

Health Insurance Trust Fund

Status Update to the Board of Selectmen
March 2, 2021

What is the Health Insurance Trust Fund?

- **Internal Service Fund** (Funds used to account for the financing of services provided by one department to other departments or governmental units)
- This fund is used to account for risk financing activities related to the employee's health insurance
- **Self-Insured Health Claims Trust per MGL c. 32B § 3A** (a self-insured plan is one in which the employer and employees assume the financial risk for providing health care benefits to employees, retirees and other covered members)

Major Highlights

- Trust Fund Balance remains healthy
- Meets financial policy requirements
- Town has provided a quality product at an affordable rate
- 75%/25% Contribution Rate
- Cost to employees has remained stable –
 - 0% increase for FY18 & FY19
 - 2% increase in FY20
 - 3% increase in FY21
- 3% Expected Increase for FY22 Medical; 0% for Dental
- Effects of COVID remain unknown – any savings from FY21 is a direct result of delayed services by members
- PEC Agreement Valid through 6/30/2022

Health/Dental Plan Enrollment		
	Jan-21	Jan-20
PPO - Individual	93	84
PPO - Family	119	132
HMO - Individual	79	75
HMO - Family	148	147
Total Medical plans	439	438
Approx. 84% Active; 16% Retirees		
Medex - Retirees	193	190
Dental - Individual	351	356
Dental - Family	347	342
Total Dental Plans	698	698
Approx. 61% Active; 39% Retirees		
Total Members - PPO	480	493
Total Members - HMO	602	612
Total Members	1,082	1,105
***All persons covered by plan - includes spouses and dependents		

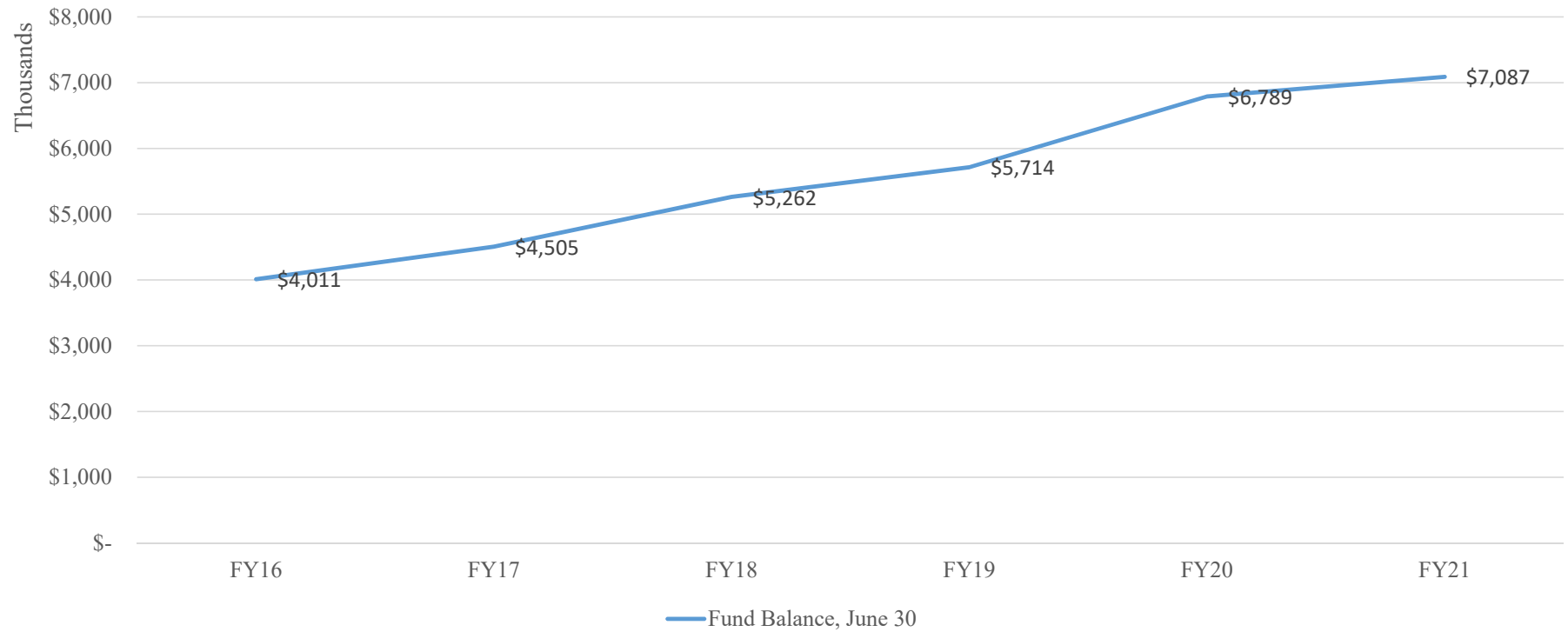
Overall, minimal change in enrollment and our groups are getting older – this is a factor we will continue to monitor

Fund Balance History

	July 1			Change in	June 30	% Increase
	Balance	Deposits	Withdrawals	FMV	Balance	from PY
FY21	\$ 6,789,491	\$ 6,416,878	\$ (6,543,937)	\$ 424,961	\$ 7,087,393	***as of 1/31/2021
FY20	\$ 5,714,319	\$ 10,652,188	\$ (10,235,694)	\$ 658,678	\$ 6,789,491	
FY19	\$ 5,262,490	\$ 10,633,622	\$ (10,300,135)	\$ 118,342	\$ 5,714,319	8.59%
FY18	\$ 4,505,415	\$ 10,325,500	\$ (9,715,019)	\$ 146,594	\$ 5,262,490	16.80%
FY17	\$ 4,010,629	\$ 9,930,541	\$ (9,526,403)	\$ 90,648	\$ 4,505,415	12.34%
FY16	\$ 3,107,655	\$ 10,580,191	\$ (9,790,732)	\$ 113,515	\$ 4,010,629	

Fund balance has been on an upward trend, but need to evaluate the effects of COVID – mostly due to delays in member medical services; Town is watching this and will review ways to mitigate excess funds to members via insurance holiday, rate decrease, etc. in future periods

Health Insurance Trust Fund Balance History



Future Enhancements/Maintenance

- Fitness Reimbursement will include virtual classes
- Expansion of Telehealth Services
- Integrated Health Solutions
 - **Ahealthyme** – online resource for better living; lets employees assess, inform, and track their health, all from their computer or smartphone; guide employees on how to reach their personal wellness goals
 - **Healthy Now App** -complements the ahealthyme website experience by providing an interactive and personalized way to log and track activity on the go.

