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Andover's Board of Selectmen closed out the discussion on this year's health insurance debate by reading a prepared two-page statement, co-written by Chairman Dan Kowalski and Assistant Town Manager Bucuzzo, according to the Andover Townsman.

Not surprisingly, this statement glosses over the serious issues with this year's health insurance process, does not hold the Town Manager accountable, and chalks it all up to lessons learned (at a taxpayer expense of hundreds of thousands of dollars).

The Board of Selectmen also do not take any responsibility for their failed leadership in demanding status updates on the health insurance process prior to Town Meeting.

[Download the Board of Selectmen's statement.](#)



Immediately after Chairman Kowalski read the statement, I (Bob Landry, [TownOfAndover.com](http://TownOfAndover.com) cofounder) tried to get the Town Manager to answer questions about the mismanaged process - the result of which will cost taxpayers hundreds of thousand of dollars.

Below is a link to the video recording of my questions, followed by the TownOfAndover.com transcription of the questions. If you have questions or comments about this transcript, [click here to send an email](#).

[Andover Board of Selectmen Meeting, June 2, 2014, transcription from 47:27 to 61:06 minutes.](#)

TownOfAndover.com transcription

**Bob Landry:** I had a little something to do with this health insurance. I would like to, before you close the door on it for the year, I'd like to clarify a few things.

**Chairman Kowalski:** And you are sir?

**Bob Landry:** Bob Landry

Thank you Mr. Chairman

I think we ended up with a terrible outcome and I think part of that was probably the process wasn't what it should have been, so I'd like to kind of revisit the process very quickly. A couple of quick questions.

We know now that Tufts Health Plan presented on March 25th, I would like to know when did we have the proposal from Tufts?



**Town Manager Stapczynski:** - I think it was um from memory - January, mid to late January

**Bob Landry:** We had the proposal mid to late January, but we didn't get together with the PEC until March 25th. I just want to be clear on the time line.

**Town Manager Stapczynski:** No. We had plenty - we had numerous PEC meetings and there was plenty of negotiation back and forth with updated claims data between our consultant, and Tufts, and MIIA.

**Bob Landry:** OK. OK.

**Town Manager Stapczynski:** We, over the course of the, um, last six months we probably had at least six if not seven or eight meetings. We were meeting every two weeks with the PEC. Bringing. Going back and forth with more updated information.

**Bob Landry:** OK. But there was a two-month gap from the time we got the Tufts proposal to the time we actually had Tufts come in and present to the PEC, right? I am just trying to get to the time line.

**Town Manager Stapczynski:** Yes. It's not that we weren't working with Tufts or with MIIA during that period of time, we were. There was quite a bit of back and forth, in terms of getting the latest claims data so that we could have the sharpest numbers possible.



**Bob Landry:** OK. OK. So just continuing then, March 25th, Tufts makes the presentation to the PEC. You mentioned at last week's Board of Selectmen meeting that on or about April 11th, you were expecting the PEC to deny the Tufts deal, but the Board of Selectmen weren't aware of that. um. Around April 16th, I sent a FOIA request asking for an update on this and I was kind of pushed off saying that we'll let you know as soon as the selectmen are informed. So I was kind of waiting for that to happen. That never happened.

In the end with this process, we ended up having five weeks after the Tufts presentation, April 29th, I believe was the date, is when the PEC committee denied the Tufts deal, which was I believe was just the day before you were obligated to notify MIIA of the renewal on April 30th, and um, just a few days before Town Meeting. So I guess from what I saw in the last selectmen's meeting last week, the MIIA agreement signed on April 30th was done so, and it seemed like some of the selectmen didn't even know that it was signed off on on April 30th, last week. So I guess my question is this - It has been now well-publicized Mr. Town Manager that you are on the MIIA Board of Trustees.

**Town Manager Stapczynski:** Not only am I on the MIIA Board of Trustees, I'm on three boards with MIIA, and the selectmen know that and it's been fully vetted in the press and I disclosed what needs to be disclosed publicly.

**Bob Landry:** Excellent. OK. Good. My question then is - Have you ever sent a written request to MIIA requesting that our response date on the renewal be put off until after Town Meeting? Why is the response date 60 days prior to July 1, which ended up being April 30th. You're in a position where you have to sign off on a renewal before this has been put before Town Meeting. And I raised this during Town Meeting as to - maybe I would like you to qualify your comments you made during Town Meeting - as to how you view the vote on the health insurance budget, perhaps other budget line items. Do you view that the budget has to be approved before you're signing off on these deals, because that's not what happened. So first question first, Have you ever asked MIIA, as a member of the Board of Trustees, or as a member quite frankly, in writing, to ask that they simply delay the notification date from April 30th until after Town Meeting has approved the health insurance budget.

**Town Manager Stapczynski:** The MIIA Trust agreement, or contract, if you

want to call it that, has a 60-day requirement prior to July 1. So that's May 1.

**Bob Landry:** I know that. I am asking have you ever asked in writing to have an extension of that - in light of Andover's Town Meeting held the first week of May to ask them to say, "Hey, our Town has our Town Meeting the first week of May, I should respect the will of the voters and put off the notification to you. Instead of 60 days notice, you are going to get 52 days notice." No harm. No foul. I'm just asking a simple question. Have you ever in writing asked MIIA to extend the date so that the answer could be given after Town Meeting has approved the budget?

**Town Manager Stapczynski:** Our consultant was instructed to contact MIIA and ask for that and he did and he was denied because of the 60-day requirement in the Trust agreement.

**Bob Landry:** I apologize. I am not asking our consultant, a vendor we pay, I'm asking if you as Town Manager, and also as a member of that Board of Trustees, did you ever make a personal appeal in writing to the other Trustees to ask for it? I gather the answer is no.

**Town Manager Stapczynski:** I'm telling you exactly what happened. We asked our consultant who is our agent, in this case, working with the two vendors to request an extension and it was denied.

**Bob Landry:** OK. Let's go back to your comment at Town Meeting then. This is just to revisit this process before we close the door. You made a comment when I was trying to make an amendment to the health insurance budget and you were challenging the appropriateness of that or whether it could be done. And you said something ... I asked why are we even voting on this if we can't amend it, and you said something to the effect, well this is just an appropriation. I guess I just need clarification on what do you view as the Town Meeting role, on let's say the health insurance budget, just to stay specific. Does it require Town Meeting approval before you move on or is it just a rubber-stamp appropriation? I guess I'm just not clear on what you said at Town Meeting.

**Town Manager Stapczynski:** I said that it is an appropriation vote, but the health insurance has been tested in the courts and there is case law and if insufficient funds are appropriated then the selectmen shall put the specific amount on the tax rate, as required by the tested law suits on this matter.

**Bob Landry:** OK.

**Town Manager Stapczynski:** There is history on that.

**Bob Landry:** Part of it, is my next point.

**Town Manager Stapczynski:** Well let me just explain what is - in part - I don't know - I haven't crawled into all of the law suits on this and why this has developed the way it has. But, in part, it has to do with, I think in the eighties, the health insurance costs were escalating at a rate that the law suits were coming and the requirements for towns' health insurance was deemed by the courts to be um um something you had to honor, a municipality had to honor. So there is some history to that particular ruling.

**Bob Landry:** OK. As you point out Chapter 32B, Section 3 is what you are referring to, that was brought up in the legal opinion. It's pretty clear that there was case history here and precedent that if a town does not appropriate the money there are certain remedies, correct? So there was really nothing to worry about. If the amendment had passed, there was a certain remedy as outlined in that opinion. So I guess that leads to my next question as to you injected that legal opinion prior to a vote at Town Meeting - a political process. And I guess I would ask you 1) If you had the chance to do it again, do you have any regret doing that or would you do it again? Do you still feel it is appropriate? Prior to the vote. Not post vote. Prior to the vote. Was



it still an appropriate move or should you have reserved that opinion for after the vote was taken, as advisory to the Board of Selectmen as to then how to handle it?

**Town Manager Stapczynski:** I don't know how to comment. I know. I'm Town Manager.. I work in best interest of the Town.

**Bob Landry:** I'm just simply asking if you would do it again. That's all.

**Chairman Kowalski:** I don't want to speculate you know, you turn the clock back..

**Bob Landry:** I'm just asking the Town Manager if he had the chance to do it again, in light of what we know, would he do it again. That's all.

**Chairman Kowalski:** I wouldn't think that that's appropriate for the Town Manager to try and figure out if he would do things differently. I mean I think people understand from this Board, you know I used the word "disappointed" a couple of times in this statement. You know this Board I can say is disappointed that we got to the point that we learned about it on the 28th.



**Bob Landry:** OK.

**Selectman Salafia:** We have also asked him to accelerate the process in the future. You learn as you go along here.

**Bob Landry:** OK. A pretty expensive learning curve here, but if I could continue I'll be brief.

**Chairman Kowalski:** A couple of minutes if you don't mind

**Bob Landry:** A couple of minutes is fine. Since your Town Counsel brought it up, how much did you spend on the opinion that was introduced at the health amendment vote? The Town Counsel said a lot of money was spent. How much taxpayer money was spent for that legal opinion?

**Town Manager Stapczynski:** When the bill comes in for April, I will let you know.

**Chairman Kowalski:** Lawyers always make a lot of money. (*chuckles*)

**Town Manager Stapczynski:** We get billed monthly, so I haven't seen

**Bob Landry:** The Town Counsel said you spent a lot of money on this opinion as his justification for reading it and you don't know the cost of it?

**Town Manager Stapczynski:** You'll have to ask him what he meant by that statement. But I will know when the bill comes in.



**Bob Landry:** OK. OK. Moving in to post Town Meeting. A lot was made of this second-year so-called rate guarantee. OK. If you read the MIIA Trust Agreement, how it was signed, there is no - as far as I know - no dollar or percentage rate cap for the second year from Blue Cross, correct? So please tell me, the way it is worded, and I'll read it if I could just for a second here..."If second year integrated health care management proposal is accepted, FY16 renewal increase will be no more than the average of the trust. What does that mean? What is the historical average rate increase of the trust that this would refer to?

**Town Manager Stapczynski:** First of all, I'm committed to an annual renewal, so we are not going with two year and the rate cap.

**Bob Landry:** I'm sorry Buzz. We have limited time. I just asked some very direct questions.

**Town Manager Stapczynski:** And I'm giving you a very direct answer.

**Bob Landry:** It's going to be no more than the average of the trust, so it begs the question, what kind of guarantee is it? What has been the average of the trust over the last 1, 3, 5, 10 years?

**Selectman Major:** But the Town Manager is telling you, we have decided not to go with the 2-year program. So we are going to go back for bid. Go back out for bid.

**Bob Landry:** It doesn't matter. The justification in the argument by those who said we should stick with Blue Cross, said Tufts doesn't give us any protection in year two. Blue Cross does. What I would like to know is what was that protection? What exactly was that protection. It says right in here - no more than the average of the trust. I would

like it to be explained - what is that?

**Town Manager Stapczynski:** The average of the trust wouldn't be known until next December or January.

**Bob Landry:** What is the historical average of the trust? Of course, we don't know the average of next year. I'm talking about historically. What is the one, three, five, ten-year average of the MIIA trust?

**Town Manager Stapczynski:** I'm not prepared to answer - I don't know off the top of my head

**Chairman Kowalski:** I think the point is that we know we want to go out to bid every year because we want to put health insurance providers up against each other. So we can try and drive down the costs. So even though there is a reference in the contract to the average of the trust, that doesn't apply to us. Because we chose not to go to a two-year contract and we're going to put it out to bid and it's going to happen earlier next time.



**Bob Landry:** Last time we had a two-year deal with MIIA just so you know, the second year

**Chairman Kowalski:** if you don't mind one more minute.

**Bob Landry:** The second year - the first year was 6.2, the second year was 11.5. That was in 2012. Just so you know what that second year rate guarantee calls for.

I guess the last thing is was in your statement [the joint statement Chairman Kowalski read from the Board of Selectmen] that you said ..

there was some concern about the possible penalties for breaking the MIIA trust late or what exactly was that and

**Chairman Kowalski:** Well if you look through that contract there is specific terms in that contract that I don't want to quote off the top of my head, but - you know - there is always an opportunity to renegotiate a contract when both parties wish to renegotiate. If both parties don't wish to renegotiate and you want to break that contract, there could certainly be financial implications for the party that

wants to break the contract. You can take a look through the contract. You know I don't want to quote the contract because I don't know specifically what it said, but there could have been some significant financial impact base upon...

**Bob Landry:** Before the PEC meeting, did you get legal opinion as to what that penalty might have been?

**Chairman Kowalski:** I spoke with Town Counsel on it.

**Bob Landry:** Did we get opinion as to what the penalties might be?

**Chairman Kowalski:** You can read the agreement Bob. I mean there's one

**Bob Landry:** So we didn't get

**Chairman Kowalski:** No, I spoke with Town Counsel. I spoke with Town Counsel about possible ways that we could look to break that agreement. So um I was exploring multiple options for the Town of Andover and the Town Manager wasn't even privy to those discussions. So um there's financial implications for breaking any contract when you sign a contract. Take a look through it. There's legal fees. There's financial implications. Um Mass General Law requires us to notify our employees 60 days in advance. So we would have started with MIIA. It's simple as that. You know we would have started and we would have had to switch again. So it would have been pretty complex.

**Bob Landry:** OK. Thank you for the time.