# Hampshire County Group Insurance Trust

88 King Street, Northampton, MA 01060

## EXECUTIVE COMMITTEE MEETING MINUTES

**TO:** All Trust Member Units

**RE:** Minutes of August 19, 2026 Executive Committee Meeting Held Remotely via Microsoft Teams

| MEMBERS PRESENT | GUESTS PRESENT |
|---|---|
| Shelley Poreda— *Chair* | Cindy Graves |
| Emily Russo— *Vice Chair* | Michele Komosa |
| Paula Harrison | Danielle Chaplick |
| Donna Whiteley | Marianna Gil |
| Andrew Levine | |
| Joanne Cleveland | |
| Paul McLatchy III | |

## CALL TO ORDER

Certain meetings normally held at the Municipal Offices are being held remotely, with adequate, alternative means of public access and, where required, public participation provided, in accordance with House Bill Number 62 of the 194th General Court, which extended the Governor's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, M.G.L. c. 30A, § 20, until June 30, 2027.

Chair Shelley Poreda called the meeting to order at 10:04 a.m. with a quorum present.

## MEETING MINUTES

> **MOTION:** On a motion by Andrew Levine, seconded by Donna Whiteley, the minutes of the July 22, 2026 Executive Committee meeting were approved as presented.
>
> **Result: Approved by unanimous consent.**

## FINANCIAL STATEMENT / WARRANT APPROVAL

The Committee reviewed the July warrant in the amount of $8,700,103.29. The Chair then reviewed the banking detail and clarified that approximately $4.6 million in member-unit deposits is included within the Trust's approximately $10 million total cash balance. Those deposits remain a liability of the Trust and are intended to support run-out obligations when member units withdraw. The deposits are not currently held in a separate account because the Trust continues to rely on the funds for monthly cash flow. The Committee discussed that, as the Trust strengthens financially, deposits for future new member units should be segregated and protected for their intended purpose.

**MOTION:** On a motion by Paul McLatchy III, seconded by Paula Harrison, the July warrant in the amount of $8,700,103.29 was approved as presented.

**Result: Approved by unanimous consent.**

The Chair presented a new budget-to-actual financial report for July that replaces several of the prior Excel schedules while the Treasurer continues moving the Trust toward QuickBooks-based reporting. July revenue was approximately $126K below the budgeted level, driven primarily by premium collections that were lower than the enrollment assumptions used when the FY27 budget was developed. The Committee noted that enrollment will continue to fluctuate throughout the year and that additional experience is needed before determining whether the variance will persist. Approximately $1 million reported as accounts receivable had been collected by the date of the meeting.

Salaries and wages were approximately $18K over the July projection, largely because July contained three payrolls and included vacation buybacks. Other administrative expense categories were generally close to budget. The Committee also reviewed the medical claims funding line and discussed an apparent $100K monthly difference between the amount used in the budget and the final Blue Cross Blue Shield level monthly deposit. The health insurance settlement was approximately $304K compared with an approximately $300K projection.

Pharmacy claims were approximately $200K below budget for July. Medicare PDP cost was approximately $59K over budget. Cindy Graves noted that July enrollment changes, including retirements at the end of the school year, may have contributed. CanaRx was lower was and there was no ElectRx utilization during July. The PCORI fee was also recognized as a one-time annual payment rather than a monthly expense. Stop loss premium expense was approximately $196,000 compared with approximately $197K budgeted.

Overall, July expenditures were approximately $8.7 million, compared with a projected $8.9 million, a favorable variance of approximately $230K. The Trust had budgeted for an approximately $744K net loss for July but recorded an approximately $641K loss, approximately $103K better than projected. The Committee noted that monthly results will vary substantially depending on the timing of quarterly pharmacy rebates. Danielle Chaplick reminded the Committee that the improved Employers Health rebate terms will not begin appearing in rebate payments until December.

## BENADMIN SYSTEM UPDATE

Danielle reported that Hilb and NEP are developing the benefits-administration system RFP. The goal is to release the procurement immediately after Labor Day, allow approximately three weeks for responses, and identify a short list of approximately three finalist systems. Finalist demonstrations are anticipated in early October, after which a recommendation can be developed for the Insurance Advisory Committee.

## OTHER BUSINESS

Danielle reported that recent conversations with member units suggest there are continuing rumors about whether larger communities may leave the Trust. Hilb recommended a proactive communication effort that highlights the Trust's improved financial position and the operational

progress made during the past year. The Committee agreed that Hilb and the operations team will combine an updated financial presentation with material from recent member-unit presentations for the next Insurance Advisory Committee meeting and distribute the information afterward so all member units receive a consistent update.

The Chair also confirmed that the Data Request Policy had previously been approved by the Executive Committee but was inadvertently omitted from the last Insurance Advisory Committee meeting when the other policies were presented. The policy will be added to the next IAC agenda.

## JPA MOA REDLINE

Hilb presented a comprehensive redline of the Joint Purchasing Agreement Memorandum of Agreement. The review was intended to address both housekeeping items and substantive governance protections for the Executive Committee, the Insurance Advisory Committee, member units, and the Trust. Proposed housekeeping changes include consistent terminology for member units and Trust administrators, updated references reflecting the current staffing structure, a definitions section, recognition of alternate representatives, one-year terms and October elections for Executive Committee positions, clearer member-unit financial obligations, and more specific payment deadlines.

A major proposed change addresses withdrawal timing. A member unit considering withdrawal would provide a non-binding notice of intent by December 15 and, if it intends to proceed, a binding notice from its authorized signing authority by January 31 for withdrawal at the end of the plan year. If the binding deadline is missed, the member unit would remain in the Trust for the following plan year. Hilb explained that the earlier deadlines are intended to allow sufficient time to obtain member-specific claims experience and incorporate withdrawals into underwriting, rate setting, stop loss procurement, and the Trust budget. The draft also adds consequences for a member unit that does not follow the required withdrawal process, including a proposed penalty tied to 300% of the highest monthly working-rate contribution billed during the prior twelve months, together with other costs and runout expenses.

Additional provisions clarify that all benefits, including ancillary benefits, provided through the Trust terminate for a properly withdrawing member unit at the end of the plan year, while ancillary products such as dental, vision, life, disability, accident, and critical-illness coverage are not treated as competing products. The draft adds a statutory bonding requirement for the Treasurer, an annual audit requirement, indemnification protections for the Executive Committee and IAC, clearer responsibility for enrollment administration versus COBRA administration, and protections for the Trust when a member unit provides incorrect eligibility information.

Hilb also proposed a new dissolution section because the current agreement does not establish a process for the Trust to follow if it were ever in a position to wind down. This would require a formal dissolution vote and certification of the Trust's current and projected financial position, allocate any deficit based on each member unit's percentage of total Trust premium, establish payment and late-fee requirements, and preserve Executive Committee and IAC governance during the wind-down period. The Committee emphasized that the provision is a protective contingency and does not reflect an expectation that the Trust will dissolve.

Paul McLatchy asked whether the IAC has legal authority to approve amendments to the agreement or whether action by each member unit's governing body is required. The Chair

reported that prior amendments were approved through the IAC, but the issue has been referred to legal counsel for confirmation. Paul also asked the Committee to consider whether the existing weighted-vote methodology should be modified to increase participation by smaller member units. Hilb will research alternative voting structures, but the Committee agreed that this broader issue should not delay the higher-priority withdrawal amendments. The draft continues to allow one individual to represent more than one member unit, provided only one vote is cast for each unit.

Pending legal review and any additional comments, the goal is to return with a revised clean draft for Executive Committee consideration on September 2 and, if approved, present the agreement to the Insurance Advisory Committee on September 9.

The Committee discussed reporting for the twelve member units that withdrew effective July 1. Cindy and the Chair will develop a separate schedule showing each unit's claim deposit, run-out claims paid, remaining deposit balance, and any additional amount due. Because medical claims are reported with a lag, the Committee expects the picture to develop over several months; Hilb estimated that approximately 90% of medical run-out claims should be received during the first three months. Pharmacy generally has little or no run-out because claims are paid at the point of service.

The Committee also discussed how to handle a withdrawing member unit with a high-cost claimant whose claims exceed the applicable $400,000 specific stop-loss deductible. The withdrawing member unit remains responsible for claims incurred while it participated in the Trust but paid after withdrawal, including the portion above the specific deductible, until the Trust actually receives the corresponding stop loss reimbursement. Once the Trust is reimbursed by the reinsurance carrier, the Trust would promptly reimburse or credit the withdrawing member unit for the applicable reimbursed amount. The Committee agreed that the Trust should not advance an anticipated reimbursement or carry a former member unit's liability while reimbursement remains outstanding.

Rather than create a separate policy, the Committee agreed that this clarification should be incorporated directly into the continuing-obligations section of the revised JPA/MOA and brought back with the September 2 draft. Cindy will also review the latest FY26 stop loss reimbursement report to identify whether any high-cost claimants are associated with the withdrawing member units.

## ADJOURNMENT

There being no further business, on a motion by Paul McLatchy, seconded by Joanne Cleveland, the meeting was adjourned at 11:09 a.m. The next Executive Committee meeting is scheduled for September 2, 2026.

*Prepared By:*

**Marianna Gil, Hilb Group**