

DRAFT
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD (MARB)

REGULAR MEETING MINUTES
Hartford Subcommittee of the MARB

Meeting Date and Time: Thursday, October 21, 2021 10:00 AM – 12:00 PM

Meeting Location: This was a virtual meeting. Meeting materials may be accessed at the following website: <https://portal.ct.gov/OPM/Marb/West-Haven-Committee-Meetings-and-Materials>

Call-In Instructions: Meeting participants may use the following telephone number and access code

Telephone Number: (860) 840-2075

Meeting ID: 212 554 260

Members in Attendance: Kimberly Kennison (OPM Secretary designee), Christine Shaw (State Treasurer designee), David Billings, Mark Waxenberg, Robert White, Matthew Brokman

City Officials in Attendance: Jennifer Hockenhull, Phillip Penn

OPM Staff in Attendance: Julian Freund

I. Call to Order & Opening Remarks

The meeting was called to order at 10:07 AM.

II. Approval of Minutes:

a. July 22, 2021 regular meeting

Mr. White made a motion to approve the minutes, with a second by Mr. Waxenberg. The motion passed unanimously.

III. Review and Discussion: HPS Health Insurance

The MARB had previously received two analyses that attempted to project the impact of transitioning Hartford Schools employees to the State Partnership Health Plan. An analysis commissioned by a group of unions projected annual savings of \$7 million from making the transition. An analysis by the City's and district's health insurance consultant, Segal, projected a change to the Partnership would be more expensive for the District. Census and enrollment data have been compiled along with the district's self-insured renewal rates as background data for further analysis. Mr. Penn pointed out that some of the bargaining unit contracts that are currently in negotiations still feature PPO plans, though the largest group (Teachers) has completed moved to the high deductible HSA plan. The HSA plan is clearly a lower cost plan for the district. Mr. Penn provided an overview of the administrative and other fees that are included in the equivalent fully underwritten rates along with the cost of

claims. The fully underwritten rates have been the rates charged internally, but Mr. Penn indicated that the district may move to a less costly rate to the district and employees that is based on the allocation rate plus a margin for building reserves. The difference in the two analyses from Segal and the unions group cannot be fully explained at this point, but clearly is related to differences in assumptions being used.

Mr. Waxenberg said that self-insured plans often generate recurring annual surpluses because projected trendlines are not realized and become a way of accumulating available cash. He noted discrepancies in the rates depicted in the analyses provided. He asked what the ASO rate being charged by Anthem is and the broker fee charged by Segal. Mr. Penn will research and provide the ASO rate. The Segal rate is about \$160,000 in total with \$90,000 paid by the district and \$70,000 paid by the City.

Mr. Waxenberg asked that in a final analysis, that all of the costs associated with providing health care, including the premium, retention fees, and other costs, be considered. He suggested reviewing the clause in Norwalk labor contracts regarding the State Partnership plan and the protection it provides the district. Subcommittee members discussed the loss of control of plan design in a fully insured structure. Members suggested the subsequent analysis should consider differences in plan design. Summary plan descriptions will be gathered for that part of the analysis.

IV. Review and Discussion: Mitigation Measures Action Plan

Ms. Hockenhull reviewed the highlights of the updated status report on budget mitigation measures. She noted that private duty police jobs have picked up reflecting a higher level of activity in the City. A number of grant applications have been prepared, though the target for grant proceeds may need to be brought down in subsequent meetings. A detailed report on energy efficiencies was included as part of the written report. A project manager has been hired to help with cost reduction strategies in the procurement area. The first Fleet working group meeting with Fire, Police and Public Works has been held, with the intent of developing strategies for lowering fleet costs. The measures currently being pursued are not required in order to balance this year's budget, but will help to generate savings that can carry forward to future fiscal year budgets. Ms. Shaw asked if there are any plans for installing electric vehicle charging stations in the downtown area. Ms. Hockenhull said she would look into whether there are any plans. Mr. Waxenberg asked about some of the persistent Police private duty receivables that exceed 120 days. Ms. Hockenhull said the City is working with the collection agency in determining whether some of the delinquencies are the result of businesses going out of business.

V. Other Related Business

None.

VI. Adjourn

Mr. Waxenberg made a motion to adjourn with a second by Mr. White. The meeting adjourned at 10:52 AM.