

BT

# Health Insurance Trust Fund

Status Update to the Board of Selectmen  
March 4, 2020

## 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 –
  - Zero % increase for FY18 & FY19
  - 2% increase in FY20
  - 3% expected for FY21
- 3% Expected Increase for FY21
- PEC Agreement Valid through 6/30/2022

## Enrollment

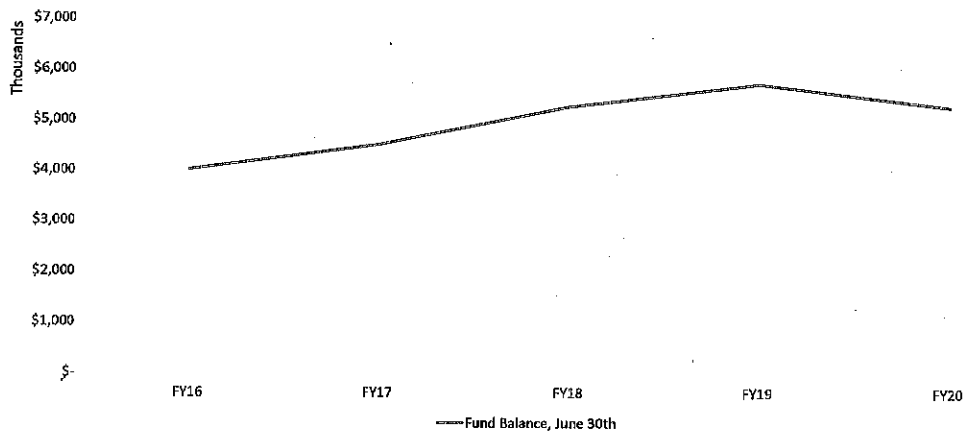
Health/Dental Plan Enrollment	
PPO - Individual	84
PPO - Family	132
HMO - Individual	75
HMO - Family	<u>147</u>
Total Medical plans	438 Approx. 82% Active; 18% Retirees
Medex - Retirees	190 Retirees
Dental - Individual	356
Dental - Family	<u>342</u>
Total Dental Plans	698 Approx. 62% Active; 38% Retirees
Total Members - PPO	493
Total Members - HMO	<u>612</u>
Total Members	1,105 ***All persons covered by plan - includes spouses and dependents

## Fund Balance History

	July 1				June 30		% Increase from PY
	Balance	Deposits	Withdrawals	Interest	Balance		
FY20	\$ 5,714,319	\$ 6,194,465	\$ (6,901,011)	\$ 253,193	\$ 5,260,965	***as of 1/31/2020	
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 is trending upwards; Town is watching this and will review ways to mitigate excess funds to members via insurance holiday, rate decrease, etc. in future periods

## Health Insurances Trust Fund Fund Balance History



## Future Enhancements/Maintenance

- Implement Wellness Program
- Acupuncture Coverage to be added
- Diabetes Care Value Program
- Expansion of Telehealth Services

