

**Employee Medical Benefits Board
Regular Meeting**

Monday, February 6, 2017 @ 6:15pm

Newtown Municipal Center
Newtown, CT 06470

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

The Employee Medical Benefits Board held a regular meeting Monday, February 6, 2017. The meeting was held in Meeting Room 1, Newtown Municipal Center, 3 Primrose Street, Newtown, CT. The meeting was called to order at 6:15pm.

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

Also Present: Robert Tait, Ron Bienkowski, Joe Spurgeon, Clerk Pro-Tem Sue Marcinek

The Board agreed that Ms. Van Waalwijk would preside as acting chairman.

Acceptance of Minutes from previous meeting: Ms. Van Waalwijk moved to accept the minutes of November 14, 2016. Mr. Loring seconded. The minutes were unanimously approved.

Voter Comments: none.

New Business:

Review updated claim months of November, December and January: *(Attachment)* Total claims up to January 2017 represents 55% of the projected total for the year. Extending this brings the years total claims estimate to \$13,623,727. This total figure is used on page one of the handout.

Review status of Self-Insurance Reserve Fund and estimate for year-end, June 30, 2017: *(Attachment)* Page one is the 2016-17 forecast for the medical self-insurance fund. Beginning fund balance equals \$2,743,000. Using the projected total claims figure, the ending fund balance is projected to be \$3,166,000, which is 23% of yearly claims. Page two of the hand out is the projection of the 2017-18 fiscal year. Ending fund balance from page one is brought forward to the beginning fund balance. Employer contributions to the fund (fiscal year 2017-18) represents an increase of 2% over the prior year. Estimated total claims for the year are projected to be 5.5% greater than the prior year estimated total. Given that the ending fund balance is projected to be \$3,149,171, which is 22% of total claims. The 2% increase in employer contributions is adequate.

Review Anthem Renewal: Mr. Spurgeon reviewed claim projection model *(attachment)*. Claims experience was reviewed for the year up to December 2016, compared with the same period in 2015. Newtown's claims experience has been below trend. Anthems initial renewal

Rec'd. for Record 2-8-2017
Town Clerk of Newtown 4:18pm
Debbie Aunalia Halstead

has a greater stop loss amount than prior year; however the admin and NAF amounts were lower. Overall stop loss, admin and NAF fees were lower than prior year. Claims projections for 2017-18 were similar or close to Mr. Tait's projections. Two different ways and getting to the same projection number provides confidence in the projections.

Review other information board members, partners, insurance make available – none.

Vote on Reserve Fund recommendation for the 2017-18 budget: Mr. Loring moved to recommend, to the Board of Finance, that the employer contributions to the medical self-insurance fund to be increased by 2% for the 2017-18 budget year. Mr. O'Sullivan seconded. All in favor.

Add to the Agenda: Ms. Van Waalwijk moved to add to the agenda, for discussion and possible action, the appointments of alternates to full board members. Mr. O'Sullivan seconded. All in favor.

Ms. Van Waalwijk made a motion to move Mr. Loring and Mr. O'Sullivan from alternate positions to full board positions. Mr. O'Sullivan seconded. All in favor.

Communications:

- **Recommendations to the Board of Finance** – this was covered under the above 'vote on reserve fund recommendation'

Announcements: Next scheduled regular meeting is Monday, May 8, 2017

Adjourn: The meeting adjourned at 7:05pm

Respectfully submitted,

Sue Marcinek, Clerk Pro-Tem

Attachments

TOWN OF NEWTOWN CLAIMS ANALYSIS

FISCAL YEAR 2012 - 2013													
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	TOTALS
TOWN	247,000	226,000	168,000	198,000	190,000	266,000	242,000	246,000	279,000	262,000	304,000	215,000	2,843,000
BOE	722,000	764,000	611,000	812,000	694,000	739,000	596,000	754,000	677,000	763,000	843,000	709,000	8,684,000
TOTAL	969,000	990,000	779,000	1,010,000	884,000	1,005,000	838,000	1,000,000	956,000	1,025,000	1,147,000	924,000	11,527,000
													JAN= 56%

FISCAL YEAR 2011 - 2012													
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTALS
TOWN	213,000	304,000	266,000	171,000	223,000	302,000	238,000	227,000	298,000	276,000	312,000	318,000	3,148,000
BOE	860,000	618,000	742,000	561,000	573,000	621,000	601,000	657,000	692,000	726,000	659,000	802,000	8,112,000
TOTAL	1,073,000	922,000	1,008,000	732,000	796,000	923,000	839,000	884,000	990,000	1,002,000	971,000	1,120,000	11,260,000
													JAN= 56%

111,750 h.s.a.

FISCAL YEAR 2013 - 2014													
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	TOTALS
TOWN	275,000	238,000	389,000	180,000	276,000	280,000	220,000	203,000	336,000	261,000	403,000	462,000	3,523,000
BOE	958,000	865,000	493,000	741,000	649,000	804,000	546,000	721,000	856,000	739,000	623,000	803,000	8,798,000
TOTAL	1,233,000	1,103,000	882,000	921,000	925,000	1,084,000	766,000	924,000	1,192,000	1,000,000	1,026,000	1,265,000	12,321,000
													JAN= 56%

135,583 h.s.a.

FISCAL YEAR 2014 - 2015													
	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	TOTALS
TOWN	331,000	221,000	352,000	475,000	307,000	304,000	234,000	365,000	361,000	304,000	340,000	202,000	3,843,000
BOE	834,000	821,000	543,000	599,000	644,000	652,000	603,000	728,000	782,000	801,000	843,000	701,000	8,730,000
TOTAL	1,165,000	1,042,000	895,000	1,074,000	951,000	956,000	837,000	1,093,000	1,143,000	1,105,000	1,183,000	903,000	12,573,000
									NAF fees		179,000	47,000	
													JAN= 55%

171,250 h.s.a.

FISCAL YEAR 2015 - 2016													
	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
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
													JAN= 58%

311,000 h.s.a.

FISCAL YEAR 2016 - 2017													
	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
TOWN	327,000	300,000	242,000	375,000	296,000	295,000	218,000						2,053,000
BOE	891,000	781,000	619,000	643,000	909,000	800,000	626,000						5,269,000
TOTAL	1,218,000	1,081,000	861,000	1,018,000	1,205,000	1,095,000	844,000						7,322,000
													plus H.S.A. prmts
													\$ 13,312,727
													\$ 311,000
													\$ 13,623,727

h.s.a. payments not in monthly claims above.

2/6/2017

TOWN OF NEWTOWN
 MEDICAL SELF INSURANCE FUND ANALYSIS @ JAN 31, 2016
 FISCAL YEAR 2016 - 2017 FORECAST

FUND BALANCE @ JULY 1, 2016 2,743,000

ESTIMATED REVENUES

EMPLOYER CONTRIBUTIONS:

MUNICIPAL	3,163,000
EDUCATION	8,685,000
	11,848,000

EMPLOYEE CONTRIBUTIONS:

MUNICIPAL	353,000
EDUCATION	2,200,000
	2,553,000

RETIREE/COBRA/AGENCY CONTRIBUTIONS:

MUNICIPAL	350,000
EDUCATION	392,000
	742,000

INTEREST EARNED ON INVESTMENTS

10,000

TOTAL REVENUES

15,153,000

ESTIMATED EXPENSES

CLAIMS/NAF:

13,625,000

FROM CLAIMS ANALYSIS

MUNICIPAL
EDUCATION

ADMINISTRATIVE FEES:

MUNICIPAL	1,050,000
EDUCATION	

CONSULTANT FEES

55,000

TOTAL EXPENSES

14,730,000

ESTIMATED FUND BALANCE @ JUNE 30, 2017

3,166,000

23%

25% OF TOTAL CLAIMS =

3,406,250

TOWN OF NEWTOWN
 MEDICAL SELF INSURANCE FUND ANALYSIS @ JAN 31, 2016
 FISCAL YEAR 2017 - 2018 FORECAST

ESTIMATED FUND BALANCE @ JULY 1, 2017

3,166,000

ESTIMATED REVENUES

EMPLOYER CONTRIBUTIONS:

MUNICIPAL	3,245,138	
EDUCATION	8,859,408	
	12,104,546	2%

EMPLOYEE CONTRIBUTIONS:

MUNICIPAL	357,000	
EDUCATION	2,244,000	
	2,601,000	

RETIREE/COBRA/AGENCY CONTRIBUTIONS:

MUNICIPAL	350,000	
EDUCATION	392,000	
	742,000	

INTEREST EARNED ON INVESTMENTS

15,000

15,462,546

TOTAL REVENUES

ESTIMATED EXPENSES

CLAIMS/NAF:

14,374,375 (5.5%)

MUNICIPAL
EDUCATION

ADMINISTRATIVE FEES:

MUNICIPAL 1,050,000
EDUCATION

CONSULTANT FEES

55,000

TOTAL EXPENSES

15,479,375

ESTIMATED FUND BALANCE @ JUNE 30, 2018

3,149,171 22%

25% OF TOTAL CLAIMS = 3,593,594

**Newtown: Town and Board of Ed
Claim Projection Model**

2/6/2017

Experience	In-Force Anthem '16-'17		Initial Renewal 17-18	
	Dec-15	Dec-16	Dec-15	Dec-16
Experience Period Thru:				
Gross Paid Claims	\$ 12,260,038	\$ 12,543,004	2.31%	
Excess Claims	\$ (158,985)	\$ (223,178)	40.4%	
Paid Claims Less Large Claims	\$ 12,101,053	\$ 12,319,826	1.81%	
Experience Period Contracts	9,292	9,175	-1.26%	
Adjusted Claims PCPM	\$ 1,302.31	\$ 1,342.76	3.11%	

NOTE: ABC Removed
\$602K Claimant

Experience Large Claim Data			
Members Over \$50K (\$-Count)	\$ 3,990,707	34 mbrs	\$ 3,687,324 41 mbrs
Of Those Over \$50K Also Over \$175K (\$-Count)	\$ 1,104,605	1 mbrs	\$ 748,165 3 mbrs
Claims in Excess of \$175K	\$ 579,605		\$ 223,165

Claim Modeling	Anthem's Result		ABC Trend	
	18	18	18	18
Adjusted Claims PCPM	\$ 1,302.31	\$ 1,342.76	8.51%	
Annual Trend	6.10%		13.0%	
Applied Trend	9.3%		1,517.72	
Trended Claims PCPM	\$ 1,423.26	\$ 1,517.72	1.00	
Margin	1.00		1,517.72	
Trended Claims with Margin	\$ 1,423.26	\$ 1,517.72	758	
Current Contracts	772		13,805,186	
Projected Trended Claims	\$ 13,185,104	\$ 13,805,186	1,0020	
Adjustment-Force to ABC or Bene Adj	0.9943			
Adjusted Projected Claims	\$ 13,109,832	\$ 13,832,460		

Other Expenses	
Stop Loss	\$ 835,662
Admin & NAF	\$ 433,187
	\$ 862,061
	\$ 394,945

Total Cost	
Projected Total Cost	\$ 14,378,681
Contracts	772
PCPY	\$ 18,625.23
	\$ 15,089,466
	758
	\$ 19,906.95

Cost Change	
Projected Total Cost (\$---%)	\$ 710,785 4.94%
Contracts	-1.81%
PCPY	6.88%

Trend: Anthem=7.86% Med, 13.07% RX, 6% Dental