# HAMPSHIRE COUNTY GROUP INSURANCE TRUST

Executive Committee
Meeting Notice and Agenda
October 7, 2025
9:00 A.M.
**ZOOM Meeting**

| | |
|---|---|
| Call to Order | RC |
| September 2025 Financials (vote) | JS |
| Updated Cash Flow | JS |
| Claim Experience Requests | JS |
| Medex Open Enrollment and Rates 2026 | JS |
| Survey Form | JS |
| CanaRx for Active EE only | JS |
| Input on 7/1/26 Plan Changes | JS |
| EC Election | JS |
| Wmass Health Insurance Forum | JS |
| FAQ | SP |
| Any Other Items | JS |

Meeting Schedule

Insurance Advisory Committee – October 9, 2025,10:00 a.m. ZOOM
Executive Committee – October22, 2025, 9:00 a.m. ZOOM
Executive Committee – November 19, 2025, 9:00 a.m. ZOOM

Joseph Shea is inviting you to a scheduled Zoom meeting.
Join Zoom Meeting
https://us02web.zoom.us/j/83648034444?pwd=ueZQIDj3RcaBcZ7jS15oUYqtfbVrco.1

Meeting ID: 836 4803 4444
Passcode: 460178

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One tap mobile
+13017158592,,83648034444#,,,,*460178# US (Washington DC)
+13052241968,,83648034444#,,,,*460178# US

Join instructions
https://us02web.zoom.us/meetings/83648034444/invitations?signature=Xv9Pkt793DMax1CCyMV0kGl_DtBaE9iAqkhU55GcBOM

# HAMPSHIRE COUNTY GROUP INSURANCE TRUST

FISCAL YEAR 2026 OPERATING EXPENSES (July 1, 2025 to June 30, 2026)

| ITEM CODE | BUDGET ITEMS | FY-2025 Budgeted | FY-2026 Budgeted | | | |
|---|---|---|---|---|---|---|
| | WAGES & BENEF | 7-1/6-30 | | July | August | September |
| 5110 | SALARY* | 410,000.00 | 426,000.00 | 51,204.92 | 28,366.64 | 28,097.17 |
| 5145 | LONGEVITY | 6,600.00 | 6,600.00 | | | |
| 5120 | TEMP. EMPLOYEE SAL | | | | | |
| 481 | FICA (.062) | | | | | |
| 5186 | MED TAX (.0145) | | | | | |
| 5181 | CONTRIBUTORY RET. | 125,624.00 | 130,358.00 | 135,403.39 | 3,407.31 | 3,407.31 |
| 5189 | EMP. ASST. PROG. EAP | | | | | |
| 5184 | HEALTH INSURANCE | 80,000.00 | 94,400.00 | 6,345.67 | 5,891.67 | 6,963.74 |
| 5185 | LIFE INSURANCE | 350.00 | 350.00 | 28.40 | 28.40 | 28.40 |
| 5189 | UNEMP HEALTH INS TAX | | | | | |
| | TOT. WAGES & BENEFITS | 622,574.00 | 657,708.00 | 192,982.38 | 37,694.02 | 38,496.62 |

| ITEM CODE | BUDGET ITEMS | | | | | |
|---|---|---|---|---|---|---|
| | NON SALARY EXPENSES | | | | | |
| 5300 | ADM. CONT. SERVICES (FS&PF) | | | | | |
| | Rent | 14,400.00 | 13,200.00 | 1,000.00 | 1,000.00 | 1,000.00 |
| | Parking | | | | | |
| 5305 | ADM. CONT. SERVICES (Audit) | 22,000.00 | 45,000.00 | | | |
| 5320 | LEGAL | | | | | 8,000.00 |
| 5340 | TELEPNONE/INTERNET | | | | | |
| 5490 | FOOD SUPPLIES | 600.00 | 500.00 | 29.95 | | |
| 5420 | OFFICE & COMPUTER SUPPLIES | | | 327.26 | | |
| 5580 | MISC. EXPENSES | 5,000.00 | 5,000.00 | 316.89 | | |
| 5580 | NEWSPAPER/MAGS/BOOKS | | | | | |
| 5420 | POSTAGE (Stamps) | 8,500.00 | 6,000.00 | | | |
| 5275 | POSTAGE METER RENTAL | | | 466.90 | | |
| 5380 | MINI GRANTS/WELLNESS | 7,500.00 | 7,500.00 | | | |
| 5420 | STATIONERY & OFF. SUPP. | | | | | |
| 5780 | SURETY BONDS | 1,250.00 | 1,250.00 | | | 100 |
| 5340 | TELEPHONES | | | | | |
| 5320 | TRAINING | | | | | |
| 5710 | TRAVEL IN/OUT of STATE | 5,000.00 | 3,000.00 | 42.00 | | |
| 5188 | UTILITIES | 6,000.00 | 6,000.00 | 694.33 | 437.23 | 425.84 |
| | TOT. Inderect Costs | | | | | |
| | **Total Non-Salary** | 70,250.00 | 87,450.00 | 2,877.33 | 1,437.23 | 9,525.84 |

| ITEM CODE | BUDGET ITEMS | | | | | |
|---|---|---|---|---|---|---|
| | I.T. | | | | | |
| 6000 | COMPUTER HARDWARE | 7,500.00 | 2,500.00 | | | |
| 5420 | COMPUTER SOFTWARE | | | | | |
| 5420 | COMPUTER SUPPLIES | 1,000.00 | 1,000.00 | | | |
| 5850 | DESK TOP PCs | | | | | |
| 5300 | MISC PROF & TECH SERV.** | 175,000.00 | 80,000.00 | 14,846.00 | 1,431.00 | 9,464.76 |
| | TOTAL DATA PROCESSING | 183,500.00 | 83,500.00 | 14,846.00 | 1,431.00 | 9,464.76 |
| | **TOTALS** | 876,324.00 | 828,658.00 | 210,705.71 | 40,562.25 | 57,487.22 |

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# HAMPSHIRE COUNTY GROUP INSURANCE TRUST

## INCOME AND EXPENSE REPORT

| ITEMS | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUGUST | SEPTEMBER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Starting Cash Balance | $4,796,853.49 | $483,072.00 | -$534,684.82 | $2,823,338.94 | $769,509.74 | $1,374,868.15 | $2,585,805.86 | -$1,211,050.10 | $1,726,324.83 | $1,289,856.50 | $3,928,350.63 | $2,065,435.68 |
| Adjustments | | | | | | | | | | | | |
| Total Starting Balance | $4,796,853.49 | $483,072.00 | -$534,684.82 | $2,823,338.94 | $769,509.74 | $1,374,868.15 | $2,585,805.86 | -$1,211,050.10 | $1,726,324.83 | $1,289,856.50 | $3,928,350.63 | $2,065,435.68 |
| MONTHLY INCOME | | | | | | | | | | | | |
| Total Premium Collected | 5,561,151.39 | 7,102,933.28 | 7,901,004.69 | 7,696,995.22 | 6,971,549.48 | 7,113,861.16 | 5,733,876.86 | 8,662,499.92 | 4,216,395.73 | 11,883,562.27 | 8,540,065.72 | 8,931,123.65 |
| Interest Income (MMDT) | 7,121.39 | 3,415.77 | 5,416.00 | 3,963.56 | 4,244.57 | 4,915.06 | 2,880.52 | 5,955.54 | 5,133.53 | 4,826.21 | 6,403.21 | 7,314.26 |
| Other Income or Adjustments | | 2.38 | | | | | | | | | | |
| BCBS SR Premium Collected | | | | | | | | | | | | |
| TOTAL MONTHLY INCOME | 5,568,272.78 | 7,106,351.43 | 7,906,420.69 | 7,700,958.78 | 6,975,794.05 | 7,118,776.22 | 5,736,757.38 | 8,668,455.46 | 4,221,529.26 | 11,888,388.48 | 8,546,468.93 | 8,938,437.91 |
| MONTHLY EXPENSES | | | | | | | | | | | | |
| BCBS Admin Cost (estimate) | | | | | | | | | | | | |
| Claim Deposit | 6,806,599.00 | 5,108,803.72 | 5,370,401.93 | 6,571,461.25 | 4,925,167.78 | 6,453,754.80 | 6,057,531.86 | 5,962,534.78 | 5,786,383.98 | 8,943,510.34 | 7,166,257.06 | 6,153,533.46 |
| Reinsurance (Ind.&Agg.) | 181,567.63 | 181,964.85 | 182,121.12 | 88,606.68 | 108,354.27 | (3,407.47) | 55,503.18 | 28,970.51 | (31,398.30) | (35,796.67) | (296,941.76) | 202,462.12 |
| BCBS Settlement | | | | | | | | | | | | |
| Recon adjust w/Finance | | | | | | | | | | | | |
| BCBS Sr Premium Paid | | | | | | | | | | | | |
| Other Exp. & Claim Settlement | 2,831,788.53 | 2,778,833.77 | 929,508.82 | 3,040,238.96 | 2,979,386.92 | 1,055,857.82 | 3,453,317.77 | 3,487,583.52 | 1,641,677.58 | 3,587,364.65 | 3,506,306.64 | 1,528,056.25 |
| Total Plan Expenses | 9,819,955.16 | 8,069,602.34 | 6,482,031.87 | 9,700,306.89 | 8,012,908.97 | 7,506,205.15 | 9,566,352.81 | 9,479,088.81 | 7,396,663.26 | 12,495,078.32 | 10,375,621.94 | 7,884,051.83 |
| Total Unit Operating Expenses | 62,099.11 | 54,505.91 | 66,365.06 | 54,521.09 | 57,526.67 | 51,633.36 | 67,260.53 | 51,991.72 | 61,334.33 | 210,705.71 | 40,562.25 | 57,487.22 |
| TOTAL MONTHLY EXPENSES | 9,882,054.27 | 8,124,108.25 | 6,548,396.93 | 9,754,827.98 | 8,070,435.64 | 7,557,838.51 | 9,633,613.34 | 9,531,080.53 | 7,457,997.59 | 12,705,784.03 | 10,416,184.19 | 7,941,539.05 |
| TOTAL NET MONTHLY INCOME | (4,313,781.49) | (1,017,756.82) | 1,358,023.76 | (2,053,869.20) | (1,094,641.59) | (439,062.29) | (3,896,855.96) | (862,625.07) | (3,236,468.33) | (817,395.55) | (1,869,715.26) | 996,898.86 |
| BALANCE | | | | | | | | | | | | |
| Cash Balance | 483,072.00 | (534,684.82) | 823,338.94 | 769,469.74 | (325,131.85) | 935,805.86 | (1,311,050.10) | (2,073,675.17) | (1,510,143.50) | 472,460.95 | 2,058,635.37 | 3,062,334.54 |
| Adjustments | | | 2,000,000.00 | 40.00 | 1,700,000.00 | 1,650,000.00 | 100,000.00 | 3,800,000.00 | 2,800,000.00 | 3,455,889.68 | 6,800.31 | 606.53 |
| ENDING MONTHLY BALANCE | 483,072.00 | (534,684.82) | 2,823,338.94 | 769,509.74 | 1,374,868.15 | 2,585,805.86 | (1,211,050.10) | 1,726,324.83 | 1,289,856.50 | 3,928,350.63 | 2,065,435.68 | 3,062,941.07 |

# HAMPSHIRE COUNTY GROUP INSURANCE TRUST

## Fund And Investment Information

| FUNDS | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUGUST | SEPTEMBER |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Post Employee Ben. S.B.** | 65,172.83 | 64,254.05 | 62,305.25 | 62,276.49 | 61,217.71 | 58,988.91 | 57,930.13 | 56,871.35 | 56,982.59 | 55,923.81 | 53,695.01 | 53,806.25 |
| Funding | 1,030.02 | | 2,200.04 | 1,170.02 | | 1,170.02 | 1,170.02 | 2,340.04 | 1,170.02 | | 2,340.04 | 1,170.02 |
| Expenses | 1,948.80 | 1,948.80 | 2,228.80 | 2,228.80 | 2,228.80 | 2,228.80 | 2,228.80 | 2,228.80 | 2,228.80 | 2,228.80 | 2,228.80 | 2,228.80 |
| Total | 64,254.05 | 62,305.25 | 62,276.49 | 61,217.71 | 58,988.91 | 57,930.13 | 56,871.35 | 56,982.59 | 55,923.81 | 53,695.01 | 53,806.25 | 52,747.47 |
| | | | | | | | | | | | | |
| **Accurued Vac & Sick Time** | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 |
| Income | | | | | | | | | | | | |
| Expenses | | | | | | | | | | | | |
| Total | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 | 31,317.96 |
| | | | | | | | | | | | | |
| Member Deposits | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,488,051.96 | 4,501,551.96 |
| Deposits | | | | | | | | | | 24,500.00 | 13,500.00 | |
| Total Member Deposits | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,463,551.96 | 4,488,051.96 | 4,501,551.96 | 4,501,551.96 |
| | | | | | | | | | | | | |
| OPEB Trust | 322,924.63 | 324,292.21 | 325,576.97 | 327,000.26 | 328,388.89 | 329,648.46 | 331,048.34 | 332,408.81 | 333,721.52 | 334,897.77 | 336,078.17 | 337,186.99 |
| Interest | 1,367.58 | 1,284.76 | 1,423.29 | 1,388.63 | 1,259.57 | 1,399.88 | 1,360.47 | 1,312.71 | 1,176.25 | 1,180.40 | 1,108.82 | 1,226.85 |
| OPEB Trust | 324,292.21 | 325,576.97 | 327,000.26 | 328,388.89 | 329,648.46 | 331,048.34 | 332,408.81 | 333,721.52 | 334,897.77 | 336,078.17 | 337,186.99 | 338,413.84 |
| | | | | | | | | | | | | |
| **Investments** | | | | | | | | | | | | |
| **CD's** | 7,121,840.44 | 7,152,001.24 | 7,180,335.67 | 6,207,626.75 | 6,233,987.90 | 5,555,405.94 | 3,923,230.27 | 3,839,051.76 | 2,047,431.42 | 1,253,632.84 | 1,258,956.49 | 1,263,580.83 |
| **Deposit** | | | (1,000,000.00) | | (700,000.00) | (1,650,000.00) | (100,000.00) | (1,800,000.00) | (800,000.00) | | | |
| **Interest** | 30,160.80 | 28,334.43 | 27,291.08 | 26,361.15 | 21,418.04 | 17,824.33 | 15,821.49 | 8,379.66 | 6,201.42 | 5,323.65 | 4,624.34 | 4,597.51 |
| **Balance** | 7,152,001.24 | 7,180,335.67 | 6,207,626.75 | 6,233,987.90 | 5,555,405.94 | 3,923,230.27 | 3,839,051.76 | 2,047,431.42 | 1,253,632.84 | 1,258,956.49 | 1,263,580.83 | 1,268,178.34 |
| | | | | | | | | | | | | |
| Portfolio Value | 9,009,142.30 | 8,897,102.48 | 9,300,329.19 | 7,950,739.57 | 8,224,068.06 | 7,228,416.19 | 6,953,131.67 | 6,851,991.84 | 5,154,766.73 | 3,364,488.66 | 7,302.39 | 571.53 |
| Deposit | | | (1,000,000.00) | | (1,000,000.00) | | | (2,000,000.00) | (2,000,000.00) | (3,455,889.68) | (8,050.31) | (606.53) |
| Interest | (112,039.82) | 403,226.71 | (349,589.62) | 273,328.49 | 4,348.13 | (275,284.52) | (101,139.83) | 302,774.89 | 209,721.93 | 98,703.41 | 1,319.45 | 35.00 |
| Market Change | | | | | | | | | | | | |
| Total | 8,897,102.48 | 9,300,329.19 | 7,950,739.57 | 8,224,068.06 | 7,228,416.19 | 6,953,131.67 | 6,851,991.84 | 5,154,766.73 | 3,364,488.66 | 7,302.39 | 571.53 | 0.00 |
| | | | | | | | | | | | | |
| Accounts Receivable | 1,887,452.55 | 1,730,237.24 | 973,065.29 | 394,750.51 | 518,891.07 | 534,150.97 | 1,900,280.17 | 328,596.28 | 4,456,131.78 | 862,927.27 | 657,555.64 | 1,479,153.64 |
| | | | | | | | | | | | | |
| Total With Accounts Receivable | 23,303,044.45 | 22,558,969.42 | 22,838,917.22 | 20,506,792.73 | 19,561,088.64 | 18,880,167.16 | 16,264,423.75 | 14,142,693.29 | 15,249,801.28 | 10,966,679.88 | 8,911,006.84 | 10,734,304.28 |

# Hampshire County Group Insurance Trust

TRANSACTION REPORT SEPTEMBER 2025 (FY26)

| STARTING BALANCE GENERAL FUND **(M&T BANK)** | | | | $ (1,998,923.75) |
|---|---|---|---|---|
| **2025** | TRANSACTION | A/P DEBIT | A/R CREDIT | |
| SEPT | **M&T BANK** | | | |
| | | | | $ (1,998,923.75) |
| 1 | BLUE CROSS BLUE SHIELD | 6,153,533.46 | | $ (8,152,457.21) |
| 2 | M&T BANK (FROM ESB) | | 4,000,000.00 | $ (4,152,457.21) |
| 3 | M&T BANK | | 9,105.00 | $ (4,143,352.21) |
| 5 | M&T BANK | | 7,117.00 | $ (4,136,235.21) |
| 15 | M&T BANK (FROM ESB) | | 700,000.00 | $ (3,436,235.21) |
| 15 | M&T BANK | | 323,115.65 | $ (3,113,119.56) |
| 17 | M&T BANK | | 248,459.00 | $ (2,864,660.56) |
| 18 | M&T BANK | | 877,162.50 | $ (1,987,498.06) |
| 22 | M&T BANK | | 740,083.07 | $ (1,247,414.99) |
| 29 | M&T BANK | | 913,932.12 | $ (333,482.87) |
| 30 | M&T BANK | | 278,635.89 | $ (54,846.98) |
| 30 | M&T BANK (FROM ESB) | | 3,000,000.00 | $ 2,945,153.02 |
| 30 | M&T BANK (FROM WF CLSD ACCT) | | 606.53 | $ 2,945,759.55 |
| 30 | CVS CAREMARK | 3,078,595.52 | 2,208,603.85 | $ 2,075,767.88 |
| 30 | PAYROLL | 28,097.17 | | $ 2,047,670.71 |
| 30 | INTEREST | | 3,827.47 | $ 2,051,498.18 |
| | | | | $ 2,051,498.18 |
| | | | | $ 2,051,498.18 |
| | | | | |

| STARTING BALANCE GENERAL FUND **(EASTHAMPTON SAVINGS BANK x5596)** | | | | $ 4,064,359.43 |
|---|---|---|---|---|
| **2025** | TRANSACTION | A/P DEBIT | A/R CREDIT | |
| SEPT | **EASTHAMPTON SAVINGS BANK** | | | |
| | | | | $ 4,064,359.43 |
| 1 | STEALTH/STOP LOSS | 202,462.12 | | $ 3,861,897.31 |
| 2 | ESB (TO MTB) | 4,000,000.00 | | $ (138,102.69) |
| 2 | ESB | | 215,732.64 | $ 77,629.95 |
| 2 | ESB | | 3,624.00 | $ 81,253.95 |
| 2 | ESB | | 250,125.00 | $ 331,378.95 |
| 3 | ESB | | 97,962.00 | $ 429,340.95 |
| 9 | ESB | | 73,890.00 | $ 503,230.95 |
| 12 | ESB | | 275,644.46 | $ 778,875.41 |
| 15 | ESB (TO MTB) | 700,000.00 | | $ 78,875.41 |
| 15 | ESB | | 8,795.00 | $ 87,670.41 |
| 18 | ESB | | 163,800.45 | $ 251,470.86 |
| 18 | ESB | | 218,451.41 | $ 469,922.27 |
| 18 | ESB | | 14,238.73 | $ 484,161.00 |
| 18 | ESB | | 293,092.90 | $ 777,253.90 |
| 18 | ESB | | 269,962.05 | $ 1,047,215.95 |
| 22 | ESB | | 26,992.00 | $ 1,074,207.95 |
| 23 | ESB | | 73,181.65 | $ 1,147,389.60 |
| 23 | ESB | | 15,978.00 | $ 1,163,367.60 |
| 23 | ESB | | 90,263.78 | $ 1,253,631.38 |
| 23 | ESB | | 5,565.00 | $ 1,259,196.38 |
| 23 | ESB | | 10,294.00 | $ 1,269,490.38 |
| 24 | ESB | | 80,259.00 | $ 1,349,749.38 |
| 24 | ESB | | 20,957.45 | $ 1,370,706.83 |
| 25 | ESB | | 890,923.05 | $ 2,261,629.88 |
| 25 | ESB | | 109,026.62 | $ 2,370,656.50 |
| 25 | ESB | | 78,135.45 | $ 2,448,791.95 |
| 26 | ESB | | 204,548.46 | $ 2,653,340.41 |

| | | | | | |
|---|---|---|---|---|---|
| 26 | ESB | | 102,928.55 | $ | 2,756,268.96 |
| 26 | ESB | | 12,107.00 | $ | 2,768,375.96 |
| 26 | ESB | | 6,239.00 | $ | 2,774,614.96 |
| 26 | ESB | | 18,168.00 | $ | 2,792,782.96 |
| 26 | ESB | | 924,936.72 | $ | 3,717,719.68 |
| 26 | ESB | | 227,340.94 | $ | 3,945,060.62 |
| 26 | ESB | | 14,650.00 | $ | 3,959,710.62 |
| 29 | ESB | | 111,863.00 | $ | 4,071,573.62 |
| 29 | ESB | | 7,534.00 | $ | 4,079,107.62 |
| 29 | ESB | | 155,359.73 | $ | 4,234,467.35 |
| 29 | ESB | | 33,272.00 | $ | 4,267,739.35 |
| 30 | ESB | | 3,351.00 | $ | 4,271,090.35 |
| 30 | ESB | | 19,796.00 | $ | 4,290,886.35 |
| 30 | ESB | | 281,741.08 | $ | 4,572,627.43 |
| 30 | ESB | | 132,783.30 | $ | 4,705,410.73 |
| 30 | ESB (TO MTB) | 3,000,000.00 | | $ | 1,705,410.73 |
| 30 | CANARX | 5,628.20 | | $ | 1,699,782.53 |
| 30 | BLUE MEDICARE RX (AUG) | 652,436.38 | | $ | 1,047,346.15 |
| 30 | PAYROLL | 10,399.45 | | $ | 1,036,946.70 |
| 30 | ACCOUNTS PAYABLE | 18,990.60 | | $ | 1,017,956.10 |
| 30 | INTEREST | | 3,486.79 | $ | 1,021,442.89 |
| | | | | $ | 1,021,442.89 |
| | | | | $ | 1,021,442.89 |
| | | | | $ | 1,021,442.89 |
| | | | | $ | 1,021,442.89 |
| | | | | $ | 1,021,442.89 |
| | | | | | |
| | MEMBER UNIT DEPOSITS ON HAND | | | | |
| SEPT | | Starting Balance>>>>>>>>>>>>>>> | | $ | 4,501,551.96 |
| | BROOKFIELD | | | $ | 4,501,551.96 |
| | | | | $ | 4,501,551.96 |
| 30 | Total | | | **$** | **4,501,551.96** |
| | **M&T BANK** | | | | |
| SEPT | Post Employee Benefits Fund | Starting Balance>>>>>>>>>>>>>>> | | $ | 53,806.25 |
| 30 | Retiree Health & Life Ins. | 2,228.80 | 1,170.02 | $ | 52,747.47 |
| 30 | Total | | | **$** | **52,747.47** |
| | **M&T BANK** | | | | |
| SEPT | Accrued Vacation & Sick Time Fund | Starting Balance>>>>>>>>>>>>>>> | | $ | 31,317.96 |
| | | | | $ | 31,317.96 |
| 30 | Total | | | **$** | **31,317.96** |
| | **OPEB** | | | | |
| SEPT | CD-Easthampton Savings | | | $ | 337,186.99 |
| 30 | 3 mos.@ 4.150% (matures 11/22/25) x1851 | | 1,226.85 | $ | 338,413.84 |
| | Total | | | **$** | **338,413.84** |
| | **INVESTMENTS - CD** | | | | |
| SEPT | CD-Easthampton Savings | | | $ | 1,263,580.83 |
| | TO ESB GENERAL FUND | | | $ | 1,263,580.83 |
| | TO ESB GENERAL FUND | | | $ | 1,263,580.83 |
| 30 | 3 mos.@ 4.15% (matures 11/16/25) x7499 | | 4,597.51 | $ | 1,268,178.34 |
| | Total | | | **$** | **1,268,178.34** |
| | **INVESTMENTS - WF** | | | | |
| SEPT | Portfolio Value AUG 1, 2025 | | | $ | 571.53 |
| 30 | Investment Earnings/Loss | | 35.00 | $ | 606.53 |
| 30 | TO MTB GENERAL FUND (CLOSED ACCT) | 606.53 | | $ | - |
| | | | | | |
| | **TOTAL** | | | **$** | **9,265,150.64** |

# MONTHLY ACCOUNTS RECEIVABLE

## HAMPSHIRE COUNTY GROUP INSURANCE TRUST

***FOR OCTOBER 2025 PREMIUMS***

| ***OCTOBER PREMIUMS NOT PAID*** *AS OF SEPTEMBER 30, 2025* | | TO AVOID LATE ASSESSMENT FEE INVOICE MUST BE PAID **BEFORE**: ***October 3, 2025*** |
|---|---|---|
| BROOKFIELD | 123,479.00 | **10/1/2025** |
| CUMMINGTON | 7,199.00 | **10/3/2025** |
| GOSHEN | 4,183.00 | **10/2/2025** |
| GRANBY | 252,215.80 | **10/3/2025** |
| HADLEY | 290,742.00 | **10/1/2025** |
| HAMPSHIRE COUNTY RETIREMENT | 11,715.00 | **10/3/2025** |
| HOLLAND | 77,369.19 | **10/1/2025** |
| HUNTINGTON | 12,394.00 | **10/2/2025** |
| ORANGE | 325,837.29 | **10/2/2025** |
| PLAINFIELD | 8,256.45 | **10/3/2025** |
| WILLIAMSBURG | 110,592.20 | **10/2/2025** |
| BUCKLAND | 27,500.20 | **10/1/2025** |
| CONWAY | 88,519.23 | **10/1/2025** |
| NORTHFIELD | 52,234.68 | **10/1/2025** |
| ROWE | 86,916.60 | **10/2/2025** |
| | $ 1,479,153.64 | |

| | | | | | |
|---|---|---|---|---|---|
| 9/2/2025 | ACH | | 3,118,933.46 | BCBS | Monthly Claim prefunding & settlement |
| 9/2/2025 | ACH | | 202,462.12 | Stealth Partner Group | Reinsurance- SEPT |
| 9/2/2025 | | 7189 | 49.25 | Boston Mutual | Life Ins |
| 9/2/2025 | | 7190 | 389.69 | ACSA | Dental Ins |
| 9/2/2025 | | 7186 | 1,000.00 | M&B Holdings | Rent APR |
| 9/2/2025 | | 7188 | 3,767.80 | CanaRx | Rx expense |
| 9/2/2025 | | 7187 | 6,250.00 | Edward Haber | IT work |
| 9/3/2025 | ACH | | 801,303.48 | CVS | Rx weekly |
| 9/10/2025 | ACH | | 539,560.34 | CVS | Rx weekly |
| 9/10/2025 | ACH | | 14,039.99 | Checkwriters | payroll 9/11 |
| 9/15/2025 | ACH | | 3,034,600.00 | BCBS | Monthly claim funding, second half |
| 9/16/2025 | ACH | | 280.40 | Comcast | Internet |
| 9/16/2025 | ACH | | 3,214.76 | Netlogix | IT service, new server PC |
| 9/16/2025 | | 7191 | 100.00 | CNA | Surety bond |
| 9/16/2025 | | 7192 | 145.44 | CMS | Phone |
| 9/16/2025 | | 7193 | 1,860.40 | CanaRx | Rx expense |
| 9/19/2025 | ACH | | 912,623.59 | CVS | Rx weekly |
| 9/23/2025 | | 7194 | 8,782.00 | HCGIT | Health Insurance |
| 9/23/2025 | | 7195 | 8,000.00 | CBIZ CpA's | Audit Fee, 1st installment |
| 9/23/2025 | | 7196 | 3,407.31 | Hamp Retirement | Sept Deductions |
| 9/24/2025 | ACH | | 14,057.18 | Checkwriters | payroll 9/25 |
| 9/26/2025 | ACH | | (2,208,603.85) | CVS Caremark | Q2 rebate |
| 9/29/2025 | ACH | | 825,108.11 | CVS | Rx weekly |
| 9/30/2025 | ACH | | 652,436.38 | Blue Medicare Rx | Medicare rx |
| | | | 7,943,767.85 | | |

10

**7/30/25 IAC meeting Projections**
**Medex 20% increase, 1/1/26**
**20% increase on 10/1/25.**
**A rate increase for 7/1/26 will be determined in January 2026**

| | July | August | September | October | November | December | January | February | March | April | May | TBD<br>June | End of Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Premium | 8,350,000 | 8,350,000 | 9,820,000 | 9,820,000 | 9,820,000 | 10,070,000 | 10,070,000 | 10,070,000 | 10,070,000 | 10,070,000 | 10,070,000 | 10,070,000 | |
| Stop Loss reimbursement | 400,000 | 200,000 | 150,000 | | | | | 100,000 | 100,000 | 200,000 | 250,000 | 250,000 | |
| CVS Rebate | | | 2,100,000 | | | 2,100,000 | | | 1,800,000 | | | 1,800,000 | |
| BCBS Funding | (6,069,200) | (6,069,200) | (7,000,000) | (7,500,000) | (6,069,200) | (7,000,000) | (6,200,000) | (7,500,000) | (6,200,000) | (6,200,000) | (7,500,000) | (7,000,000) | |
| CVS Claims | (2,900,000) | (2,900,000) | (2,900,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | |
| CanaRx | (10,500) | (10,500) | (10,500) | (10,500) | (10,500) | (10,500) | (11,000) | (11,000) | (11,000) | (11,000) | (11,000) | (11,000) | |
| Fed Pcori Fee | (40,000) | | | | | | | | | | | | |
| Hamp Retirement Assessment | (130,000) | | | | | | | | | | | | |
| HCGIT Op Epenses | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | |
| Blue Medicare Rx fee | (640,000) | (640,000) | (640,000) | (640,000) | (640,000) | (640,000) | (704,000) | (704,000) | (704,000) | (704,000) | (704,000) | (704,000) | |
| Stop Loss Premium | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | |
| **Net cash** | (1,304,200) | (1,334,200) | 1,255,000 | (795,000) | 635,800 | 2,055,000 | 690,500 | (509,500) | 2,590,500 | 890,500 | (359,500) | 1,940,500 | 5,755,400 |

**9/24/2025 EC meeting Projections**
**Medex 14.2% increase, 1/1/26**
**20% increase on 10/1/25.**
**A rate increase for 7/1/26 will be determined in January 2026**

| | July | August | September | October | November | December | January | February | March | April | May | TBD<br>June | End of Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Premium | 8,350,000 | 8,350,000 | 9,800,000 | 9,800,000 | 9,800,000 | 10,057,000 | 10,057,000 | 10,057,000 | 10,057,000 | 10,057,000 | 10,057,000 | 10,057,000 | |
| Stop Loss reimbursement | 400,000 | 200,000 | 100,000 | | | | | 100,000 | 100,000 | 200,000 | 250,000 | 250,000 | |
| CVS Rebate | | | 2,100,000 | | | 2,100,000 | | | 1,800,000 | | | 1,800,000 | |
| BCBS Funding | (6,069,200) | (6,069,200) | (7,000,000) | (7,500,000) | (6,069,200) | (7,000,000) | (6,200,000) | (7,500,000) | (6,200,000) | (6,200,000) | (7,500,000) | (7,000,000) | |
| CVS Claims | (2,900,000) | (2,900,000) | (2,900,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | |
| CanaRx | (10,500) | (10,500) | (10,500) | (10,500) | (10,500) | (10,500) | (11,000) | (11,000) | (11,000) | (11,000) | (11,000) | (11,000) | |
| Fed Pcori Fee | (40,000) | | | | | | | | | | | | |
| Hamp Retirement Assessment | (130,000) | | | | | | | | | | | | |
| HCGIT Op Epenses | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | |
| Blue Medicare Rx fee | (640,000) | (640,000) | (650,000) | (650,000) | (650,000) | (640,000) | (704,000) | (704,000) | (704,000) | (704,000) | (704,000) | (704,000) | |
| Stop Loss Premium | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | |
| **Net cash** | (1,304,200) | (1,334,200) | 1,175,000 | (825,000) | 605,800 | 2,042,000 | 677,500 | (522,500) | 2,577,500 | 877,500 | (372,500) | 1,927,500 | 5,524,400 |

**Actuals as of 10/6/25 + projected 19.0% medex and 20% October Increase**

| | July | August | September | October | November | December | January | February | March | April | May | June | End of Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Premium | 8,348,100 | 8,308,727 | 9,762,643 | 9,800,000 | 9,800,000 | 10,057,000 | 10,057,000 | 10,057,000 | 10,057,000 | 10,057,000 | 10,057,000 | 10,057,000 | |
| Stop Loss reimbursement | 240,086 | 500,123 | - | | | | | 100,000 | 100,000 | 200,000 | 250,000 | 250,000 | |
| CVS Rebate | | | 2,208,604 | | | 2,100,000 | | | 1,800,000 | | | 1,800,000 | |
| BCBS Funding | (6,153,533) | (7,910,555) | (6,700,000) | (7,500,000) | (6,069,200) | (7,000,000) | (6,200,000) | (7,500,000) | (6,200,000) | (6,200,000) | (7,500,000) | (7,000,000) | |
| CVS Claims | (2,899,440) | (2,844,728) | (3,078,596) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | (2,200,000) | |
| CanaRx | (11,918) | (10,970) | (5,628) | (10,500) | (10,500) | (10,500) | (11,000) | (11,000) | (11,000) | (11,000) | (11,000) | (11,000) | |
| Fed Pcori Fee | (39,719) | | | | | | | | | | | | |
| Hamp Retirement Assessment | (130,358) | | | | | | | | | | | | |
| HCGIT Op Epenses | (74,458) | (40,562) | (57,487) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | (60,000) | |
| Blue Medicare Rx fee | (636,287) | (650,608) | (652,436) | (654,000) | (655,000) | (655,000) | (704,000) | (704,000) | (704,000) | (704,000) | (704,000) | (704,000) | |
| Stop Loss Premium | (204,290) | (203,181) | (202,462) | (203,500) | (203,500) | (203,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | (204,500) | |
| **Net cash** | (1,561,817) | (2,851,754) | 1,274,638 | (828,000) | 601,800 | 2,028,000 | 677,500 | (522,500) | 2,577,500 | 877,500 | (372,500) | 1,927,500 | 3,827,867 |

| | July | August | September | October | November | December | January | February | March | April | May | June | End of Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Variance (14.2 Medex assumption vs actual)** | (257,617) | (1,517,554) | 99,638 | (3,000) | (4,000) | (14,000) | - | - | - | - | - | - | (1,696,533) |

HAMPSHIRE COUNTY GROUP INSURANCE TRUST
88 King Street
Northampton, MA 01060

Date: October 9, 2025
To: HCGIT Member Units
From: Joe Shea, Executive Director & HCGIT Executive Committee
Subject: Financial update, planning for 2027, and important dates

This memo updates HCGIT member units on the Trust's finances, covering actual results from the first three months and projections for the remainder of the year. It also highlights 2027 planning considerations and answers the most frequently asked questions since the July 30, 2025, IAC meeting.

## Financial Update

### Revenues

Premiums collected in September reflect the 20% increase that went into place for 10/1/25. Stop Loss reimbursements were $740k versus an original estimate of $750k. .

### Expenses

Medical claims paid on behalf of Trust subscribers and dependents were on target for July and September BUT were $1.8m higher than estimated in August. An increase in high dollar claims (over $70K) was a driving force in this increase. Rx claims were on target for July and August will September Rx claims spiked. This might have been due to a rush of subscribers filling their GLP-1 prescriptions prior to the 10?1 formulary change. Remaining expenses were close to estimates.

### Net Change

Net change to Assets since 6/30/25 is ($4,515,497).

### Assets

| Cash Accounts | September Ending Balance |
|---|---|
| Operating Accounts (M&T and ESB) | $7,648,558.46 |
| Certificate of Deposit (ESB) | $1,268,178.34 |
| | |

| | |
|---|---|
| OPEB Trust (ESB) | $338,413.84 |
| | |
| | |
| | |
| Total Cash | $9,255,150.64 |

**Other Assets**

| **Type** | **July Ending Balance** |
|---|---|
| Accounts Receivable | $1,479,153.64 |

**Total Assets**

| **Asset Type** | **July Ending Balance** |
|---|---|
| Cash | $9,255,150.64 |
| Other | $1,479,153.64 |
| Total Assets | $10,734,304.28 |

**FY26 Projections**

The financials presented at the 7/30/25 IAC meeting demonstrated an end-of-year gain of $5,755,400 after the 20% 10/1/25 rate increase. Considering the above Q3 actual financial data, the updated end-of-year projection is $3,827,867. The projections account for the GLP-1 change, the 20% 10/1 rate increase, and allocate a buffer for claim expenses that should provide financial stability for the remainder of this year. With that said, continuously high claims will further hurt the cash flow and cash reserves of the Trust. The Executive Committee (EC) is closely monitoring the Trust's finances month to month.

## Planning for Insurance Year 2027

### Medex (VOTE)

In order to plan for open Medex enrollment, the IAC should vote today to set the rate for the upcoming Medex plan year.

A 19% rate increase to the Medex insurance plan for the period of 1/1/26-12/31/26 is recommended by the executive director (ED) and unanimously supported by the executive committee (EC).

| Monthly Premium 2025 | Proposed Premium 2026 | Monthly $ increase | % increase |
|---|---|---|---|
| $416.00 | $495.00 | $79.00 | 19.00% |

This rate increase ensures that all costs for Medex subscribers are covered for the upcoming plan year and provides the Trust with additional revenue to support financial stability.

With the above rates, prescription copays would increase, effective 1/1/26, as follows.

| Tier | Current Retail Cost | Proposed Retail Cost | Current Mail Cost | Proposed Mail Cost |
|---|---|---|---|---|
| 1 | $10 | $10 | $20 | $20 |
| 2 | $20 | $25 | $40 | $50 |
| 3 | $35 | $50 | $50 | $110 |

The increased prescription copay reduces what the Trust pays to the federal government in Medex prescription fees.

### CanaRx Change to Grandfathered Medex Subscribers (vote)

When the Trust moved to its current Medex 2 W/PDP plan, a number of Medex subscribers were utilizing the CanaRx plan offered by the Trust. A decision was made to allow those retired subscribers on the CanaRx plan to be grandfathered and allowed to remain on the plan. There are approximately 35 retired subscribers in the CanaRx plan. As of 1/1/26, the CanaRx plan will no longer be available to any Medex subscriber. All Medex subscribers will fill prescriptions through their Blue Medicare Rx card. Impacted subscribers will be contacted of this decision.

**Employee and Non-Medex Retiree Insurance Plan**

The Trust has requested plan options and rates from insurance carriers other than Blue Cross Blue Shield (BCBS) for the 7/1/26-6/30/28 insurance year. Blue Cross Blue Shield will also provide the Trust with alternative plan options. The EC will review plans and rates in November and December and bring recommendations to the IAC in January. The vote for 7/1/26 plans and premiums will be made in February.

**Upcoming meetings and Important Dates**

10/22/25 9:00 a.m. Executive Committee Meeting
11/7/25 9:00 Exec Comm Meeting
11/19/25 9:00 a.m. Executive Committee Meeting
**LATE January** – Executive Committee – Plan Designs and Rate Vote \
**EARLY February** – IAC – Plan Designs and Rate Vote

HAMPSHIRE COUNTY GROUP INSURANCE TRUST
88 King Street
Northampton, MA 01060

**FREQUENTLY ASKED QUESTIONS**

**Q: Who is Hampshire County Group Insurance Trust (aka HCGIT or the Trust)?**

A: HCGIT is a joint purchasing agency (JPA) established under MGL Ch32B, Section 12. The Trust exists for the purpose of providing group life insurance, group accidental death and dismemberment insurance, and group general or blanket hospital, surgical, medical, dental, and other health insurance to or for the employees of the member communities. The Group Insurance Trust is authorized to provide such insurance and benefits as permitted by M.G.L. Chapter 32B or other provisions of Massachusetts law.

**Q: Who does the Trust insure?**

A: The Trust insures 12,000+ active and retired municipal employees and their dependents from 73 member units located across Hampshire, Franklin, Hampden, and Worcester Counties.

**Q: How is HCGIT governed?**

A: An Executive Director (ED), appointed by the Insurance Advisory Committee (IAC) oversees the day-to-day operations of the Trust. The ED recommends plan changes and premium rates to the Executive Committee (EC).

The EC is a 9-member board elected by the IAC. The EC supports the ED in making decisions and recommendations that will be voted on by the IAC.

The 73-member IAC is the decision-making body of the Trust. IAC members are appointed by the unit's governing body. Annually, members vote to establish plans and premium rates. The IAC has a responsibility to make decisions in the best interest of the Trust, not in the interest of its individual unit.

The ED and EC normally meet monthly. The IAC normally meets quarterly. Both groups have been meeting more frequently, given the recent plan and premium changes. Financial statements and claim data are presented to the IAC by the ED at each meeting, along with recommendations for policy, plan, or premium rate changes.

(L)

**Q: How is information disseminated to member units?**

A: Meeting packets, including agendas, minutes, and financial information, are emailed to the IAC before each meeting and are also posted online at hcgit.org. IAC members are expected to share information with their governing bodies.

**Q: How does a municipality or other eligible entity join the Trust?**

A: Units seeking or applying to join the Trust are screened by the ED and the EC. The underwriting process will consist of a two (2) year review of claim experience, along with a review of large claims during this time period. Other factors to be reviewed include current health plans in place and their current rates. Unit census will also need to be provided. The new unit will pay a claim deposit equal to 3 months of prospective claims as a condition of joining the Trust.

**Q: How and when are plan changes and premium rates set?**

A: The IAC votes on plan changes and premium rates. Historically, rates are set six months before the new insurance year begins (in January for July).

The ED recommends premium rates to the EC and the IAC based on:

- Historical medical claim data
- Historical pharmaceutical claim data
- Trust cash reserves
- Medical trends

While previous claim data is considered, the Trust is making decisions up to 18 months in advance of claims being made.

The ED consults with current carriers (i.e. BCBS, CVS Caremark) regarding claim history and current trends, as well as an independent consultant (currently John Garrish of BRFox) to make the most informed recommendation to the EC and IAC about rates.

**Q: What is the premium rate history of the Trust?**

A:

| Fiscal/Insurance Year | HMP/PPO Increase | Medex Increase |
|---|---|---|
| 2021 | 0.00% | -3.00% |
| 2022 | -2.00% | 0.00% |
| 2023 | 6.00% | 4.60% |
| 2024 | 8.00% | 5.30% |
| 2025 (7/1/25) | 18.00% HMO / 20.00% PPO | 15.30% |
| 2025 (10/1/25) | 20.00% | 0.00% |
| 2026 | TBD | 19.00% (to be voted for 1/1/26 change) |

In 2021 and 2022, the Trust had cash reserves of approximately 3 months of expenditures ($25-30M) when rates were set. This, combined with a steady claim history that was at or below the level-funded claim payment to BCBS, resulted in an IAC vote of no rate increase for several insurance years.

In the next two years, the IAC voted for 6 & 8% increases to cover increasing claims and preserve cash reserves.

Rapidly rising medical and pharmaceutical claims in insurance year 2025 resulted in a significant loss of cash reserves, which led to a 7/1/25 premium increase of 18/20%. Due to continued pharmaceutical claim spikes, the Trust also eliminated GLP-1 drugs for weight loss from its plan coverage effective 10/1/25. Additional new unforeseen claim growth between January 2025 and June 2025 caused further loss of cash and warranted a mid-year rate increase of an additional 20% on 10/1/25.

Rates for 7/1/26 will be set in before March 2026. Given the current insurance landscape, a double-digit increase is expected.

**Q: How do the current Trust plan and rates compare to other Trusts, such as the Massachusetts Interlocal Insurance Association (MIIA) or the Commonwealth of Massachusetts Group Insurance Commission (GIC)?**

A: Historically, HCGIT insurance plans have provided better benefits at a lower cost than MIIA or the GIC.

Like the Trust, MIIA plans are customizable, and members have a say in what is offered to their employees and retirees. MIIA rates are determined based on the member unit's prior claim history, whereas members of the Trust share the claim risk, and rates are set for the entire IAC.

GIC plans and rates are determined by the GIC. Members of the GIC do not have a vote in decision-making.

The current GIC plans and rates can be found here.

GIC plan types and rates vary; however, the premiums outlined below demonstrate that the Trust rates (including the mid-year increase) remain competitive with the lowest premium GIC HMO plan after adding in the deductible.

| Plan Type | Trust<br>BCBS HMO/Month | GIC<br>Health New England<br>HMO/Month | GIC Harvard Pilgrim<br>Explorer POS/Month<br>(Benchmark Plan) |
|---|---|---|---|
| Individual | $1,007.00 | $859.36 + deductible | $1,187.97+deductible |
| Individual +1 | $2,344.00 | NA | NA |
| Family | $2,888.00 | $2,061.16 + deductible | $2,941.06+deductible |
| Deductible | $0.00 | $400 per individual $800 per family | $500 per individual $1,000 per family |

| Trust<br>Medex/Month | GIC Harvard Pilgrim Medicare Enhanced/Month | GIC Health New England Medicare Supplement Plus/Month |
|---|---|---|
| $416.00 | $468.22 | $470.71 |

**Q: How do member units benefit from being in the Trust?**

A:

- Input and control over benefits and premiums: Each member unit has a vote in decision-making
- Benefit-rich plans and employee+1 plans
- Local service

| JPA | Plan Input | Premium Input | Deductibles (current plans) | Tiered Co-Pays (current plans) |
|---|---|---|---|---|
| HCGIT | **YES** | **YES** | **NO** | **NO** |
| GIC | **NO** | **NO** | **YES** | **YES** |
| MIIA | **YES** | **NO** | **Possible** | **Possible** |

**Q: What does a member unit need to do when plan changes are proposed?**

A: Member units with employees who are subject to collective bargaining (i.e. Teacher Unions) may need to negotiate plan changes before implementation.

MGL Ch32B, Sections 21-23 must be adopted by the unit's governing body to make plan changes for union employees. Plan changes that result in savings for the unit in the first 12 months must be shared with subscribers. The cost share to employees is capped at 25% of the total savings. Without adoption of this MGL, benefits for union employees cannot be reduced unless the unionized group agrees to voluntarily negotiate.

**Q: How does a member unit leave the Trust?**

A: Written notification is required at least 90 days before the renewal date and start of a new plan year. The unit will be responsible for unpaid claims (aka claim run-off) for up to 18 months following separation.

If requested by the unit, a member unit with greater than 100 subscribers can obtain historical claim information from the Trust. In order to protect subscribers and avoid a HIPAA violation, historical claim data cannot be provided for units with fewer than 100 subscribers.

**Q: What does it cost a member unit to leave the Trust?**

A: The true financial cost to a member unit when they separate from the Trust cannot be calculated in advance. Per the Trust Agreement, the unit shall remain fully liable for all costs, fees, and premiums incurred by the Trust relating to that member's participation in the Trust. The Trust may deduct from a member's claim deposit any unpaid claims; however, unpaid claims would likely exceed the deposit. In such instances, the member unit will be responsible for paying those claims, which would be billed monthly. Any remaining claim deposit will be held until 18 months after the effective date of the unit's withdrawal from participation.

**Q: How are the remaining member units impacted if a large number of units leave the Trust?**

A: HCGIT can still operate effectively if some units leave the Trust. How this will financially affect the Trust and remaining member units is unknown. The separating unit could have a high claim history, and its departure would reduce the claim risk and positively impact the financials and potentially lower future premium rates. Alternatively, the exiting unit could have a low claim history while other remaining units have historically higher claims. In this scenario, the risk would be spread amongst a smaller number of units and could result in a higher premium for those remaining.

**Q: Is the Trust financially viable given the loss of cash reserves and the pattern of high claims?**

A: The end-of-year projected net income for the Trust is $3,980,229. This projected surplus provides approximately $500,000 for additional claim growth per month. With that said, continuously high claims will further hurt the cash flow and cash reserves of the Trust. Based on today's year-to-date financial information, the EC believes the Trust will be in a stronger financial position in June 2026. The EC is closely monitoring the Trust's finances month to month.

**Q: What happens if the Trust has to cease operation?**

A: The Trust was created as a group. Should dissolution be necessary, the Trust will work together to provide support through the transition so employees and retirees are taken care of. With the ED, the EC will formulate and communicate a plan to member units in as timely a manner as possible. The dissolution plan would be voted on by the IAC.