

**Employee Medical Benefits Board  
Special Meeting  
Tuesday, February 16, at 6:15pm**

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

The Employee Medical Benefits Board held a special meeting on Tuesday, February 16, 2021. The meeting was held via Google Meet. The meeting was called to order at 6:20pm.

**Present:** Jim Loring, Jim O'Sullivan, Donna Van Waalwijk, Peter Salonia

**Absent:** Clinton DePaola

**Also Present:** Finance Director Robert Tait, Joe Spurgeon of Lindberg & Ripple

**Minutes** – J. O'Sullivan moved to approve the minutes of the November 2, 2020 meeting. P. Salonia seconded, motion unanimously approved

**Voter Comments** – None

**NEW BUSINESS**

*Review claims* – J. Spurgeon reviewed the running claim history (Attachment A).

*Review current status of Self-funded Insurance Reserve Fund and estimate for year end 2020/2021* – J. Spurgeon reviewed Anthem Projections vs Actuals as well as the 2019-20 Plan Year Potential Coronavirus Claim Impact (Attachment B). R. Tait reviewed the medical self-insurance fund analysis as of January 31, 2021 (Attachment C). At the end of this fiscal year the fund will be approximately 36% of yearly claims. The goal is to get it to 25% but slowly. To get there, R. Tait is suggesting a 3% increase in employer contributions.

*Vote on Reserve Fund recommendation for 21/22 budget* – J. Loring moved to increase the employer contributions by 3% for the 21/22 fiscal year. D. Van Waalwijk seconded, motion unanimously approved.

*Review other information board members, partners, insurance consultants make available-* None

Having no further business the meeting was adjourned at 6:54pm

Respectfully submitted,  
Arlene Miles, Clerk

*Attachment A*  
**Newtown: TOWN and BOARD OF EDUCATION**

**Running Claim History**

**Net Paid Claims by Month**

	<i>Excess Claims All Reported in June</i>					
	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 -20 <sup>(1)(2)(3)(4)</sup>	2020 -21 <sup>(1)(2)(3)(4)</sup>
July	\$ 1,126,543	\$ 1,031,113	\$ 814,547	\$ 930,743	\$ 1,022,721	\$ 782,684
August	\$ 989,316	\$ 927,231	\$ 880,663	\$ 860,200	\$ 897,093	\$ 1,269,233
September	\$ 952,992	\$ 804,779	\$ 742,950	\$ 767,012	\$ 940,257	\$ 928,936
October	\$ 1,224,430	\$ 979,689	\$ 784,993	\$ 901,173	\$ 1,164,432	\$ 846,649
November	\$ 916,053	\$ 1,171,352	\$ 881,106	\$ 859,597	\$ 1,026,411	\$ 1,211,542
December	\$ 1,026,971	\$ 1,058,536	\$ 879,984	\$ 941,132	\$ 933,671	\$ 1,290,022
January	\$ 944,287	\$ 789,791	\$ 976,437	\$ 1,002,550	\$ 993,564	\$ -
February	\$ 965,184	\$ 724,150	\$ 942,337	\$ 956,407	\$ 999,907	\$ -
March	\$ 1,344,722	\$ 1,099,505	\$ 817,907	\$ 1,475,607	\$ 1,403,005	\$ -
April	\$ 892,083	\$ 803,288	\$ 1,053,245	\$ 981,788	\$ 609,701	\$ -
May	\$ 876,025	\$ 1,049,201	\$ 1,183,464	\$ 956,670	\$ 662,064	\$ -
June	\$ 1,279,465	\$ 1,094,485	\$ 1,007,754	\$ 1,093,314	\$ 1,021,419	\$ -
TOTAL	\$12,538,071	\$11,533,120	\$10,965,387	\$11,726,193	\$11,674,246	\$6,329,065
Per Month	\$ 1,044,839	\$ 961,093	\$ 913,782	\$ 977,183	\$ 972,854	\$ 1,054,844
Average Contracts	770	756	754	744	744	748
Average Members	2,011	1,968	1,965	1,969	1,943	1,947
Average Cost/Contract	\$16,283	\$15,255	\$14,548	\$15,770	\$15,691	\$16,930
Average Cost/Member	\$6,235	\$5,860	\$5,581	\$5,956	\$6,008	\$6,501
% Change Cost/Contract		-6.3%	-4.6%	8.4%	-0.5%	7.9%
% Change Cost/Member		-6.0%	-4.8%	6.7%	0.9%	8.2%

(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.

# Attachment B

## Newtown: Town and BOE Anthem Projections vs Actual

Carrier Values	July-June	July-June	July-June	July-June	July-June	Thru Dec
	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020 <sup>(3)</sup>	July-June 2020 - 2021 <sup>(3)</sup>
Anthem Expected Claims Expected Plan YTD (July-YTD)	\$13,206,912	\$13,109,832	\$12,959,316	\$12,528,012	\$12,473,724	\$13,542,511 \$6,771,251
Actual Claims						
Gross Claims:	\$12,861,033	\$12,155,291	\$11,046,746	\$12,775,721	\$12,130,249	\$6,451,471
Excess Claims Over Stop Loss:	<u>-\$322,962</u>	<u>-\$622,171</u>	<u>-\$81,359</u>	<u>-\$1,049,528</u>	<u>-\$456,003</u>	<u>-\$122,411</u>
Actual Net Claims:	\$12,538,071	\$11,533,120	\$10,965,387	\$11,726,193	\$11,674,246	\$6,329,061
Plan Year Differential	\$ (668,841)	\$ (1,576,712)	\$ (1,993,929)	\$ (801,819)	\$ (799,478)	\$ (442,193)
% Differential	-5.06%	-12.03%	-15.39%	-6.40%	-6.41%	-6.53%
Stop Loss Premium	\$810,113	\$835,662	\$855,006	\$928,991	\$1,041,599	\$1,325,341
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
<b>Non-Catastrophic/Catastrophic Claims</b>						
Total Employer Paid	\$12,538,071	\$11,533,120	\$10,965,387	\$11,726,193	\$11,674,246	\$6,329,061
HDC Employer Paid:	\$3,606,038	\$3,382,230	\$3,192,503	\$3,590,868	\$4,548,594	\$2,049,201
Non-HDC Employer Paid:	\$8,932,033	\$8,150,890	\$7,772,884	\$8,135,325	\$7,125,652	\$4,279,861
Members:						
Average Total Members:	2,011	1,968	1,965	1,969	1,943	1,947
HDC Members:	41	42	36	39	49	21
HDC %:						
\$:	28.76%	29.33%	29.11%	30.62%	38.96%	32.38%
Members:	2.04%	2.13%	1.83%	1.98%	2.52%	1.03%
Non HDC PMPM	\$370.13	\$345.14	\$329.69	\$344.32	\$305.61	\$366.31
Year-Over-Year % Change	14.20%	-6.75%	-4.48%	4.44%	-11.24%	19.87%
<b>Additional Data</b>						
<b>Med and RX Claims Over \$50K Bucketed <sup>1</sup></b>						
\$50k-75K	\$ 1,406,906	\$1,362,423	\$1,096,817	\$1,299,621	\$1,397,038	\$306,681
#	24	23	18	21	23	1
\$75-100K	\$ 251,894	\$1,002,837	\$715,440	\$355,390	\$771,407	\$712,711
#	3	12	8	4	9	1
\$100-125K	\$ 680,030	\$216,634	\$531,045	\$751,342	\$694,555	\$102,301
#	6	2	5	7	6	1
\$125-150K	\$ 567,208	\$275,336	\$153,818	\$0	\$819,206	\$426,341
#	4	2	1	0	6	1
\$150-175K	\$ 0	\$0	\$170,383	\$484,515	\$166,388	\$151,141
#	0	0	1	3	1	1
\$175-200K	\$ 368,005	\$181,045	\$373,559	\$0	\$0	\$187,641
#	2	1	2	0	0	1
\$200-300K	\$ 200,382	\$244,323	\$232,800	\$547,676	\$508,384	\$284,761
#	1	1	1	2	2	1
\$300-400K	\$ 0	\$0	\$0	\$301,388	\$647,620	\$0
#	0	0	0	1	2	1
\$400K-500K	\$ 454,516	\$0	\$0	\$0	\$0	\$0
#	1	0	0	0	0	1
\$500K+	\$ 0	\$721,835	\$0	\$900,464	\$0	\$0
#	0	1	0	1	0	1
<b>Highest Claimant</b>	\$454,516	\$721,835	\$232,800	\$900,464	\$275,487	\$284,761
<b>Inactive Members</b>	3	3	0	1	7	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

**Newtown: Town & BOE**

**2019-20 Plan Year Potential Coronavirus Claim Impact**

**September 14, 2020**

Currently there are no reliable cost estimation factors that can predict the impact of the Coronavirus on any one client. Financial impact to any client will be based on the number of Coronavirus cases they incur and the severity of those cases. For most clients, rather than changing budget projections for 19-20 or 20-21, they are choosing to rely on reserves to absorb any claims over budget due to the Coronavirus. If Newtown does not incur costly Coronavirus claims, it is possible that the remainder of 19-20 claims may be **lighter** than they otherwise would have been as many "elective" procedures have been put off beginning in March. Most of those procedures are being deferred not canceled, and will likely be scheduled in the future. Additionally we could see a further drop in ER and Urgent Care Services as individuals follow stay at home protocols and avoid certain injuries. It does appear that elective surgeries have begun around mid-May.

Net Medical & RX			Dental		Total	
<b>July Thru Feb (1st 8 Mos)</b>	\$ 7,584,298		\$ 393,759		\$ 7,978,057	
Average	\$ 948,037		\$ 49,220		\$ 997,257	
Low	\$ 843,350		\$ 37,279		\$ 897,093	
High	\$ 1,114,777		\$ 63,709		\$ 1,164,432	
<b>March</b>	\$ 1,370,961		\$ 32,044		\$ 1,403,005	
-v 1st 8 Mos FYTD Average	\$ 422,924 44.61%		\$ (17,176) -34.90%		\$ 405,748 40.69%	
-v 1st 8 Mos FYTD Low	\$ 527,611 62.56%		\$ (5,236) -14.04%		\$ 505,912 56.39%	
-v 1st 8 Mos FYTD High	\$ 256,184 22.98%		\$ (31,665) -49.70%		\$ 238,572 20.49%	
<b>April</b>	\$ 600,201		\$ 9,500		\$ 609,701	
-v 1st 8 Mos FYTD Average	\$ (347,836) -36.69%		\$ (39,719) -80.70%		\$ (387,556) -38.86%	
-v 1st 8 Mos FYTD Low	\$ (243,150) -28.83%		\$ (27,779) -74.52%		\$ (287,392) -32.04%	
-v 1st 8 Mos FYTD High	\$ (514,576) -46.16%		\$ (54,208) -85.09%		\$ (554,731) -47.64%	
<b>May</b>	\$ 648,117		\$ 13,947		\$ 662,064	
-v 1st 8 Mos FYTD Average	\$ (299,920) -31.64%		\$ (35,273) -71.66%		\$ (335,193) -33.61%	
-v 1st 8 Mos FYTD Low	\$ (195,234) -23.15%		\$ (23,332) -62.59%		\$ (235,029) -26.20%	
-v 1st 8 Mos FYTD High	\$ (466,660) -41.86%		\$ (49,762) -78.11%		\$ (502,368) -43.14%	
<b>June</b>	\$ 971,273		\$ 50,147		\$ 1,021,419	
-v 1st 8 Mos FYTD Average	\$ 23,236 2.45%		\$ 927 1.88%		\$ 24,162 2.42%	
-v 1st 8 Mos FYTD Low	\$ 127,923 15.17%		\$ 12,867 34.52%		\$ 124,327 13.86%	
-v 1st 8 Mos FYTD High	\$ (143,504) -12.87%		\$ (13,562) -21.29%		\$ (143,013) -12.28%	
<b>Avg March thru June</b>	\$ 897,638		\$ 26,409		\$ 924,047	
-v 1st 8 Mos FYTD Average	\$ (50,399) -5.32%		\$ (22,810) -46.34%		\$ (73,210) -7.34%	
-v 1st 8 Mos FYTD Low	\$ 54,288 6.44%		\$ (10,870) -29.16%		\$ 26,955 3.00%	
-v 1st 8 Mos FYTD High	\$ (217,139) -19.48%		\$ (37,299) -58.55%		\$ (240,385) -20.64%	
<b>Avg Full Running FYTD</b>	\$ 931,237		\$ 41,616		\$ 972,854	
-v 1st 8 Mos FYTD Average	\$ (16,800) -1.77%		\$ (7,603) -15.45%		\$ (24,403) -2.45%	
-v 1st 8 Mos FYTD Low	\$ 87,887 10.42%		\$ 4,337 11.63%		\$ 75,761 8.45%	
-v 1st 8 Mos FYTD High	\$ (183,540) -16.46%		\$ (22,093) -34.68%		\$ (191,579) -16.45%	



Attachment C

TOWN OF NEWTOWN  
MEDICAL SELF INSURANCE FUND ANALYSIS @ JAN 31, 2021  
FISCAL YEAR 2020 - 2021 FORECAST

FUND BALANCE @ JULY 1, 2020

5,163,141

ESTIMATED REVENUES

EMPLOYER CONTRIBUTIONS:

MUNICIPAL 2,997,940  
EDUCATION 7,909,000

10,906,940

EMPLOYEE CONTRIBUTIONS:

MUNICIPAL 520,000  
EDUCATION 2,180,000

2,700,000

RETIREE/COBRA/AGENCY CONTRIBUTIONS:

MUNICIPAL 450,000  
EDUCATION 260,000

710,000

INTEREST EARNED ON INVESTMENTS

200,000

TOTAL REVENUES

14,516,940

ESTIMATED EXPENSES

CLAIMS/NAF:

MUNICIPAL FROM CLAIMS ANALYSIS  
EDUCATION 13,500,000

13,500,000

ADMINISTRATIVE FEES:

MUNICIPAL 1,233,000  
EDUCATION

1,233,000

CONSULTANT FEES

55,000

TOTAL EXPENSES

14,788,000

ESTIMATED FUND BALANCE @ JUNE 30, 2021

25% OF TOTAL CLAIMS =

3,375,000

4,892,081 36%

TOWN OF NEWTOWN  
MEDICAL SELF INSURANCE FUND ANALYSIS @ JAN 31, 2021  
FISCAL YEAR 2021 - 2022 FORECAST

ESTIMATED FUND BALANCE @ JULY 1, 2021

4,892,081

ESTIMATED REVENUES

EMPLOYER CONTRIBUTIONS:

MUNICIPAL 3,087,878  
EDUCATION 8,146,270

11,234,148 3.0%

EMPLOYEE CONTRIBUTIONS:

MUNICIPAL 520,000  
EDUCATION 2,180,000

2,700,000

RETIREE/COBRA/AGENCY CONTRIBUTIONS:

MUNICIPAL 450,000  
EDUCATION 260,000

710,000

INTEREST EARNED ON INVESTMENTS

200,000

TOTAL REVENUES

14,844,148

ESTIMATED EXPENSES

CLAIMS/NAF:

MUNICIPAL 14,175,000 5.00%  
EDUCATION

14,175,000

ADMINISTRATIVE FEES:

MUNICIPAL 1,233,000  
EDUCATION

1,233,000

CONSULTANT FEES

55,000

TOTAL EXPENSES

15,463,000

ESTIMATED FUND BALANCE @ JUNE 30, 2022

25% OF TOTAL CLAIMS =

3,543,750

4,273,229 30%

**TOWN OF NEWTOWN CLAIMS ANALYSIS**  
**2020 - 21**

TOWN BOE TOTAL	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	TOTALS	171,250
	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	
	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	
	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
<b>FISCAL YEAR 2015 - 2016</b>														
TOWN BOE TOTAL	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	TOTALS	314,000
	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	
	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	
	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
<b>FISCAL YEAR 2016 - 2017</b>														
TOWN BOE TOTAL	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	TOTALS	682,000
	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	
	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	
	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
<b>FISCAL YEAR 2017 - 2018</b>														
TOWN BOE TOTAL	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	TOTALS	749,026
	-	-	1,126,168	255,141	321,331	326,327	287,957	378,999	382,099	284,960	218,565	214,686	3,796,233	
	-	-	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	
	-	-	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
<b>FISCAL YEAR 2018 - 2019</b>														
TOWN BOE TOTAL	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	TOTALS	830,500
	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	
	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	
	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
<b>FISCAL YEAR 2019 - 2020</b>														
TOWN BOE TOTAL	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	TOTALS	576,383
	-	828,055	212,234	318,238	365,558	315,638	128,612	-	-	-	-	-	2,168,335	
	-	1,327,642	525,647	819,355	832,794	1,016,925	527,474	-	-	-	-	-	5,049,838	
	-	2,155,697	737,882	1,137,593	1,198,352	1,332,563	656,086	-	-	-	-	-	7,218,173	7,218,173
<b>FISCAL YEAR 2020 - 2021</b>														
														with "hsa"
														Estimated Annual
														\$ 13,423,344