$11,674,246	\$12,953,729	\$10,626,788
Per Month	\$ 961,093	\$ 913,782	\$ 977,183	\$ 972,854	\$ 1,079,477	\$ 1,180,754
Average Contracts	756	754	744	744	748	739
Average Members	1,968	1,965	1,969	1,943	1,943	1,908
						<i>Annualized</i>
Average Cost/Contract	\$15,255	\$14,548	\$15,770	\$15,691	\$17,312	\$19,170
Average Cost/Member	\$5,860	\$5,581	\$5,956	\$6,008	\$6,668	\$7,426
% Change Cost/	#REF!	-4.6%	8.4%	-0.5%	10.3%	10.7%
% Change Cost/	#REF!	-4.8%	6.7%	0.9%	11.0%	11.4%

(1) As of July 2019 Includes BOE Dental

(2) Anthem Reporting Logic Changed Jan. 20, Overall Claims Consistent with Previous Reports but Will Vary by Month

(3) Beginning March 2020, **Potential** Impact in Health Services Associated with the Coronavirus Stay at Home

Protocols. See Additional 2019-20 Plan Year Potential Coronavirus Claim Impact

(4) Anthem has a Known Reporting Issues in the Most Last Reported Month. RX Claims are Understated and Corrected in the Following Month. But Last Month is Understated.

**Newtown: Town and BOE
Anthem Projections vs Actual**

	July-June 2016 - 2017	July-June 2017 - 2018	July-June 2018 - 2019	July-June 2019 - 2020 ⁽³⁾	July-June 2020 - 2021 ⁽³⁾	Thru March July-June 2021 - 2022
I. Carrier Values						
Anthem Expected Claims Expected Plan YTD (July-YTD)	\$13,109,832	\$12,959,316	\$12,528,012	\$12,473,724	\$13,542,516	\$14,745,216 \$11,058,912
Actual Claims						
Gross Claims:	\$12,155,291	\$11,046,746	\$12,775,721	\$12,130,249	\$14,449,228	\$12,420,157
Excess Claims Over Stop Loss:	-\$622,171	-\$81,359	-\$1,049,528	-\$456,003	-\$1,495,499	-\$1,793,369
Actual Net Claims:	\$11,533,120	\$10,965,387	\$11,726,193	\$11,674,246	\$12,953,729	\$10,626,788
Plan Year Differential	\$ (1,576,712)	\$ (1,993,929)	\$ (801,819)	\$ (799,478)	\$ (588,787)	\$ (432,124)
% Differential	-12.03%	-15.39%	-6.40%	-6.41%	-4.35%	-3.91%
Stop Loss Premium	\$835,662	\$855,006	\$928,991	\$1,041,599	\$1,325,347	\$1,277,338
Stop Loss Levels (ISL/ASL)	\$175K/125%	\$175K/125%	\$175K/125%	\$175K/125%	\$175K/125%	\$175K/125%
	ISL MED & RX	ISL MED & RX	ISL MED & RX	ISL MED & RX	ISL MED & RX	ISL MED & RX
II. Non-Catastrophic/Catastrophic Claims						
Total Employer Paid	\$11,533,120	\$10,965,387	\$11,726,193	\$11,674,246	\$12,953,729	\$10,626,788
HDC Employer Paid:	\$3,382,230	\$3,192,503	\$3,590,868	\$4,548,594	\$5,103,204	\$3,868,469
Non-HDC Employer Paid:	\$8,150,890	\$7,772,884	\$8,135,325	\$7,125,652	\$7,850,525	\$6,758,319
Members:						
Average Total Members:	1,968	1,965	1,969	1,943	1,943	1,908
HDC Members:	42	36	39	49	49	40
HDC %:						
\$:	29.33%	29.11%	30.62%	38.96%	39.40%	36.40%
Members:	2.13%	1.83%	1.98%	2.52%	2.52%	2.10%
Non HDC PMPM	\$345.14	\$329.69	\$344.32	\$305.61	\$336.74	\$393.57
Year-Over-Year % Change	-6.75%	-4.48%	4.44%	-11.24%	10.19%	16.87%
III. Additional Data						
Med and RX Claims Over \$50K Bucketed ¹						
\$50k-75K	\$1,362,423	\$1,096,817	\$1,299,621	\$1,397,038	\$1,159,812	\$1,071,311
#	23	18	21	23	18	18
\$75-100K	\$1,002,837	\$715,440	\$355,390	\$771,407	\$854,436	\$650,123
#	12	8	4	9	10	8
\$100-125K	\$216,634	\$531,045	\$751,342	\$694,555	\$629,730	\$442,611
#	2	5	7	6	6	4
\$125-150K	\$275,336	\$153,818	\$0	\$819,206	\$560,439	\$129,424
#	2	1	0	6	4	1
\$150-175K	\$0	\$170,383	\$484,515	\$166,388	\$323,787	\$0
#	0	1	3	1	2	0
\$175-200K	\$181,045	\$373,559	\$0	\$0	\$190,121	\$363,599
#	1	2	0	0	1	2
\$200-300K	\$244,323	\$232,800	\$547,676	\$508,384	\$1,160,721	\$677,633
#	1	1	2	2	5	3
\$300-400K	\$0	\$0	\$301,388	\$647,620	\$393,758	\$0
#	0	0	1	2	1	0
\$400K-500K	\$0	\$0	\$0	\$0	\$417,940	\$881,335
#	0	0	0	0	1	2
\$500K+	\$721,835	\$0	\$900,464	\$0	\$907,959	\$1,445,802
#	1	0	1	0	1	2
Highest Claimant Inactive Members	\$721,835 3	\$232,800 0	\$900,464 1	\$275,487 7	\$907,959 2	\$849,891 1

(1) Bucketed Large Claims From Updated Anthem Reports (May vary slightly from Section I)

(2) As of July 2019 Includes BOE Dental

(3) See Important Notes Previous Page re: 19-20 Claims

Attachment B

TOWN OF NEWTOWN CLAIMS ANALYSIS 2021 - 22

FISCAL YEAR 2015 - 2016														171,250	h.s.a.
	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>TOTALS</u>		
TOWN	268,000	291,000	258,000	571,000	288,000	228,000	320,000	268,000	425,000	268,000	221,000	264,000	3,670,000		
BOE	1,080,000	817,000	737,000	701,000	655,000	848,000	671,000	753,000	1,005,000	690,000	693,000	1,055,000	9,705,000		
TOTAL	1,348,000	1,108,000	995,000	1,272,000	943,000	1,076,000	991,000	1,021,000	1,430,000	958,000	914,000	1,319,000	13,375,000	13,375,000	83% % not incl h.s.a.
FISCAL YEAR 2016 - 2017														314,000	
	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>TOTALS</u>		
TOWN	327,000	300,000	242,000	375,000	296,000	295,000	218,000	219,000	310,000	260,000	332,000	241,000	3,415,000		
BOE	891,000	781,000	619,000	643,000	909,000	800,000	626,000	547,000	833,000	587,000	825,000	920,000	8,981,000		
TOTAL	1,218,000	1,081,000	861,000	1,018,000	1,205,000	1,095,000	844,000	766,000	1,143,000	847,000	1,157,000	1,161,000	12,396,000	12,396,000	81% % not incl h.s.a.
FISCAL YEAR 2017 - 2018														682,000	h.s.a.
	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>TOTALS</u>		
TOWN	265,000	269,000	221,000	258,000	260,000	287,000	293,000	314,000	338,000	373,000	345,000	234,000	3,457,000		
BOE	698,000	723,000	588,000	557,000	651,000	637,000	740,000	683,000	539,000	721,000	886,000	855,000	8,278,000		
TOTAL	963,000	992,000	809,000	815,000	911,000	924,000	1,033,000	997,000	877,000	1,094,000	1,231,000	1,089,000	11,735,000	\$ 11,735,000	80% % not incl h.s.a.
FISCAL YEAR 2018 - 2019														749,026	h.s.a.
	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>	<u>TOTALS</u>		
TOWN			1,126,168	255,141	321,331	326,327	287,957	378,999	382,099	284,960	218,565	214,686	3,796,233	3,000	h.s.a.
BOE			1,729,425	589,305	737,760	645,957	659,030	818,547	1,016,875	661,497	903,645	695,155	8,457,196		
TOTAL	-	-	2,855,593	844,446	1,059,091	972,284	946,987	1,197,546	1,398,974	946,457	1,122,210	909,841	12,253,429	\$ 12,253,429	83% % not incl h.s.a.
FISCAL YEAR 2019 - 2020														830,500	h.s.a.
	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>	<u>TOTALS</u>		
TOWN	321,122	320,551	437,527	299,405	263,470	309,380	314,796	301,487	313,361	169,916	150,548	235,859	3,437,422	2,000	h.s.a.
BOE	662,102	718,426	530,377	716,254	719,899	865,425	708,195	735,914	1,071,171	529,875	561,046	820,824	8,639,508		
TOTAL	983,224	1,038,977	967,904	1,015,659	983,369	1,174,805	1,022,991	1,037,401	1,384,532	699,791	711,594	1,056,683	12,076,930	\$ 12,076,930	85% % not incl h.s.a.
FISCAL YEAR 2020 - 2021														576,383	h.s.a.
	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>	<u>TOTALS</u>		
TOWN		828,055	212,234	318,238	365,558	315,638	128,612	291,562	289,799	332,843	223,709	366,031	3,672,280		h.s.a.
BOE		1,327,642	525,647	819,355	832,794	1,016,925	527,474	1,102,071	817,079	857,202	801,187	751,065	9,378,442		
TOTAL	-	2,155,697	737,882	1,137,593	1,198,352	1,332,563	656,086	1,393,633	1,106,878	1,190,045	1,024,896	1,117,097	13,050,722	\$ 13,626,722	80% % not incl h.s.a.
FISCAL YEAR 2021 - 2022														706,000	h.s.a.
	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>	<u>TOTALS</u>		
TOWN		555,476	318,191	740,513	161,176	270,854	395,860	298,782	93,696	192,000	-	-	3,026,548		with "hsa"
BOE		1,561,845	625,557	794,735	824,038	829,462	1,337,099	911,038	922,442	870,000	-	-	8,676,216		Estimated Annual
TOTAL	-	2,117,321	943,748	1,535,248	985,214	1,100,316	1,732,959	1,209,820	1,016,138	1,062,000 estimate	-	-	11,702,764	\$ 14,805,716	

TOWN OF NEWTOWN
MEDICAL SELF INSURANCE FUND ANALYSIS @ APR 30, 2022
FISCAL YEAR 2021 - 2022 FORCAST

FUND BALANCE @ JULY 1, 2021	AUDITED	4,316,774	
ESTIMATED REVENUES			
EMPLOYER CONTRIBUTIONS:			
MUNICIPAL	3,111,712		
EDUCATION	8,387,604	11,499,316	
EMPLOYEE CONTRIBUTIONS:			
MUNICIPAL	572,000		
EDUCATION	2,160,000	2,732,000	
RETIREE/COBRA/AGENCY CONTRIBUTIONS:			
MUNICIPAL	450,000		
EDUCATION	260,000	710,000	
INTEREST EARNED ON INVESTMENTS		60,000	
TOTAL REVENUES		15,001,316	
ESTIMATED EXPENSES			
CLAIMS/NAF:			
MUNICIPAL	FROM CLAIMS		
EDUCATION	ANALYSIS	14,700,000	
ADMINISTRATIVE FEES:			
MUNICIPAL		1,275,000	
EDUCATION			
CONSULTANT FEES		55,000	
TOTAL EXPENSES		16,030,000	
ESTIMATED FUND BALANCE @ JUNE 30, 2022		3,288,090	22%
25% OF TOTAL CLAIMS =	3,675,000		

TOWN OF NEWTOWN
MEDICAL SELF INSURANCE FUND ANALYSIS @ APR 30, 2022
FISCAL YEAR 2022 - 2023 FORECAST

ESTIMATED FUND BALANCE @ JULY 1, 2022	3,288,090		
ESTIMATED REVENUES			
EMPLOYER CONTRIBUTIONS:			
MUNICIPAL	3,205,063		
EDUCATION	8,639,232	11,844,295	3.0%
EMPLOYEE CONTRIBUTIONS:			
MUNICIPAL	589,160		
EDUCATION	2,224,800	2,813,960	3.0%
RETIREE/COBRA/AGENCY CONTRIBUTIONS:		325,000	ARP
MUNICIPAL	463,500		
EDUCATION	267,800	731,300	
INTEREST EARNED ON INVESTMENTS		60,000	
TOTAL REVENUES		15,774,555	
ESTIMATED EXPENSES			
CLAIMS/NAF:			
MUNICIPAL			
EDUCATION		15,435,000	5.00%
ADMINISTRATIVE FEES:			
MUNICIPAL		1,233,000	
EDUCATION			
CONSULTANT FEES		55,000	
TOTAL EXPENSES		16,723,000	
ESTIMATED FUND BALANCE @ JUNE 30, 2023		2,339,645	15%
25% OF TOTAL CLAIMS =	3,858,750		

Experience		In-Force Anthem	Initial Projection	ABC Initial Projection	LRI Updated Projection
21-22		22-23		22-23	
Experience Period Thru:	Nov-20	Nov-20	Nov-20	Mar-21	
Gross Paid Claims	\$ 12,275,071	\$ 15,981,795	\$ 16,051,137	\$ 16,195,132	31.94%
Pandemic Completion Factor ⁽¹⁾	1.0967	1.0000	1.0000	1.0000	
Adj Gross Claims	\$ 13,462,439	\$ 15,981,795	\$ 16,051,137	\$ 16,195,132	
Excess Claims	\$ (387,952)	\$ (2,783,511)	\$ (2,632,421)	\$ (2,589,880)	567.6%
Paid Claims Less Large Claims	\$ 13,074,487	\$ 13,198,284	\$ 13,418,716	\$ 13,605,252	4.06%
Experience Period Contracts	\$ 8,988	\$ 8,941	\$ 8,941	\$ 8,891	-1.08%
Adjusted Claims PCPM	\$ 1,454.66	\$ 1,476.15	\$ 1,500.81	\$ 1,530.23	5.19%

Experience Large Claim Data		Members Over \$50K (\$-Count)		Of Those Over \$50K Also Over \$175K (\$-Count)		Claims in Excess of \$175K	
		48 mhrs		6 mhrs		6 mhrs	
		\$ 4,878,043		\$ 1,438,775		\$ 388,775	
		\$ 7,692,211		\$ 4,358,511		\$ 2,783,511	
		\$ 7,692,211		\$ 4,358,511		\$ 2,632,421	
		\$ 7,552,473		\$ 4,339,880		\$ 2,589,880	
		50 mhrs		10 mhrs		10 mhrs	
		Forced to ABC		Off From Anthem		Forced to Anthem	

Claim Modeling		Trend Months:		Moderate Trend		Anthem Trend		Anthem Trend	
		19		19		19		15	
Adjusted Claims PCPM	\$ 1,454.66	\$ 1,476.15	\$ 1,500.81	\$ 1,530.23	\$ 1,530.23	\$ 1,530.23	\$ 1,530.23	\$ 1,530.23	7.75%
Annual Trend	7.57%	8.61%	7.70%	7.75%	7.75%	7.75%	7.75%	7.75%	9.8%
Applied Trend	12.2%	14.0%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	9.8%
Trended Claims PCPM	\$ 1,632.72	\$ 1,682.48	\$ 1,687.81	\$ 1,679.86	\$ 1,679.86	\$ 1,679.86	\$ 1,679.86	\$ 1,679.86	1.00
Margin	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Trended Claims with Margin	\$ 1,632.72	\$ 1,682.48	\$ 1,687.81	\$ 1,679.86	\$ 1,679.86	\$ 1,679.86	\$ 1,679.86	\$ 1,679.86	7.42
Current Contracts	756	748	748	742	742	742	742	742	7.42
Projected Trended Claims	\$ 14,812,055	\$ 15,101,909	\$ 15,149,774	\$ 14,957,471	\$ 14,957,471	\$ 14,957,471	\$ 14,957,471	\$ 14,957,471	1.0000
Benefit Adj	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1.0000
Adjustment-Force to ABC	0.9955	1.0000	0.9951	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Adjusted Projected Claims	\$ 14,745,216	\$ 15,101,909	\$ 15,075,119	\$ 14,957,471	\$ 14,957,471	\$ 14,957,471	\$ 14,957,471	\$ 14,957,471	1.44%

Other Expenses ⁽²⁾		Stop Loss		Admin		NAF/Discount Share		Less RX Rebate		Total Fees	
		\$ 1,277,338		\$ 396,918		\$ 279,406		\$ (370,863)		\$ 1,582,798	
		\$ 1,856,327		\$ 432,020		\$ 307,346		\$ (366,939)		\$ 2,228,754	
		\$ 45.33%		\$ 8.84%		\$ 10.00%		\$ -1.1%		\$ 40.81%	
		\$ 2,034,051		\$ 403,786		\$ 307,346		\$ (377,979)		\$ 2,367,204	
		\$ 59.24%		\$ 1.73%		\$ 10.00%		\$ 1.9%		\$ 49.56%	
		\$ 2,017,735		\$ 400,896		\$ 307,346		\$ (374,947)		\$ 2,351,030	
		\$ 57.96%		\$ 1.00%		\$ 10.00%		\$ 1.1%		\$ 48.54%	

Total Cost		Projected Total Cost		Contracts		PCPY	
		\$ 16,828,014		\$ 17,330,663		\$ 23,169,34	
		756		748		748	
		\$ 21,597,90		\$ 23,169,34		\$ 23,318.61	
		\$ 742		\$ 742		\$ 23,326.82	

Cost Change		Projected Total Cost (\$--%)		Contracts		PCPY	
		\$ 1,002,650		\$ 1,114,310		\$ 980,487	
		6.14%		6.82%		6.00%	
		-1.06%		-1.06%		-1.85%	
		7.28%		7.97%		8.01%	

(1) Pandemic Completion Factor Estimates Claims Offset by Pandemic Stay at Home Protocols. This Adjustment Attempts to Project a Full Year of Services based on Past Fiscal Years. The Adjustment Does NOT Attempt to Account for Potential Deferred Services from 19-20 or 20-21 Made Up in 21-22.

(2) Other Expenses:

Stop Loss-65% PEP Increase-Admin up 3% PCPM & Disc. Share-Est. 10% PCPM

21-22 RX Rebate of \$40.88 PCPM & 22-23 RX Rebate of \$42.11- Provided as Up Front Credit-Completely Offsets Full MEDICAL Admin Fee
NOTE: Stop Loss, Dental Admin & Disc Share will Still be Billed/Collected. If Actual Rebates Greater than Offset Adj \$ Will be Credited to Newtown
Discount Projected by LRI (Anthem Does Not Provide Estimate). Calculated as 2.53% of Claims Discounts. \$5K Cap per Claim but NO Annual Aggregate Cap. Used Actual Discount % from 17-18. Applied to Expected Med & RX Claims for 21-22 with Margin.
Actual Discount Share Could Vary Widely Based on Actual Discounts.