

INSURANCE ADVISORY COMMITTEE MEETING

WEDNESDAY, MARCH 10, 2010

In Attendance: Leslie McDonnell, Library Representative
Matthew McGuinness, Teachers Union Representative
Michael Cassidy, Fire Dept. Representative
Matthew Waugh, Police Union Representative
Robert Nemet, Highway Representative
Regina Mantell, Retiree Representative
Deborah Nichols, Town Hall Representative
Teresa Stewart, HEAU Representative

Guest: Marianne Brigham, Assistant Treasurer
Mary Bousquet, Treasurer/Collector

The meeting was called to order at 3:10 p.m. in the Selectmen's Meeting Room.

HEALTH INSURANCE

Mary Bousquet reviewed the new health insurance rates for FY11 with the Committee and presented them information from the West Suburban Health Group (WSHG) that showed what the actual rates will be effective July 1, 2010 and the percentage of change by plan. Overall the rates increased an average of 6.4%. The Committee was also informed that the WSGH subsidized the rates with approximately \$3.5 Million of Fund Balance. It was also brought to the Committee's attention that the Rate Saver plans rates are 15% lower than the comparable Legacy Plan rates and that the B/C Rate Saver plan s 17.5% lower because of the tiers associated with doctors and hospitals. The Committee was also presented with a spreadsheet prepared by Ms. Bousquet showing what the fiscal year 2011 costs are for the town and employee's share of health insurance.

Ms. Bousquet also informed the Committee that she and Paul LeBeau had been discussing the possibility of changing the contribution levels on the Rate Saver plans as a way of getting employees to try the Rate Saver plans without making the change mandatory and she requested feedback from the Committee regarding this idea.

Matt Waugh made the following motion:

That the Committee vote to increase the contribution level to 65/35 on Rate Saver plans effective with the rates in effect for July 1, 2010.

Mike Cassidy seconded the motion. Six voted favorable, one abstention (Mat McGuinness), one absent (Terry Stewart).

DENTAL INSURANCE

Ms. Bousquet advised the Committee that Altus Dental had provided us with our rates for FY11 and that our rates were supposed to increase 16.93% based on claims experience but Altus had agreed to lower the increase to 9.5% to retain our business. Ms. Bousquet explained that we have 84 subscribers for the low option plan and 237 for the high option plan and that 42 members met their \$750 or \$1500 calendar year limit in 2009. It was also explained that Holliston has a very rich dental benefit and that surrounding communities outlined in an email dated March 10, 2010, from Lisa Stabile from Altus showed the most communities only have one option with either a \$1000 or \$1500 calendar year limit. Ms. Bousquet informed the Committee that she had requested that Altus give us rates for FY11 for a \$1,500 In and Out of Network plan design. The new plan design is the same as the high option currently available with the exception that the contribution levels go from 100/100/60 with a \$50/\$150 deductible in network and 100/80/50 with a \$50/\$150 deductible out of network to 100/80/50 with a \$50/\$150 deductible in or out of network. The email dated March 10, 2010 at 10:45 a.m. shows what the premiums would be if we changed to a standalone plan with a one, three and five year commitment.

The Committee decided to table the decision on the dental rates until our next meeting so they could have sufficient time to review the changes with their employees.

DISABILITY INSURANCE

The Committee was informed by Ms. Bousquet that she had requested rates through GBS Insurance Agency, Inc. with an effective date of July 1, 2010. She explained that we had Concord Heritage, then Jefferson Pilot and now currently Lincoln Financial and that our current rates are good through December 31, 2010. She noted that we have an employee who is contemplating filing a disability claim within the next few months and that we wouldn't change until the claim was approved. Ms. Bousquet also explained that in all of the years we have been offering disability insurance for town employees we have had only had one claim, our rates have remained the same at \$.71 per \$100 of payroll dollars and we are having difficulty finding a representative from Lincoln Financial to service us. Ms. Bousquet hopes to have the final rates and presentations from the lowest bidders by our next IAC meeting.

OPEN ENROLLMENT, BENEFITS PRESENTATIONS AND HEALTH FAIR

Ms. Bousquet informed the Committee that this year she would like to try something new by offering brief presentations on various benefits. The goal of the presentations are to make people aware of their benefits because it's believed that most of our employees don't know the difference between the HMO and Rate Saver plans or have forgotten that we offer flexible pending plans. A list of tentative dates and topics were presented to the Committee. Mike Cassidy suggested that we do a comparison between employees take home pay with the traditional benefits and then one with the Rate Saver plans. Mike Cassidy and Matt Waugh offered to review the comparison once they are completed.

Matt McGuinness was surprised by the few employees who are taking advantage of the flexible spending plans and stated that most of his department at the High School is aware of the benefit and he would try to get the word out to the teachers.

Open enrollment has been scheduled for April 19, 2010, to May 14, 2010, and the benefits fair will be held on May 5, 2010, from 1 to 4 at the High School Library.

Next meeting was scheduled for Wednesday, March 31 at 3:45 p.m.

Debbie Nichols made a motion to adjourn the meeting at 4:15 p.m. which was seconded by Terry Stewart. All voted in favor.

Mary a. Bousquet
Treasurer/Collector

MINUTES APPROVED ON 3/31/2010