

# AUSTINTOWN TOWNSHIP

MAHONING COUNTY, OHIO  
82 OHLTOWN ROAD  
AUSTINTOWN, OH 44515

## SPECIAL MEETING OF JULY 17, 2017

The Special Meeting of the Board of Trustees of Austintown Township was held Thursday, July 17, 2017, at Town Hall, 82 Ohltown Road, Austintown, Ohio.

The meeting opened at 2:00 P.M. with a salute to the flag led by Chairman Richard Stauffer. Roll Call was as follows: Mr. Davis, present; Mr. Carano, present; and Mr. Stauffer, present.

Mr. Stauffer introduced the Board Members and Health Insurance Committee

Michael Dockry, Administrator began the discussion between Board Members and Insurance Committee to consider a change in the group medical insurance – from OPEC – HC.

Dockry explained the choices the Medical Committee (MC) had in 2014-OPEC 21 month freeze from April 1, 2014 through December 31, 2015. Medical Mutual of Ohio (MMO) renewal was around 20%-MC believed difference in bids was because OPEC's underwriting was based on a much larger group than the township's approximately 90 employees and the fact OPEC was also a member of the Jefferson Health Plan (JHP). Larger groups had more buying power and in addition through JHP, OPEC used the MMO network to administer claims. We were also told JHP was the underwriter for OPEC.

Move to June 26, 2017-Advised JHP no longer administrator-therefore lose MMO network. Employees now face Balance Billing. Dockry gave an example of balance billing. Balance billing was such an important issue that Stark County OPEC members were seriously considering a lawsuit to prevent OPEC from severing ties with JHP.

Dockry advised Board JHP has offered OPEC members to directly join. Positive factor is MMO network. However, no written agreement-all we know how they would handle the Deficit "may be worked out"-Another issue with JHP is they have NOT denied OPEC's rate-setting negligence/fraud claim. Another factor we do not understand is how OPEC paid \$24 million Stop Loss to JHP and JHP has only used \$16 million for claims & JHP has claimed \$8 Million for JHP's reserves.

Dockry advised Board of potential other issues involved in any decision to leave OPEC.

A. K with OPEC has a 3 month premium penalty provision for early termination. About 20% of members have left OPEC since July 1 and Hamilton Township & City of Steubenville sued OPEC last year for breach of K claims.

B. Dockry said he believes OPEC's in breach of K changing from MMO to a lesser network. Township believes the right thing to do in mitigating Balance Billing claims is to leave new Benovation network OPEC now has. Another Breach of K claim – OPEC Increased AT Liability and other members' liability by ending K with JHP. JHP claims \$15 million in early termination damages from OPEC.

C. Another issue OPEC has not paid JHP or MMO for June.

D. Initial Rate making – without getting into legal discussion Dockry believes this is another issue that will be litigated against OPEC and/or JHP in the future. Even OPEC-HC claimed in one of their emails to their members at the end of June that JHP's underwriting was misleading/negligent/fraud.

Dockry Finished advising Board if they moved to JHP or MMO the township will have to pay July's invoice again to MMO or JHP, about-\$109,000, and the likelihood is OPEC will NOT refund July invoice payment.

**RESOLUTION #17-07-17-01:** Motion by Mr. Davis to appoint Michael B. Dockry Fiscal Officer Pro Tem for Laura L. Wolfe who had to leave at 2:40 P.M.

Mr. Carano seconded the motion. Roll Call Vote: Mr. Carano, yes; Mr. Stauffer, yes; and Mr. Davis, yes.

Additional discussion ensued with other members of the Medical Committee, Eric Harris, Justeen Hammett, Dave Schertzer, Nicole Churilla and Jeff Churilla. It was their recommendation to accept quote from MMO effective July 1, 2017 of a blended 5% increase and to accept MMO's non-blended maximum rate of 15.4% from January 1, 2018 through June 30, 2018.

**RESOLUTION #17-07-17-02:** Motion by Mr. Carano to recess to Executive Session for a Conference with an Attorney for the public body concerning disputes involving the public body that are the subject of imminent court action at 3:10 P.M.

Mr. Davis seconded the motion. Roll Call Vote: Mr. Stauffer, yes; Mr. Davis, yes; and Mr. Carano, yes.

**RESOLUTION #17-07-17-03:** Motion by Mr. Davis to reconvene from Executive Session at 3:55 P.M.

Mr. Carano seconded the motion. Roll Call Vote: Mr. Davis, yes; Mr. Carano, yes; and Mr. Stauffer, yes.

**RESOLUTION #17-07-17-04:** Motion by Mr. Carano to accept Medical Mutual of Ohio's offer of group Medical and Prescription coverage, effective July 1, 2017, as attached hereto, which represents a 5% blended increase (1.49% for \$2000/\$4000 Plan & 13.53% for \$4000/\$8000 Plan) over current rates for the period July 1-December 31, 2017 and a guaranteed maximum straight or non-blended increase from January 1, 2018 through June 30, 2018 of 15.4% over their rates for the last 6 months of 2017.

Mr. Stauffer seconded the motion. Roll Call Vote: Mr. Carano, yes; Mr. Stauffer, yes; and Mr. Davis, yes.

**RESOLUTION #17-07-17-05:** Motion by Mr. Carano to adjourn the special meeting at 4:00 P.M.

Mr. Davis seconded the motion. Roll Call vote: Mr. Stauffer, yes; Mr. Davis, yes; and Mr. Carano, yes.

This is to certify that the foregoing is an accurate record of the proceedings of the board of township trustees at its meeting held on the date listed above.

Date: 07-24-17

Jana Swayze  
Fiscal Officer

Approved:

Paul Hoff  
Chairperson Board of Trustees