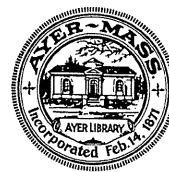


# Town of Ayer

## Benefits and Payroll Department

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## Memorandum

**Date:** January 17, 2020  
**To:** Town Manager Robert Pontbriand  
**From:** Kevin A. Johnston *KAS*  
**Subject:** Monthly Report – December 2019

The December 2019 monthly report for the Benefits and Payroll Office includes the following:

Harpers Payroll - A final review of Affordable Care Act (ACA) data for employees was completed. W-2 Forms for employees will be delivered in January 2020.

Medicare Health Plans – Medicare plan changes for retirees were processed in December for a January 1, 202 effective date.

Middlesex County Retirement System (MCRS) – I attended an MCRS Advisory Council meeting on December 18<sup>th</sup>. Items discussed at the meeting included:

- Declaration of Joseph Kearns as the Third Elected Member of the MCRS Board.
- An actuarial update from Segal Associates on YTD system performance and decreasing the actuarial rate of return on investments from 7.5% to 7.25% as recommended by PERAC.
- A YTD investment update was provided by the Pension Reserves Investment Management (PRIM) staff; with continued success in December, CY 2019 looks to be a successful investment year.
- Mr. Frank Valeri from the Association of Retired State, County and Municipal Employees provided an update.
- Mr. Gibson and Ms. Maloney provided a review of System administrative and legal activity.

Minuteman Nashoba Health Group (MNHG) – The MNHG Steering Committee and Board of Directors met on December 9<sup>th</sup>, the meeting included:

- Treasurer's Report – YTD finances are on target; the undesignated fund balance is trending up.
- The Board was notified that Tyngsborough and Lancaster will be leaving MNHG in FY21; the impact is being analyzed for reporting at the next meeting.
- Fund Balance Policy language to aid in rate stabilization was adopted by the Board of Directors.
- Work on FY21 rates will begin in January and presented at the Steering Committee meeting on February 3, 2020.

- In anticipation of the Tufts Health Care & Harvard Pilgrim Health Care merger the Board began an initial discussion about adding additional plans to MNHG. Carol Cormier will report on this at the February meeting.

Massachusetts Municipal Reinsurance Agreement (MMRA) – The MMRA met on December 5<sup>th</sup>. The meeting included discussion on the following:

- Review of MMRA Financial Reports for plan years 2018 and 2019.
- OptiMed Health Partners met with the MMRA to continue discussion about cost containment measures for his cost pharmacy benefits. OptiMed has identified over \$2.6M in potential savings for the MMRA. The MMRA Board voted unanimously to engage OptiMed Health Partners for high cost pharmacy benefit cost containment and beginning with a targeted approach to cost savings opportunities.