# TOWN OF WARNER

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Select Board: Harry Seidel, Chairman
Alfred Hanson, Vice Chair
Michael J. Smith
Kathleen Frenette, Town Administrator


## Select Board Work Session Minutes
## October 21, 2025 9:00 AM



**I. Open the Public Meeting / Roll Call / Pledge of Allegiance**

Chairman Harry Seidel called the meeting to order at 9:00 AM. The Pledge of Allegiance was recited.
Select Board present: Chair Harry Seidel, Vice Chair Alfred Hanson and Mike J. Smith.
Audience: Judy Newman-Rogers, Bill Chandler, Elizabeth Labbe, Ray Martin, Clyde Carson, Theresa Monahan, Nancy Ladd,
Harry Seidel stated that this is a work session that does not include public comment. He stated that he will allow input or questions from Town employees regarding the Health Trust Insurance discussion.

**II. Select Board Business**

**A. Discussion with Health Trust Insurance Representative Andrew Struth**

Harry Seidel explained that the health insurance policy is going up in price by 14% and dental insurance is up 4%. Harry Seidel stated that he attended a public hearing relating to the health insurance. He stated that Health Trust is a not-for-profit organization and they specialize in municipalities and school districts. Harry Seidel explained that the current policy is expensive, and the deductible is too high. He hopes that the Select Board will hear suggestions and discussions about how the Town can manage costs while providing quality insurance.

Andy Struth explained that it is important to understand that Health Trust is a not-for-profit risk pool and when they set the rate for the next year, they are looking at what is needed to cover future claims and expenses for all of their member groups. Andy Struth stated that they look at current claims for medical and pharmacy, they trend out the medical and prescription costs for the coming year. He stated that the rates are based on what is needed to cover future claims and expenses. Andy Struth stated that Health Trust is considered a non-assessable risk pool. He explained that rate adjustment and fixed cost for the plan is the only cost that the Town is responsible for, any cost beyond that is assumed by Health Trust. He explained the difference between the non-assessable risk pool and assessable models. Andy Struth explained that Health Trust believes that beyond their actuarial evaluation they need higher reserve levels to cover future claims and expenses beyond what they have forecasted.

Ray Martin asked if Health Trust funds their reserves through the premiums. Andy Struth confirmed, stating that the current reserve amount has been set at $122.5 million. Ray Martin asked if the State has imposed stricter reserve requirements. Andy Struth explained that HB297 did not pass earlier this year, which would have negatively impacted Health Trust's model. He stated that Health Trust is regulated by the Secretary of State. Ray Martin asked for clarification on the town's current plan. Andy Struth outlined the current plan, Access Blue site of service 30-60 plan. He explained that the current plan has co-pays for certain services including doctor visits, hospitalizations, outpatient surgeries and inpatient stays. He noted the deductible is $5,000 per person for a single, $10,000 for a two person plan. He stated that a family of three or more has a single deductible of $12,000. Bill Chandler and others in the audience stated that the employees were told their deductible was $7,150. Andy Struth clarified that the deductible is $5,000 and maximum out of pocket is $7,150. He explained that the plan has co-pays and the maximum out of pocket ($7,150 single person and $14,300 family) is a financial protection for any medical plan that Health Trust offers. He stressed that anything after the out of pocket cost is covered 100% by Health Trust. Harry Seidel asked about preexisting conditions. Andy Struth explained that there is no such thing as pre-existing condition under Health Trust medical plans.

Alfred Hanson asked for information on other options for the Town to consider. Andy Struth stated that if the goal is to reduce costs for the Town there is only one plan and that plan operates much differently than the plan currently in place. He stated that the plan is called a high-deductible health plan. Andy Struth explained that the plan is solely a deductible driven plan that can be paired with a health savings account. He outlined the deductible is $5,000 per person up to $10,000 per family. He explained that instead of paying a $30.00 copay for an office visit members would pay the actual cost of the visit until the $5,000 deductible is met. He stated that it is the same with prescriptions.

Ray Martin stated that he read that the Secretary of State is reviewing all plans and the reserve balances. Andy Struth explained that the Secretary of State has been finding that the reserve balances are too high. He explained that the Health Trust Board looks at actuaries and sets a target number range and the Board votes on what the reserve level should be. He explained that a bill that was introduced earlier aimed to reduce the reserves and if Health Trust did not have enough in reserve Health Trust would be required to bill towns and schools for more money to cover their claims. He explained that the reserve balance accumulated significantly during Covid and Health Trust had to return approximately $90 million dollars. Andy Struth stated that after Covid, claims significantly increased and Health Trust had to utilize their reserve funds. He stated that Warner is part of the January small group pool and that group has a 7.3% rate adjustment and 5.3% of that is the capital risk charge. Andy Struth explained that rate adjustment for the plan that Warner currently has is 13.5%.

Harry Seidel expressed frustration that there are no other options through Health Trust to reduce the Town's costs. There was a discussion regarding the health reimbursement arrangement (HRA), and the flex spend account (FSA) to offset the health insurance costs for employees. Andy Struth stated that the HRA is employer only funded; the town covers up to $1,500 of the $5,000 deductible and up to $3000 for a two person plan and up to $4,500 for a family plan. The FSA is funded with $500 by the Town. Pre-tax money from the employee can be added to pay co-pays, prescriptions, and over the counter items. He stated that if the employee puts in more than $500 the Town will match up that contribution up to $1,000. He explained that the Town also has a carry-over provision that allows employees to carry over $660 of unused funds.

Andy Struth stated that the Town could increase the HRA amount to cover up to $2,500 of the employee's deductible without affecting the premium cost. Harry Seidel stated that would mean the cost to the town would increase. There was discussion regarding the site of service available to the Town. Andy Struth explained how the site of service option works. He stated that site of services means there are standalone facilities (Convenient MD) within the network where employees would pay a co-pay (labs $0 and radiology $125) instead of paying toward the $5,000 deductible. Andy Struth stated that site of service is a consumerism feature that allows employees choice to utilize facilities that they like.

Elizabeth Labbe asked the Select Board if this is just one bid of the three required in the town's purchasing policy. She spoke about the Budget Committee's desire to see an employee contribution plan (80/20 or 90/10). She stated that considering the late timing of this discussion she asked if there is a possibility of stipends for employees to purchase their own insurance and the Town focus on a more affordable plan for next year. Harry Seidel stated that the Select Board will need two additional bids. He asked Mike Smith for a status update. Mike Smith stated that when he was working on this he was talking to CGI and there is no update to offer and no other bids. Andy Struth stressed that as the Town does their due diligence, he would like the Town to keep in mind the vast network they have through Health Trust. He acknowledged that the

Town would find savings out in the marketplace but the Health Trust plan network is very robust. He spoke of the importance of comparing the level of coverage and plan benefits. He spoke about the other programs that Health Trust offers that they will not receive elsewhere. He stated that Health Trust can do a plan comparison when the Town receives other bids. Andy Struth stated that retiree plans will need to be considered if the Town receives health insurance elsewhere.

Andy Struth stated that Health Trust would need to know of the Town's decision by November 14, 2025. He informed the Select Board that if the Town leaves Health Trust for other medical insurance they cannot return for two years. He explained the reason for the two years is because Health Trust needs stability to trend claims.

There was a discussion regarding requiring the employees to contribute to the premium. Andy Struth stated that would be a Town decision and it would not affect the premium price. He reiterated that it would be up to the Town to implement any cost sharing through payroll.

Another employee asked if the Select Board was going to enroll in a plan and then tell the employees that they have to pay for it. Alfred Hanson stated that the Board has not made that decision yet. Bill Chandler asked if the Select Board will be soliciting two additional bids. Alfred Hanson confirmed they would. Bill Chandler feels that it is important to look at similar plans and not to shortchange employees, but the challenge will be making the decision by the November 14th deadline. Mike Smith stated that there will not be a big difference in price.

Nancy Ladd inquired about the dental rate change. Andy Struth stated the dental rate increased is 4.4%. Elizabeth Labbe asked about the dental cap. Andy Struth stated that the plan cap on dental is $1,500. Elizabeth Labbe asked about dependents aging out of coverage at 26 years old. Andy Struth explained that coverage ends at the end of the birthday month.

Andy Struth concluded his presentation by encouraging anyone with additional questions to contact him. Mike Smith left the work session at this time. (10:20 am)

Harry Seidel stated that there seems to be a consensus that taxpayers would like the employees to contribute to their health insurance. He stated that the presentation from Andy Struth confirmed that the premium cost does not change even with an employee contribution.

Audio difficulties - multiple conversations

Ray Martin spoke about reimbursement up to 50% in conjunction with an employee contribution. Clyde Carson explained that most employees do not reach the deductible limit so they will not experience the benefit if the town increases the reimbursement. Ray Martin stated that the only way to reduce the premium is to go with a higher deductible or go out to the marketplace and drastically change the plan. He cautioned about governing or making decisions to appease a small portion of the population. Ray Martin stated that the annual cost for health insurance is $357,000 and if the town changed to a 90/10 cost share that would save the Town $35,700, and at the same time increase the HRA and the employee expendable trust.

Nancy Ladd acknowledged the Select Board has a challenging situation to deal with. She spoke about the hardship employees will also experience. Elizabeth Labbe spoke about the co-pays; medication not being covered through the HRA. She asked if all employees would have the same coverage. Ray Martin stated that the flex spend account can be used for co-pays and medications. He reiterated that the Town could consider increasing the HRA and the FSA. Alfred Hanson asked what the employee's feelings are about being asked to contribute to their health insurance cost. Joe Macahey stated that it would be a “kick in the face”. He stated that the benefits are good, but the wages are “terrible” and could lead to a loss of personnel. Judy Newman-Rogers stated that it is important to balance the needs of the town and employees.

Harry Seidel explained that when he became a Select Person he was told that the Town had previously decided to offer a generous benefit package to counter the low wages. Ray Martin spoke about the importance of balancing the benefits, wages and the ability to recruit and retain employees. Alfred Hanson stated that finding and replacing employees cost the Town money. Ray Martin reiterated the need to find a balance, he cautioned that if they only focus on saving money they will lose the big picture. He stressed that the Town is in the service business.

Clyde Carson stated that the Expendable Trust Fund had $40,000 deposited into it last year which could probably cover 2026 and 2027 at the current usage. He explained that if the premium increased 14% or approximately $40,000 that could be offset by not funding the Expendable Trust Fund. Ray Martin stated that there would still be the higher deductible.

Harry Seidel would like to see some analysis on the impact to the overall budget if the HRA contribution increased to support the deductible that the employees have to pay. Ray Martin suggested comparing that to the impact of increasing the deductible and asking employees to contribute 5%. Harry Seidel stated that they would meet again on Monday October 27, 2025 at 9:00 AM and he would like the information for that meeting. The RFP and census information will be sent to CGI today. There was a conversation about trying to find another broker for a third bid, and making every effort. Alfred Hanson stated that he is focused on doing what is the correct choice for everyone, residents and employees.

## V. Adjournment

**Alfred Hanson made a motion seconded by Harry Seidel to adjourn the work session. Roll Call Vote Hanson YES Seidel YES**

The meeting adjourned at 11:10 PM
Respectfully submitted on 10/23/25 by Tracy Doherty
Edits, Judith Newman-Rogers, Select Board Admin Asst