

**9.B. 25/26-41: Consideration/possible action: Selection of health insurance program
FY 27**

Town Council Action Requested: Town Council will review potential health insurance plans for Town staff and will consider which plan is best to replace the ECHIP plan that will expire on June 30, 2026.

Purpose: The Town's consultant (USI) has sought quotes for the Town (including the BOE) to remain self-insured without the other four towns currently in the Eastern Connecticut Health Insurance Program (ECHIP). They have quotes from three major insurance carriers (Cigna, Anthem, and United Health Care), and they have additionally explored the Town joining in with the State's health Insurance Plan. The Town will review options and determine which is the best for the Town.

History: The Town (including the BOE) currently is part of a cooperative with four other towns known as Eastern Connecticut Health Insurance Program (ECHIP). The current insurance carrier is Cigna. The Town of Putnam and the Town of Coventry have proposed leaving the pool to seek better rates. The Board of Directors has decided that if one member leaves, then ECHIP will dissolve as a group. A separation agreement is being prepared. The Town received a presentation from USI on the health insurance program options at a joint Town Council-Board of Education meeting on February 10th. Town Council requested more information be given from USI. That information has not yet been received.

Facts about the issue: USI will supply the additional information requested by town Council prior to the Town Council Finance Committee Tuesday meeting so that it can be reviewed.

Funding Information: The Town would have significant savings by choosing an alternative to the current ECHIP plan.

Finance Committee's Recommendation: The Committee is meeting just prior to this meeting and may have a recommendation to share with Town Council based on the new information requested at the February 10th Joint Town Council-BOE meeting.

Town Manager Comments: Changing the health insurance program to anything other than the Cigna program, will require union negotiations for the Town and the BOE. Cigna is the lowest cost self-insured plan being proposed. The State health insurance program, though it provides a higher level benefit, would not return unused reserve funds to the Town for future year's claims and would not allow for Town control of discounting rates due to savings and a year with low claims.

Town Manager's Recommendation: None at this time, final recommendation is pending further information from USI.