**HAMPSHIRE COUNTY GROUP INSURANCE TRUST**

**88 KING STREET**

**NORTHAMPTON, MA 01060**

TO: All Member Trust Units

RE: **Minutes of July 16, 2025**

 Insurance Advisory Committee

 Via Zoom Teleconference

**MEMBERS PRESENT:**

Catherine Levreault Joanne Misiaszek Jane Wolfe

Susan Bobe Lynn Dyer Rachel Emerson

Jan Warner Sarah Kimball Rich Carmignani Jr

Emily Russo Liz Bouchard Linda Gross

Ashley Manely Shelley Poreda Stacy Stewart

Lauren Wilcox Sharon Ashleigh Ryan Mailloux

Wendy Bogusz Gabrielle Voelker Michele Turner

Amber Robidoux Sues’Anne Jason Angelina Bragdon

Kari Scytkowski Barbara Miller Heather Rock

Donna Whiteley Meghan Kane Lisa Courchaine

Mildred Colon Carolyn Manley Jennifer Day

**OTHERS PRESENT:**

Joseph Shea Cynthia Graves Jessica Hebert

Michele Komosa John Garrish Lisa Stevens

Mary Houle Nadine Coughlin Sean MacDonald

Ashley Obrzut Tara Fafard Gloria Congram

Cindy Schofield Chuck Romboletti Lori Hall

**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 10:01 a.m. with a quorum present of 83.81% of the weighted vote.

**AMERICAN FIDELITY FSA INTRODUCTION**

A presentation on Flexible Spending Accounts (FSA) was given by Lisa Stevens from American Fidelity. A FSA is an employer-sponsored account that allows you to save pre-tax dollars for healthcare expenses.  Units were provided with Lisa’s contact info if they were interested in more information for their units: lisa.stevens@americanfidelity.com, 614-849-2591.

**APPROVAL OF MINUTES**

Chairman Rich Carmignani Jr requested that the minutes of April 16, 2025 and the minutes of May 28, 2025 be approved by unanimous consent; all were in favor.

**FINANCIAL REPORT**

*Month of June 2025*

The Financial Report showed a starting cash balance for June of $1,726,324.83 with a total monthly income of $4,221,529.26. The monthly expenses totaled $7,457,997.59 leaving a total net monthly income of ($3,236,468.33). The accounts receivable balance was $4,456,131.78 which if paid on time would have left us with a balance of $15,249,801.28.

*Investments and CD’s for June 2025*

The investments portfolio value was $5,154,766.73 with a market change of $209,721.93 and a withdrawal of $2 million, leaving a total of $3,364,488.66. The starting balance in CD’s was $2,047,431.42, with interest earned of $6,201.42, and a withdrawal of $800k, leaving a balance of $1,253,632.84.

*June 2025 Expenditures*

Joe provided a spreadsheet of all expenditures for the month of June 2025 for review.

Joe noted $2.8 million was moved in June from our reserves to our general fund as claims continue to run high. We had to pay an additional $4.5 million in claims to BCBS over the last 2 months.

Chairman Rich Carmignani Jr requested that the financial report be approved by unanimous consent, all were in favor.

**WELLNESS UPDATE**

Michele gave an update on the Wellness Initiative program:

* End of year wrap up – the Wellness Initiative offered:
* 11 onsite workshops/cooking classes/seminars
* 6 onsite health and wellness benefits fairs
* 2 Challenges through Wellable including on demand classes and the Spring/Fall challenges. There are 411 participants on the Wellable platform.
* 2 Challenges through A HEALTHY ME – participation is much lower because this platform is newer
* 4 mini challenges through Learn to Live, and multiple monthly webinars
* Open Enrollment Challenge – incentivizing subscribers to register on “My Blue”
* The Wellness Initiative was awarded 50,000 new wellness credits to use for FY26. Michele encouraged units to book onsite workshops/seminars.

For more information on any wellness programs contact Michele Komosa via email at michelek@hcgit.org.

**WEIGHT LOSS DRUG ACTIVITY**

Joe stated that claims for the weight loss drugs continues to increase about 10% per month. Joe is hopeful we’ll see a slight decrease soon with CVS Caremark removing Zepbound from the formulary effective 7/1.

**GLP1 NOTIFICATIONS**

Joe stated we’re still waiting to see if CVS Caremark will be sending the notification to members or if we’ll need to do it from the Trust office. He’s hoping to have an answer soon.

**EXECUTIVE COMMITTEE OPENING**

Joe explained there is an opening on the Executive Committee as Deb Kuhn from Gateway Regional retired at the end of June. The floor was open for any volunteers to fill the vacant seat for a Representative of School Districts. Stacy Stewart from Gateway Regional volunteered to fill the seat. Chairman Rich Carmignani Jr asked if there were any other volunteers or nominations, calling three times before closing the floor.

A roll call vote was then taken to elect Stacy Stewart as the new Representative of School Districts on the Executive Committee; all were in favor.

**STOP LOSS UPDATE**

Joe explained that we pay a premium for stop loss to protect the Trust from high claims. Our stop loss is set at $400,000, meaning we pay the first $400,000 for all claims on each individual and anything over that we get reimbursed for. For our stop loss renewal, they wanted to laser out 6 people, but we were able to negotiate it down to 2 people. A laser means those people would be set with a higher stop loss rate since they are at a higher risk for large claims. Joe stated the Executive Committee voted to change from our current carrier (Unum) to Ullico with a stop loss limit of $400,000 for 7/1/25. This will be a 10% increase to the stop loss premium.

On a motion by Shelley Poreda, seconded by Jane Wolfe, it was voted to change our stop loss to Ullico effective 7/1/2025 with a $400,000 limit. A roll call vote followed with all in favor.

**FY26 BUDGET**

Joe presented the budget for FY26 stating increases for our retirement assessment and health insurance premiums, but a decrease (of more than half) to IT expenses. Joe also stated we still need to have audits completed for the last 2 years.

A motion to accept the FY-2026 budget as presented in the amount of $828,658.00 was made by Jane Wolfe and seconded by Gabrielle Voelker. A roll call vote was taken with all in favor.

**FY26 CASH FLOW – OPTIONS**

Joe reported we keep seeing double digit increases on our RX claims each month. He also said we saw the highest claims ever owed to BCBS in May, $3 million more than usual, and June came in at $1.6 million more; all instant losses of our reserves. He also explained that our Medex plan is already running at a loss of $300k and we’re only 6 months into it’s year. Joe inquired with BCBS to see what may be driving the claims and they said aside from an increase in cancer and mental health claims, we have 65 people with claims over $100,000 which is typically only half that amount.

Joe stated we only have $4.6 million left in our reserves which will be gone by September as claims continue to get worse. Joe said he has reached out to the banks we use looking for a line of credit with no luck, he’s also reached out to state legislators to see if they can provide any guidance on obtaining any assistance, grants, revenue anticipation loans or any other programs to help with our situation. Joe has a meeting scheduled with them next week to discuss this.

Joe explained that without any assistance, we will need to have a midyear rate increase, effective 10/1, to be sustainable going forward. Joe provided information showing what our cash flow would look like with no increase or a 10% midyear increase. This was followed by a lot of discussion from the group with many concerns about how units would afford this since their budgets were already set for the year and they had no free cash. They were also concerned if 10% would be enough to carry us through to next July; voicing that a larger than 10% increase seemed to be needed. There was also discussion on what if a vote on the increase is declined or simply not enough; the Trust could face closure. If the Trust were to close, units would be responsible for payment of all claims incurred until we close, which could be significant in the months following closure and detrimental to units. Members also requested documented information to pass along to their selectboards and directors explaining the situation. Joe volunteered to go out to speak with any unit that requested it.

It was decided to reconvene to discuss this when more information was available and after the meeting with the legislatures. It was planned to have an EC meeting on July 23rd and an IAC meeting on July 30th to vote on an increase.

**LAST MINUTE ITEMS**

There were none at this time.

**ADJOURNMENT**

Chairman Rich Carmignani, Jr. adjourned the meeting 11:02 a.m.

Respectfully submitted,

Cynthia Graves

Insurance Advisory Committee – July 30, 2025, 10:00 a.m., via ZOOM

Executive Committee – August 27, 2025, 9:00 a.m., via ZOOM

Executive Committee – September 24, 2025, 9:00 a.m., via ZOOM