

Thursday, March 21, 2013 EASTCONN ECHIP Meeting held at the EASTCONN Central Office, 376 Hartford Turnpike (Route 6), Hampton, CT.

Present:

William Hull, Putnam

Mike Wilkinson, Tolland

Erik Christensen, Griswold

Beth Bauer, Coventry

Kelly Vachon, Plainfield

Ronald Lussier, Plainfield

Paul Smith, Griswold

Suzanne Waterhouse, Tolland

Steve May, Milliman

EASTCONN Staff Present: Paula Colen, Steve Wapen, Tricia Costa

1. The meeting was called to order at 9:04 by William Hull.
2. Approval of minutes:
 - a. MOTION: William Hull moved to approve the minutes of February 21, 2013 as presented.
 - b. SECOND: Beth Bauer
 - c. VOTE: 9 yes, 1 abstention (William Guzman), motion passed.
3. Additions to the agenda:
 - a. Griswold membership discussion
4. Appoint Sub-Committee to review Consulting Broker RFP submissions:
 - a. The sub-committee will consist of:
 - i. William Hull
 - ii. William Guzman
 - iii. Beth Bauer
 - b. A maximum of two future meetings will take place. The RFP due date is March 22, 2013.
5. Executive Committee Meeting Update:
 - a. Paula Colen reviewed items from the March 12, 2013 meeting and stated a conversation had to take place regarding cost reduction, both as a collaborative and as individuals. Ms. Colen also brought to light the fact that preceding cost reduction, an actual analysis has to be made up not only to state goals and plans, but also to see where the 37 plans overlap. The timeline for these plans to be put into place is within the next 3-5 years. Analyses will be prepared and a future discussion will take place to review and approve them. Ms. Colen explained that the main point of these analyses and plans is to reduce plan costs.
 - b. She had met with members from the bank, who will reconvene with two or three options to maximize the sitting funds, as the interest being earned is not sufficient. Appropriate margin amounts and the issue of having more control over the funds relating to Cigna will also be discussed. Other points will include stop loss impact and renewal rates as ECHIP gains maturity.
6. Cigna Renewal and Financial Reports:
 - a. Larisa Carr explained how rates have increased in the January-February period from 17.4%. Cigna has agreed to allow ECHIP to use a special discount offer that is normally used for pharmacies. This offer could allow a savings of approximately \$325,000. This savings would not be seen in our reports until approximately August of 2014.
 - b. The issue of the aggregate stop-loss came up, and Ms. Carr explained that it did not make sense to initially purchase this part of the plan. She negotiated with Cigna as we were not seeing any benefit from the stop-loss. After discussion, Cigna agreed to refund approximately \$100,000 from the stop-loss purchase. An adjustment will be made on all districts' figures. Ms. Carr brought up the question if ECHIP actually wants or needs to put aggregate stop-loss into action, which will be discussed in the future.
7. Financial Reports:
 - a. Ms. Carr distributed each districts most recent ECHIP financial report for review. Paula Colen mentioned how actions are being taken to handle these reports more efficiently

from a fiscal standpoint, which will help in answering questions more quickly and make the process more streamlined.

8. "Budgeting for and Validating our Liability" Presented by Steve May
 - a. The presentation given by Mr. May gives the opportunity for discussion about in the future, where all districts will stand as a whole. It also brings up the question of as ECHIP becomes a more mature collaborative what we will relay to Cigna.
 - b. Other points brought up include the direction of funds in the fluctuation margin, and the building of reserves over the next two years. The concept of the reserve buildup brings up the questions of the goals, period of time, and how much would go into the reserves.
9. Set Timeline and Itemize Any Unresolved Issues:
 - a. Larisa informed the members to have their budget decisions ready and completed for the April 11, 2013 meeting.
10. New Business:
 - a. Paul Smith of Griswold informed the members that as of July 1, 2013, the Town / Board of Education of Griswold is withdrawing from the ECHIP collaborative. Discussion followed, including potential penalty and the financial impact of the other members.
 - b. MOTION: William Guzman moved to discuss these points further at the April 11, 2013 meeting.
 - c. SECOND: Beth Bauer
 - d. VOTE: unanimous
11. Adjournment:
 - a. MOTION: William Guzman moved to adjourn the meeting at 10:32am.
 - b. SECOND: Paula Colen
 - c. VOTE: unanimous

Respectfully submitted,

Tricia Costa
Financial Secretary