**HAMPSHIRE COUNTY GROUP INSURANCE TRUST**

**88 KING STREET**

**NORTHAMPTON, MA 01060**

**TO:** All Trust Member Units

**RE: Minutes of January 24, 2024**

Executive Committee Meeting

 Via Zoom Teleconference

**MEMBERS PRESENT**:

Rich Carmignani Jr Joanne Misiaszek Emily Russo

Deb Kuhn Michele Turner Shelley Poreda

Paula Harrison Gabriele Voelker Donna Whiteley

**OTHERS PRESENT:**

Joseph Shea Cynthia Graves Jessica Hebert

Michele Komosa John Garrish Ryan Mailloux

**CALL TO ORDER**

In compliance with the Governor’s orders suspending certain provisions of the open meeting laws due to Covid-19, this meeting was held via Zoom telephone/video conference.

Chairman Rich Carmignani Jr called the meeting to order at 9:00 a.m. with a quorum present.

**APPROVAL OF MINUTES**

Chairman Rich Carmignani Jr requested that the minutes of December 20, 2023 & January 9, 2024 be approved. Motion by Paula Harrison, seconded by Emily Russo, accepted with unanimous consent.

**FINANCIAL REPORT**

The Financial Report for the month of December was presented reflecting a starting balance of $1,894,665.33 with a total monthly income received of $6,004,109.26 and monthly expenses of $4,571,608.65 with a total net monthly income of $1,432,500.61 and an ending month balance of $3,827,165.94 with accounts receivable of $873,419.61 leaving a total of $30,402,672.45.

*Investments and CD’s for December 2023*

The investments portfolio value was $10,620,960.07 with a market change of $432,208.35 and a $500,000.00 transfer out to the general fund, leaving a total of $10,553,168.42. The starting balance in CD’s was $10,239,591.59 with interest earned of $40,677.83 leaving a balance of $10,280,269.42.

*DECEMBER EXPENDITURES*

The expenditures for the month of December were reviewed.

Chairman Rich Carmignani JR requested that the full financial report, including the expenditures be approved. On a motion by Paula Harrison, seconded by Donna Whiteley, these were approved without objection.

**OPEN ENROLLMENT/HEALTH FAIRS**

Joe advised that we should be planning ahead regarding our Open Enrollment/Health Fairs, getting dates into the trust as soon as possible.

**RX RFP**

John Garrish explained the RX RFP is between our current vendor, CVS Caremark, and BCBS stating a $1.4 million spread over 3-years between the two. John said CVS Caremark is able to provide better rebates and is planning to roll out Biosimilars which holds the potential for more savings for us in the future. Joe Shea explained our pharmaceutical costs account for 25% of our overall claim expenses. He then provided the pros and cons for going with each entity, recommending in the end to continue with CVS Caremark for another 3 years.

A motion was made by Emily Russo, seconded by Gabriele Voelker, to renew our contract with CVS Caremark for the next 3 years beginning July 1, 2024. A roll call vote was taken with all in favor.

**STOP LOSS UPDATE**

Joe explained that we have been reimbursed $2.5 million from our reinsurance in FY23 with more funds expected. So far in FY24, we only have 1 person that has reached the stop loss limit.

**CANARX MAILING**

Joe explained that this is a voluntary program and is not highly utilized, we have 600 subscribers receiving pharmaceuticals that could be using CanaRx which in turn would save the members and the Trust money. He advised that a marketing campaign targeting these members will be done by CanaRx and to be aware of it in case a member has questions about the program’s validity.

**SPOUSE AUDIT/MARITAL AFFIDAVIT/BUDGET ADJUSTMENT**

Joe explained members are responsible for notifying their employer/the Trust when they experience a status change such as a divorce or the remarriage of either divorced party. The lack of notification when either divorced party remarries is fraudulent. We currently have two cases like this that were brought to our attention which directly impact the Trust and its bottom line. In light of these cases, Joe suggested doing an audit of members with spouses on record enforcing they complete and sign a new Marital Status Affidavit (MSA). The MSA will be tweaked to include stronger language for acknowledgement and clearly defined consequences for failure to provide proper notification of a divorce/remarriage in the future. When the audit is performed, those who fail to respond will be cancelled. Joe stated we’ll need to add $5,000 to the budget for the audit expenses.

On a motion by Donna Whiteley, seconded by Paula Harrison, it was voted to add $5,000 to the FY2024 budget for the impending spousal audit. This was approved with unanimous consent.

**RATE INCREASE**

Joe stated there has been a $6 million loss to the Trust over the last calendar year in claims expenses. With 6 months of claim activity left in this fiscal year and claims expected to continue to trend upward, the buffer is depleting requiring a sizeable rate increase for July 1, 2024. Joe originally proposed an increase of around 10% for the HMO and PPO plans which was met with push back from the EC asking to keep the increase in the single digits. Joe gave 2 scenarios, one at 8% which could have us breaking close to even and one at 9% which could hopefully give us a slight reserve. This was followed by much discussion.

On a motion by Donna Whiteley, seconded by Emily Russo, it was voted to recommend to the IAC an 8% rate increase for the HMO and PPO plans effective July 1, 2024. A roll call vote was taken, passing with 5 voting yes and 3 voting no.

**LAST MINUTE ITEMS**

Joe advised that there are extended Fitness Benefits available at no additional cost to the trust or the members. The Fitness Benefit remains at $150 **per plan regardless of how many dependents are on that plan** but has expanded to include reimbursement for more things relating to fitness.

A motion was made by Donna Whiteley and seconded by Joanne Misiaszek for an all-inclusive option (which includes bicycles/bicycle helmets, athletic shoes & sports activity fees), all were in favor.

**ADJOURNMENT**

Meeting adjourned at 10:32 a.m.

Respectfully submitted,

Jessica Hebert

**Meeting Schedule**

Executive Committee – February 2024, TBD

March 20, 2024, 10:00 a.m., via ZOOM

Insurance Advisory Committee – January 31, 2024, 10:00 a.m., via ZOOM