



**Town of Ayer**

**Insurance Advisory Committee Meeting Minutes For  
Tuesday, July 25, 2023 at 1pm**

**Attendance:** Heather Hampson (Town Hall/Clerical Union); David Nelson, Jr. (DPW Union); Captain David Greenwood (Fire Union); Janet Providakes (APPOA); Amanda Lewis (Non-Union Representative)

**Absent:** Kevin Johnston (Retiree Representative); Eric Pearson (Police Superiors)

**Also in Attendance:** Robert A. Pontbriand, Town Manager; Tara Fafard, MIIA

**Call to Order:**

The meeting of the Insurance Advisory Committee (IAC) was called to order in the First Floor Meeting Room of the Ayer Town Hall.

The Town Manager provided an overview of the roles and responsibilities of the Insurance Advisory Committee (IAC) with respect to health insurance. The role of the IAC is set forth by State Law. The Committee shall consist of a representative from each of the Town's collective bargaining units as well as one non-union representative and a retiree representative both to be appointed by the Select Board. The IAC may make recommendations to the Select Board regarding health insurance which are advisory in nature.

The Town Manager further advised that there are two reasons that the IAC has been convened: 1.) It has been five years since the IAC has looked at health insurance plans and offerings and it is time for due diligence and 2.) Recent cost trends of the Minuteman Nashoba Health Group, which the Town is a member of) are concerning. For FY 2024, the Town planned for a worst-case scenario of a 15% increase, planning for a 10% increase; the increase ended up at almost 14%. Additionally, two member communities have recently left the Minuteman Nashoba Health Group and after this past year's close vote on whether or not to use some of the plans reserves to balance the increase (which was defeated 5-4 with Ayer in the minority) other communities are contemplating leaving.

The Town Manager also advised that the goal is to proactively look at the best possible health insurance offerings for our Employees and Retirees at a reasonable and sustainable cost. The goal of the IAC is to review our health insurance and conduct the necessary due diligence to make any advisory recommendations to the Select Board.

**Presentation on MIIA Health Insurance Plans:**

The IAC received a presentation (see attached presentation) from Ms. Tara Fafard, Senior Account Executive, MIIA Member Services regarding MIIA's health insurance plan offering.

Ms. Fafard highlighted that MIIA is larger than MNHG and in fact is the largest joint purchasing group in the country which means MIIA can best absorb claims and balance those cost impacts. MIIA only offers Blue Cross and Blue Shield whereas MNHG currently offers three different plans.

However, with the upcoming merger of health insurance plans, MNHG will be down to two carriers next year.

MIIA also offers BCBS dental and vision insurance. If the Town were to bundle health, dental, and vision insurance, MIIA would give a half percent discount (.5%) off the annual health insurance rate. The Town of Ayer currently contracts directly with Altus Dental for dental and vision insurance. It was noted that Health coverage would continue to be 75% employer, 25% employee paid, while dental and vision coverage would continue to be 100% employee paid.

Tara would be the single point of contact for the Town of Ayer through Amanda so Employees and Retirees will receive direct attention and service. MIIA also offers a robust wellness program with wellness grants of which the Town would be eligible for up to \$7,500 a year in wellness grants.

Tara advised that in terms of rate history, MIIA is different from MNHG in that only 20% of MIIA members have the same plan design. What that means is more local control and local options to make changes to Ayer-specific plans whereas under MNHG if they make a change, it impacts everyone. MIIA only makes universal changes if it is mandated by federal or state law.

MNHG rate increase for FY 2024 was 13.75% MIIA's rate structure is different and for FY 2024 the average rate increase was 5.6% with the minimum being 1% and the maximum at 10.5%. Rates are claim driven and MIIA has more capacity to absorb and balance claims impacts to rates due to there being over 90,000 members in MIIA.

MIIA guarantees that the first renewal is the trust average, and that Ayer would stay in MIIA for at least two years and then Ayer can opt out of MIIA at any time with 60 days' notice.

Since 2020, Tyngsboro, Lancaster, Harvard, and Carlisle have all left MNHG to go to MIIA. We are very familiar with the transition process of communities going from MNHG to MIIA and we make it as smooth a transition as possible. We know change is hard and we would match MNHG offerings and make changes that Ayer wants.

MIIA does have a Health Savings Account option and many of our programs are pilot programs of Blue Cross and Blue Shield.

In terms of Retiree Plans we offer a Medex II plan, which is very popular as well as a Med Advantage Plan. If you were to transition, we do in person meetings with Retirees as well as a "Tele Town Hall" to reach all Retirees. We also offer an Employee and Retiree portal.

Tara reviewed the timeline. If Ayer were to leave MNHG, the Town is required to notify them by December 1. The Town will not know the MNHG rates for next year at this time. Additionally, the Town will have to pay out its run-out claims when it leaves for a 60-day period.

Amanda Lewis stated that is true, but the Town also realizes its portion of the surplus with MNHG.

Tara stated that we like to provide you with the Town costs; the split costs between Town and Employee; and most importantly provide you with information regarding the exact cost(s) out of each Employee's paycheck. In terms of next steps, if Ayer would like to proceed with more information, you would need your Select Board to officially vote to request the Town's claims history from MNHG. Additionally, the Town could consider issuing an RFP but is not legally required to.

Tara left the meeting.

**Discussion on Next Steps with Respect to the Town's Health Insurance and Due Diligence:**

The IAC agreed that a next step should be to formally request that the Select Board vote to authorize the IAC to get the Town of Ayer's claims history from the Minuteman Nashoba Health Group (MNHG).

**Motion:** A motion was made by Janet Providakes and seconded by Heather Hampson to formally request that the Select Board vote at their August 15, 2023 meeting to authorize the IAC to get the Town's claims history from the Minuteman Nashoba Health Group. **Motion Passed 5-0.**

R. Pontbriand explained that in 2018 the IAC did issue an RFP (Requests for Proposals) regarding health insurance and only received one response which was from MIIA. Municipal health insurance is a very specific and small universe in terms of viable options/offerings. There are basically the following choices: Minuteman Nashoba Health Group (which the Town is currently in); MIIA; the GIC (State General Insurance Connector; which does not offer the benefits Ayer Employees need); self-insurance which Ayer does not have the capacity for; or a direct private health insurance contract. The Town could issue an RFP but that is up to the IAC.

Janet Providakes stated that there is no real benefit to the Town to issue a formal RFP. We already know who will respond and it is not a legal requirement.

There was consensus that the Town did not need to issue an RFP for health insurance.

**Motion:** A motion was made by Janet Providakes and seconded by David Greenwood that the IAC does not issue a formal RFP for health insurance. **Motion passed 5-0.**

The IAC Members agreed to go back to their respective Collective Bargaining Units and report on this meeting as well as distribute the presentation from MIIA.

R. Pontbriand stressed that this is a process and that all IAC meetings are open and public. He also pointed out that the IAC is just looking at health insurance and that this does not impact any other benefits. This also does not impact the current 75%-25% split for health insurance costs. This would not change. It is important that any issues or concerns that Employees and Retirees have been brought to Amanda Lewis' attention so that we can get the answers and information.

The IAC agreed to schedule the next meeting sometime after August 15, 2023 and when there is more information.

**Motion:** A motion was made by David Greenwood and seconded by Heather Hampson to adjourn the meeting at 2:20pm. **Motion passed 5-0.**

The meeting adjourned at 2:20pm.

Minutes recorded and submitted by Robert A. Pontbriand Town Manager.

Minutes reviewed and approved by the IAC on September 13, 2023.

Signed: \_\_\_\_\_ Robert A. Pontbriand, Town Manager