



Department of Human Resources

Town of Milford, MA

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INSURANCE ADVISORY COMMITTEE

February 3, 2022

ATTENDANCE:

MEMBERS PRESENT: Peter Filosa, Chairman; Leslie Pettinari, Steve Dacruz, Jim Curley, Cherie Peterson

OTHERS PRESENT: Mary Carlson, Mary Frances Best, Kara Geromini, Christopher George, IT Director and pending member of the IAC; Kristin Melpignano, HR Director; Charles Boddy, Town Counsel; Jack Nicolas, President of KDCG and new Town Broker

ABSENT: Jackie Gorman, Thomas Parent, Nathan Hathway

Quorum Present: Meeting called to order at 3:07 by Peter Filosa

As the Chair was introducing the first agenda item, "Approval of Minutes", Mary Carlson asked to be recognized by the Chair as she had a question about the minutes. Ms. Carlson stated that she was a long-standing member of the committee and wanted to know why she was categorized as "Others Present" in the 10/12/21 meeting minutes that were to be approved. This issue was to be addressed in agenda item #4, but it was decided that to be clear about protocols for voting, it would be discussed first.

DISCUSS RECOMMENDATIONS FOR INSTITUTING COMMITTEE RULES AND REGULATIONS:

Attorney Boddy immediately addressed the group, explaining that the HR Director, Kristin Melpignano, had requested his assistance regarding the rules and regulations for the committee, specifically in terms of membership and protocols for elections. Kristin had requested a list of IAC members (and other interested parties) from Kelly Capece, Benefits Coordinator, to distribute the agenda and October minutes. However, upon receipt of the minutes, Ms. Carlson questioned why her name was not listed under "members present". Further, Attorney Boddy explained, he noted that those who were not on this list had participated in voting consistently over a long period of time, a possible, unintentional violation of Open Meeting Law. Attorney Boddy asked what documentation they had to support their claim of being IAC members. Some believed that they had been voted in by their union and had substantiation supporting this claim; others were not sure. They all agreed that it had been past practice to allow "substitutes" to vote in their stead, should they not be able to attend a meeting. Attorney Boddy pointed out that not having any written rules or regulations could potentially lead not only to confusion and inconsistency, but litigation. He strongly recommended that the committee address this issue as soon as possible so that everyone

understood how members were chosen, votes taken, etc. With regard to who constituted a member, several members of the committee expressed disappointment that they were not consulted about the Town Meeting article submitted in the fall of 2021, adding an Article 2 (non-unionized) member to the group. It was asked if there was any communication attempted to the committee from anyone at Town Hall and what effect, if any, this additional member would have on them. Attorney Boddy explained that the legal document authorizing the additional member was working its way through the State House and that it did not dilute their voices, only added a voice for the non-union employees. During this entire exchange, members of the committee were visibly upset and suggested that Attorney Boddy was “arrogant,” had used a “patronizing tone”, and “wasted the time of the consultant.” There was also a concern that their votes for the insurance renewals would not be valid. Chairman Filosa stated that perhaps if Attorney Boddy had approached the group with a different tone, it would have been better received. He did, however, recognize that perhaps the group had been run “a little too casually” in the past and that they did need to establish rules. In the meantime, he asked if it would be acceptable to run the meeting as they had in the past so as to move the insurance renewal process along. For lack of a better alternative, Attorney Boddy agreed.

APPROVAL OF MINUTES FROM THE OCTOBER 12, 2021 MEETING:

A motion was made by Leslie Pettinari and seconded by Mary Francis Best to approve the minutes of the October 12, 2021 meeting; unanimous with one abstention from Steve DaCruz (he did not attend the 10/12/21 meeting).

INTRODUCTION OF THE TOWNS NEW INSURANCE BROKER; REVIEW AND DISCUSS STRATEGY FOR OPEN ENROLLMENT; REVIEW AND DISCUSS ANNUAL OPEN ENROLLMENT INSURANCE RENEWAL RATES:

The Town’s new insurance broker, Jack Nicolas of KD Benefits, introduced himself and described his career in the insurance industry, including his many years with Blue Cross/Blue Shield. He explained that he has worked with numerous municipalities and unions in the Commonwealth, served on a municipal finance committee and spent considerable time familiarizing himself with the Town’s current plans and their overall suite of benefits.

He noted that this year there would be an attempt to not only bolster the benefit package as much as possible while holding costs in line, but also that a major thrust of the open enrollment process would be to educate the employee population by securing the services of a professional enrollment firm that will interview each employee and make sure they fully understand what their options are, and to make sure that they are covered appropriately. Employees will also have an opportunity to rate their interviewers after speaking with them. Mr. Nicolas stated that this resource would be available at no cost to the Town.

In addition, the Town’s employees will also be provided with both a website and a mobile app that they can turn to for up- to- date information on their benefits. This will also be funded by the insurance carriers and at no cost to the Town.

Chairman Filosa suggested each line of insurance be voted on separately:

HEALTH INSURANCE:

Mr. Nicolas explained that due to a short window in which to explore alternatives, he negotiated a non-compete rate with Blue Cross, meaning that the Town would not solicit from other carriers in exchange for a more favorable increase in rates; the initial proposal was for a 4.5% increase but was subsequently lowered to 3%. The consultant also stated that he would continue to pursue lower cost options with alternative mechanisms to lower costs, such as a Health Reimbursement Account (HRA) tied to the plan.

There was a brief discussion and general agreement that the increase was minimal.

Motion to accept new rates with a 3% increase for the current health plan by Kara Geromini, second by Cherie Peterson; unanimous.

DENTAL INSURANCE:

Mr. Nicolas reviewed the features of the current plan and explained that Delta Dental offered to switch the group to a different network, which paid claims on a different scale. This would result in fewer claims dollars being spent on the same procedures, thereby saving the Town money and resulting in more dollars available to employees; all without any change to the network of dentists.

In addition, it was discovered that Delta Dental had been holding a reserve “stability” fund in the Town’s name that totaled over \$600,000. To make the most of the employee and employer contributions, it was proposed that the Town self-fund the dental program utilizing \$100,000 of the stability funds as seed money. This would save the Town considerable money on the program overall; this savings was then applied to enhancing the program by adding orthodontic coverage and the “4Kids” program (no cost for Type 3 benefits for kids under 12).

The individual cost for the new year to the employee was quoted as a slight reduction, with the family rate increasing by \$ 1.23.

The group had a brief discussion about whether to vote for the slight increase, which would include the enhanced benefits for families, but the change was considered minimal.

Motion to accept the ASO PPO Premier (enhanced network) with Orthodontic and 4Kids features by Mary Carlson; seconded by Jim Curley. Unanimous.

LIFE INSURANCE:

The Consultant presented three options to the Town from the Hartford Insurance Company: one would keep the status quo at a guaranteed issue (GI) of \$30,000 per employee (increased in the fall of 2021 from \$15,000); the second would be to increase the GI to \$50,000 per employee at a slight increase of \$1.00 per week per employee; the last would be for the Town to pay 100% of the life cost for all Town employees at \$50,000 GI – no cost to employees, but an increase of approximately \$150,000 to the Town. This last option could be accomplished by using some of the funds returned to the Town from Delta Dental but was not supported by the Finance Director.

There was a brief discussion on the value to employees of increasing the face amount of the GI on the Life Insurance; Jim Curley mentioned that Nathan Hathway, who could not attend, had supported this increased amount at the fall meeting.

Motion to increase the Life insurance to \$50,000 guaranteed issue, with retirees' policies remaining at \$7,500 guaranteed issue by Jim Curley; seconded by Mary F Best. 6 in favor, 1 opposed (Kara G.)

VISION INSURANCE:

The broker recommended keeping the same carrier, Blue Cross, for the vision benefit, but asked the group to consider offering the "Material Only" plan; this would mean that no exams would be included, and employees would be covered once every two years for exams (under their health insurance) instead of every year. The cost of the plan was lower for Material Only.

While there was some discussion, the cost was considered so minimal for this benefit that the group decided to keep the current plan in place.

Motion to leave the current vision plan in place with no cost changes by Leslie Pettinari, second by Mary Carlson; unanimous.

ALL OTHER VOLUNTARY PLANS:

Mr. Nicolas explained that the Enrollment firm that was chosen was not affiliated with Aflac in terms of being able to accommodate the website and app so they were not able to remain as a carrier for this renewal. However, existing policies are owned by the individuals who have them so they can "port" to a direct billing arrangement if the employee chooses to keep the policies. He also noted that there were only 26 active policies with Aflac, less than 3% of the eligible population. The carriers that quoted were very competitive and Colonial Life, in general, had the better rates and features and was recommended for most lines, except for Long Term Disability (the Hartford is the current and recommended carrier).

There was a short discussion about the loss of Aflac, but due to the small enrollment and the competitive rates, it was decided to make the switch.

Motion to support the recommendations of the consultant on the voluntary plans (Accident, Critical Illness, Short Term Disability, Long Term Disability, Supplemental Life, Whole Life, Hearing, and Pet Insurance) by Mary Carlson, second by James Curley; 5 in favor, 1 opposed (Kara G).

Chairman Filosa requested that anyone on the Committee who had documentation of their election or appointment to the group should produce that substantiation for the next meeting, and he would request that the Select Board affirm his appointment as Chair. He also requested that Kristin Melpignano draft rules and regulations for the Committee to consider at the next meeting.

ADJOURNMENT:

Motion by Leslie Pettinari, second by Cherie Peterson to adjourn. Unanimous.