



BUDGET COMMITTEE
Town of Hollis
Seven Monument Square
Hollis, New Hampshire 03049
Tel. 465-2209 FAX 465-3701

Non-Public Session
Minutes of September 27, 2011

Meeting was held in the Community Room, Hollis Town Hall.

Members present: Chris Hyde, Chairman; Mike Harris, Susan Benz, Tom Gehan, Peter Band, Tom Jambard, Rob Mann

Also present: Deb Padykula, Finance Director; David Petry, Selectman; Troy Brown, Town Administrator

Mike H. made a motion to enter non-public session per RSA 91-A: 3, II(a). Peter B. seconded the motion. Motion carried unanimously. Meeting entered nonpublic at 7:15 pm.

Town Employee Benefits Committee Report Presentation:

Mike H. led a discussion of the Town Employee Benefits Committee Report Presentation.

Background: The cost to the town of providing health care benefits is rising sharply and may become unaffordable. Current benefit offering provides no incentive to consider cost as a factor in making health care decisions. The goals of the committee include:

- Provide employees a high quality, affordable health care plan going forward
- Retain employee choice
- Keep employees whole during transition
- Provide health plan that encourages participants to evaluate cost effectiveness of treatment offerings (skin in the game)
- Reduce cost growth
- Limit town liability

Conclusions:

- Current health care cost trajectory is unsustainable
 - 7.3% per annum growth
 - Employee has no stake in amount of expenditure
 - Will require equivalent reduction in force to maintain budget
- Hollis employee participation (~3%) in health insurance premium cost is substantially below market (12.5% - 15% is average)
- Alternate plans offer little (Blue Choice, Matthew Thornton)
 - Small premium reductions for large reductions in benefits
 - Little difference between providers
- Involvement of consumer in cost decisions is needed as a check to cost growth

Recommendations:

- Cap town annual contribution to medical insurance premiums going forward:
 - Single person: \$9,000
 - Two person: \$18,000

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- Family: \$24,000
- Retain Blue Choice with increased employee contribution: 15%
 - In line with mid-range of other communities
- Provide one-time TBD lump sum as compensation for premium increase
- Add Health Savings Account (HSA) and high deductible health insurance plan to current health insurance offering
 - Include 1:1 town match on employee contribution to HSA up to maximum deductible
 - 3% employee participation to premium cost up to cap
 - Offer one-time sign up bonus: seed HSA to max deductible for first year only

Discussion among the Budget Committee indicated strong support for the progress and direction outlined in the presentation. Chris H. thanked Mike H. for the update. Mike H. made a motion to come out of non-public session. Peter B. seconded the motion. The motion carried unanimously. The meeting entered public session at 8:32 pm.

Respectfully submitted,
Tom Gehan, Secretary