BOS

Peter + Trey
pls Note
Art. 16 and/or 24

4/7/03 (5)

Health Plan Management Group
Workers' Compensation Group
Claims Recovery Services

FAX Cover Sheet

Time: 4:15 PM

Date: April 4, 2003

Number of pages including cover: 5

To: John Murray
Assistant Town Manager
Town of Acton

Phone:

Fax: 978-264-9630

From: Peter Savage

Phone: 781-837-7300

Fax: 781-837-5668

Re: Cost Analysis

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Dear John,

Attached are the summaries of the last four years (the years in which we have been involved) of the actual experience, the cost had you not had holidays, the breakeven rates, which were those we had recommended, and the premium rates.

I think the most significant numbers are found on the Total Cost Analysis page. This shows that in your actual funding you generated $6,829,813 less money than the plan cost. It drops down to $4,916,926 had you not had holidays. The breakeven numbers speak for themselves, but with the premium rates that during the four year period you would have spent $3,561,426 more than your plan expenses.

The simple truth is that even though you have worked your Trust down quite dramatically during this four year period, you still are substantially ahead of where you would have been had you been on premium.

Please call if you have any questions.

Peter Savage

ACTON/ACTON BOXBOROUGH REGIONAL TRUST
Total Cost Analysis

Fiscal Year	Total Plan Cost	Generated Revenue	Variance	12 Month Revenue	Variance	12 Month Breakeven Rates	Variance	Premium Rates	Variance
2000	$4,484,670	$3,838,736	-$645,934	$4,553,146	$68,476	$4,485,249	$579	$5,359,059	$874,389
2001	$5,397,449	$3,913,217	-$1,484,232	$4,294,587	-$1,102,862	$5,398,963	$1,514	$6,456,632	$1,059,184
2002	$6,108,909	$4,720,197	-$1,388,712	$4,720,196	-$1,388,712	$6,113,509	$4,600	$6,966,785	$857,876
2003	$7,572,385	$4,261,450	-$3,310,935	$5,078,557	-$2,493,828	$7,572,723	$338	$8,342,362	$769,977
Totals	$23,563,413	$16,733,600	-$6,829,813	$18,646,486	-$4,916,926	$23,570,444	$7,031	$27,124,838	$3,561,426

ACTON/ACTON BOXBOROUGH REGIONAL TRUST
MHP 4 Year Rate to Cost Analysis

Fiscal Year	Plan Cost	Actual Rates	Generated Revenue	Variance	12 Month Revenue	Variance	12 Month Breakeven Rates	Generated Revenue	Variance	Premium Rates	Generated Revenue	Variance
2000*	$2,833,611	$353.20 $767.80	$2,523,848	-$309,763	$3,024,672	$191,061	$330.95 $719.43	$2,834,124	$513	$370.96 $922.34	$3,563,976	$730,365
2001**	$3,573,367	$264.94 $575.90	$2,189,755	-$1,383,613	$2,393,477	-$1,179,890	$395.56 $859.80	$3,573,388	$21	$438.42 $1,090.08	$4,442,149	$868,782
2002	$3,970,447	$264.94 $575.90	$2,543,111	-$1,427,336	$2,543,111	-$1,427,336	$413.65 $899.15	$3,970,448	$1	$441.27 $1,037.49	$4,521,996	$551,549
2003*	$4,830,454	$264.94 $575.90	$2,200,241	-$2,630,213	$2,632,196	-$2,198,258	$487.00 $1,056.95	$4,830,548	$94	$484.02 $1,203.49	$5,378,593	$548,139
Totals	$15,207,879		$9,456,955	-$5,750,925	$10,593,456	-$4,614,423		$15,208,508	$629		$17,906,714	$2,698,835

*2 Month Holiday
**1 Month Holiday
FY 2003 is 10 months actual and 2 months projected

FYI
Acton Rates 1992
Ind 336.38
Family 731.25

ACTON/ACTON BOXBOROUGH REGIONAL TRUST
HPHC 4 Year Rate to Cost Analysis

Fiscal Year	Plan Cost	Actual Rates	Generated Revenue	Variance	12 Month Revenue	Variance	12 Month Breakeven Rates	Generated Revenue	Variance	Premium Rates	Generated Revenue	Variance
2000*	$1,337,122	$201.34 $442.96	$1,049,084	-$288,038	$1,262,670	-$74,452	$213.22 $469.10	$1,337,181	$59	$204.74 * $532.31	$1,467,463	$130,341
2001**	$1,433,991	$241.67 $531.57	$1,402,462	-$31,529	$1,551,910	$117,919	$223.55 $491.70	$1,435,519	$1,528	$218.81 * $568.89	$1,601,171	$167,180
2002	$1,667,396	$241.67 $531.57	$1,701,676	$34,280	$1,701,676	$34,280	$236.84 $520.94	$1,667,651	$255	$232.87 $605.46	$1,873,946	$206,550
2003*	$2,210,799	$241.67 $531.57	$1,638,469	-$572,331	$1,942,201	-$268,598	$275.15 $605.03	$2,210,810	$11	$246.08 $639.81	$2,255,919	$45,120
Totals	$6,649,308		$5,791,691	-$857,618	$6,458,457	-$190,851		$6,651,161	$1,853		$7,198,499	$549,191

*2 Month Holiday
**1 Month Holiday
FY 2003 is 10 months actual and 2 months projected

Acton Rates in 1992
Ind 197.41
Family 434.42

* Extrapolated

ACTON/ACTON BOXBOROUGH REGIONAL TRUST
MEDEX 4 Year Rate to Cost Analysis

Fiscal Year	Plan Cost	Actual Rates	Generated Revenue	Variance	12 Month Revenue	Variance	12 Month Breakeven Rates	Generated Revenue	Variance	Premium Rates	Generated Revenue	Variance
2000	$313,937	$172.60	$265,804	-$48,133	$265,804	-$48,133	$203.86	$313,944	$7	$212.74	$327,620	$13,683
2001**	$390,091	$200.00	$321,000	-$69,091	$349,200	-$40,891	$223.40	$390,056	-$35	$236.72	$413,313	$23,222
2002	$471,066	$230.00	$475,410	$4,344	$475,410	$4,344	$230.00	$475,410	$4,344	$276.17	$570,843	$99,777
2003*	$531,132	$230.00	$422,740	-$108,392	$504,160	-$26,972	$242.19	$531,365	$233	$322.63	$707,850	$176,718
Totals	$1,706,226		$1,484,954	-$221,272	$1,594,574	-$111,652		$1,710,775	$4,549		$2,019,626	$313,400

*2 Month Holiday
**1 Month Holiday
FY 2003 is 10 months actual and 2 months projected

* Extrapolated

Acton Rate 1992
134.67