

Pursuant to Chapter 30A of the Massachusetts General Laws, you are hereby notified of the following meeting:

**OLD ROCHESTER REGIONAL SCHOOL COMMITTEE MEETING
OLD ROCHESTER REGIONAL SCHOOL DISTRICT
133 Marion Road
Mattapoisett, Massachusetts**

January 28, 2026 at 5:30 p.m.

ZOOM LINK:

<https://oldrochester-org.zoom.us/j/95561881344?pwd=OxKszymWvS8ZMw4qrs4PR5MgaDhcal.1>

Meeting ID: 955 6188 1344

Passcode: 798324

This meeting will be conducted in a hybrid format. School Committee, administration and the public will have the option of meeting in person in the Media Center at Old Rochester Regional Junior High School located at 133 Marion Road, Mattapoisett, MA 02739 or via zoom. Supporting documentation for agenda items can be found on the School Committee webpage: <https://www.oldrochester.org/district/sc>.

I. Meeting to Order

II. Executive Session (VOTE)

That the School Committee enter into executive session for purposes of exception #3, to discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair so declares, and exception #7, to comply with the provisions of any general or special law or federal grant-in-aid requirements.

III. General

a. Gateway Health Group Update

That the School Committee hear an update from administration.

b. Withdrawal from the Massachusetts Strategic Health Group (MSHG) (VOTE)

That the School Committee discuss withdrawal from the MSHG.

c. Appointment of Special Legal Counsel (VOTE)

That the School Committee discuss the appointment of special legal counsel.

IV. Public Comment

Public comment is governed by approved school committee policy.

V. Adjournment (VOTE)

The list of agenda items are those reasonably anticipated by the Chair to be discussed at the meeting. If you need more information or reasonable accommodations for this meeting, please contact the Superintendent's Office at 508-758-2772 ext. 1956. Meeting resources, minutes and recordings are available on the School Committee webpage: <https://www.oldrochester.org/district/sc>



Old Rochester Regional School District
Massachusetts Superintendency Union 55

Memo

To: School Committee Members of Old Rochester Regional School District

From: Howard G. Barber, Assistant Superintendent of Finance & Operations

Cc: Michael S. Nelson, Superintendent of Schools

Date: January 28, 2026

Re: Motion – MSHG Withdrawal

Motion:

Motion for the Old Rochester Regional School District to withdraw from the Massachusetts Strategic Health Group Agreement (MSHG) effective July 1, 2026.

Old Rochester Regional School District

Health Insurance Alternative Project Review and Updates

January 28/30, 2026



Project Overview

- Old Rochester Regional School District (ORRSD) participates in the Gateway Health Group (GHG) for its active and non-Medicare retirees
- Old Rochester Regional School District participates in the Massachusetts Strategic Health Group (MSHG) for its active Medicare retirees
- Both the GHG and MSHG have experienced both instability with member units leaving the groups, as well as financial losses
- This uncertainty has created a need to review alternatives for ORRSD's employees and retirees for FY27 (July 1, 2026)

Project Overview

- Due to the instability and uncertainty of the Gateway Health Group continuing, ORRSD asked us to investigate alternatives
- In performing the alternative analysis, data is required from Gateway (and the underlying carriers through their consultant) as well as from the District
- There are several external factors (e.g., legislation, pharmacy costs, provider contracts, and healthcare inflation) that are creating a health insurance market that is both more conservative and higher cost than in previous years
- Data/data integrity and timing are critical for this project and the underlying analysis required for an unqualified recommendation to be made

Proposed Timeline

- November 12th – Project Start Notification Date
- November 12th – Data Requests Sent to ORRSD and Gateway (NFP)
- December 5th – Proposed Due Date for Data Receipt (All) [12/11 actual]
- December 8th – December 19th – Data Analysis and Alternative Evaluation
- December 22nd – ORRSD IAC Meeting to Review Initial Results
- January 30th – ORRSD IAC Meeting to Review Final Results
- February 1st – Notification of vote to withdraw from the MSHG
- April 1st – Notification of vote to withdraw from the GHG

Alternatives

- Blue Cross and Blue Shield of MA (fully insured) [DECLINED TO QUOTE]
- Harvard Pilgrim Health Care (fully insured) [DECLINED TO QUOTE]
- Massachusetts General Brigham Health Plan (fully insured) [DECLINED TO QUOTE]
- Massachusetts Interlocal Insurance Association Plan (MIIA)
 - Not providing quotes for new members for FY27
- Mayflower Municipal Health Group (MMHG)
 - Independent analysis and initial buy in fee estimate

Alternatives

- Southeastern Massachusetts Health Group (SMHG)
 - [DECLINED, APPEALED THEIR DECISION, BUT EXPECT THEIR POSITION TO REMAIN THE SAME] (no buy in fee)
- Cape Cod Municipal Health Group (CCMHG)
 - Not entertaining new member units for FY27
- Group Insurance Commission (GIC) [Conducted a Pro Forma Analysis Only]
 - A December 1st notification date w/Agreement was required

Other Considerations

- Impact on employees, dependents, and retirees
 - Out of pocket costs
 - Provider networks/prescription drug coverage
- Gateway deficit at withdrawal, and additional run out claim liability
- Ease of implementation of new carrier/plans/arrangements
- Additional benefits – dental, etc. currently received through Gateway
- Purchasing group deadlines and procedures for joining (variable)
- Need for MSHG withdrawal (Medicare Plan) notice on/before February 1st
- Need for GHG withdrawal notice on/before April 1st

Next Steps

- Notify Massachusetts Strategic Health Group (MSHG) of the vote to withdraw effective 7/1/26 on/before February 1st
- Meet with Mayflower Municipal Health Group (MMHG) to review buy-in amount and payment options, as well as administrative requirements
 - Initial approval to move forward received at 1/20 Steering Committee meeting
 - Meeting with MMHG and Administration is scheduled for 2/3
 - MMHG rates and plans [designs] finalized on 3/11 (Board Meeting)
 - New groups are also voted in at the 3/11 Board Meeting
- Notify Gateway Health Group (GHG) of the vote to withdraw effective 7/1/26 on/before April 1st
- Conduct open enrollment for 7/1/26 (April/May)
 - Employee/retiree education sessions

Questions and Answers



Old Rochester Regional School District
Massachusetts Superintendency Union 55

Memo

To: School Committee Members of Old Rochester Regional School District

From: Michael S. Nelson, Superintendent of Schools

Date: January 28, 2026

Re: Motion – Special Legal Counsel

Motion:

Motion for the Old Rochester Regional School District to appoint The Wagner Law Group as special legal counsel to evaluate the administration of the Gateway Health Trust and actions of its third party health insurance broker with associated expenditures not to exceed \$20,000.



Gateway Health Group

Board Meeting

January 20, 2025

Agenda

1. Trust Balance and Unpaid Invoices
2. Potential liability
3. Monthly claims
4. Appendix

Trust Balances & Unpaid Invoices

FY '26 Actual Gateway Health Trust Fund Balances

I. REVENUE	July	August	September	October	November	December	January	
Working Rates + Retiree Premiums + Dental	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
II. Beginning balance	\$ 277,538.07	\$217,901.49	\$76,882.91	\$31,058.88	\$17,582.47	\$3,486.67	\$255,302.65	
Carver Deposit (working rates/premium)	\$ 182,084.35	\$ 611,522.30	\$ 159,536.47	\$ 620,128.46	\$ 609,068.45	\$ 625,332.80	\$ 690,824.50	
Carver Additional Employer Premium	\$ -	\$ 461,175.94				\$ 471,620.00	\$ 1,033,418.62	
Carver Total								
ORRS Deposit (working rates/premium)	\$ 701,114.13		\$ 242,299.66		\$ 340,329.36	\$ 339,991.17	\$ 132,017.00	
ORRS Additional Employer Premium	\$ 453,128.22					\$ 917,324.32		
ORRS Total								
Lakeville Deposit (working rates/premium)	\$ 41,210.56	\$ 148,954.83	\$ 149,270.61	\$ 149,272.61	\$ 143,781.35	\$ 148,353.89	\$ 148,353.89	
Lakeville Additional Employer Premium	\$ -	\$ 107,372.22				\$ 105,959.15	\$ 211,918.30	
Lakeville Total								
PBM Rebates	\$ 8,312.95	\$ 14,305.96	\$ 21,026.00	\$ 53,077.92		\$ 253,776.01		
Stop-Loss Reimbursements	\$ 341,491.33			\$ 6,521.28		\$ 138,465.35		
TOTAL AVAILABLE MONTHLY REVENUE	\$ 2,004,879.61	\$ 1,561,232.74	\$ 649,015.65	\$ 860,059.15	\$ 1,110,761.63	\$ 3,004,309.36	\$ 2,471,834.96	
II. EXPENSE								
Medical Claims - Carver	\$ 607,166.40	\$ 770,417.78	\$ 54,099.83	\$ 224,985.18	\$ 401,875.50	\$ 1,120,542.76	\$ 1,144,814.00	
Medical Claims - ORRS	\$ 245,658.36	\$ 213,713.55	\$ 142,945.11	\$ 91,581.15	\$ 199,434.14	\$ 617,647.52	\$ 244,169.28	
Medical Claims - Lakeville	\$ 146,983.33	\$ 129,344.61	\$ 50,953.48	\$ 132,784.71	\$ 158,134.73	\$ 297,631.63	\$ 171,972.95	
Stop-Loss Ins. Premiums		\$ 121,016.52	\$ 260,219.46	\$ 143,088.58		\$ 176,030.03	\$ 283,215.24	
ASO Fees (HPI)		\$ 17,172.00						
Lakeville Blue Medicare Rx								
CVS Caremark	\$ 754,133.45		\$ 108,584.56	\$ 239,789.12	\$ 112,875.99	\$ 280,925.37	\$ 388,067.65	
ImpaxRX	\$ 27,465.00			\$ 9,155.00		\$ 22,569.00		
Mass. Strategic Health Group (Aetna)		\$ 231,623.35			\$ 233,983.69	\$ 233,012.91	\$ 192,065.61	
Special Counsel								
Treasurer PO Box					\$ 122.00			
JPA Treasurer	\$ 2,336.03	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
U.S. Treasury -PCORI	\$ 3,661.14							
Transfer from Money Market	\$ -							
Total Expenses	\$ 1,787,403.71	\$ 1,484,787.81	\$ 618,302.44	\$ 842,883.74	\$ 1,107,926.05	\$ 2,749,859.22	\$ 2,425,804.73	
Trust Monthly Deposits vs. Expense	\$ 217,475.90	\$ 76,444.93	\$ 30,713.21	\$ 17,175.41	\$ 2,835.58	\$ 254,450.14	\$ 46,030.23	
Money Market Balance	\$ -							
Interest	\$ 425.59	\$ 437.98	\$ 345.67	\$ 407.06	651.09	\$ 852.51		
Total Trust Fund Balance	\$ 217,901.49	\$ 76,882.91	\$ 31,058.88	\$ 17,582.47	\$ 3,486.67	\$ 255,302.65		

ORR - July & August premiums + employer share Sept. & Oct

Carver - Employee share

Lakeville January Employer

Carver and Lakeville - Sept. employer share paid in August

ORR Jan. Feb. March & April Employer

ORR employee and some employer in error

Carver January Employer

Carver - 2 mths employer @ \$516,709.31 each

ORR - employee share only

Lakeville - 2 mths employer share

January 2026 Warrant

GATEWAY HEALTH GROUP
ACCOUNTS PAYABLE – TREASURY
 January Warrant – Final - Pending

Blue Cross Blue Shield ¹	electronic	HPI ²	electronic	\$1,560,956.23
		HPI ³	electronic	\$144,007.42
		HPI ⁴	electronic	\$139,207.82
		CVS Caremark ⁵	electronic	\$137,049.71
		CVS Caremark ⁶	electronic	\$136,173.52
		CVS Caremark ⁷	electronic	\$114,844.42
Mass Strategic Health Group ⁸	check #2615	\$192,065.61		
	Treasurer ⁹	check #2616	\$1,500.00	

To the Chairman and Vice Chairman of the Gateway Health Group
 Pay to each of the vendors named in the above warrant, the sums set against their
 respective names, amounting: \$2,425,804.73

1/15/26

¹ FY25 –

² Claims funding - Carver \$1,144,814.00, Lakeville \$171,972.95, ORR \$244,169.28

³ Stop Loss and Admin. – Carver \$78,679.56 Lakeville \$21,854.92, ORR \$43,472.94 – December 2025

⁴ Stop Loss and Admin – Carver \$76,458.85, Lakeville \$19,970.21, ORR \$42,778.76 – January 2026

⁵ Invoice #54572152 – period covered 10/16/25 – 10/31/25

⁶ Invoice #54586130 – period covered 11/1/25 – 11/15/25

⁷ Invoice #54596868 – period covered 11/16/25 – 11/30/25

⁸ Aetna – January 2026 invoice – Carver \$138,796.71, ORR \$53,268.90

⁹ Monthly payment for administrative services

Gateway - Actual Unpaid as of 1/15/26

Actual & Projected Current Invoices			
Vendor	Purpose	Actual Unpaid as of 1/15/26	Projected due by Feb. 1, 2026
BCBS	FY '24 run-out claims		
HPI - Carver	FY '25 medical claims	\$ 730,485.71	\$ 400,000.00
HPI - Carver Over Spec Amounts			
HPI - ORRS	FY '25 medical claims	\$ 491,372.80	\$ 300,000.00
HPI - ORRS Over Spec Amounts			
HPI - Lakeville	FY '25 medical claims	\$ 36,514.43	\$ 75,000.00
HPI - Lakeville Over Spec Amounts			
HPI - Carver	Admin. & Stop-Loss - February		\$ 80,298.82
HPI - ORRS	Admin. & Stop-Loss - February		\$ 40,789.32
HPI - Lakeville	Admin. & Stop-Loss - February		\$ 22,046.01
CVS Caremark	FY '26 Rx claims - 10/16/25 0 10/31/25	\$ 912.70	
CVS Caremark	FY '26 Rx claims - 11/1/25 - 11/15/25	\$ 23.50	
CVS Caremark	FY '26 Rx claims - 11/16 - 11/30/25		
CVS Caremark	FY '26 Rx claims - 12/1/15 - 12/16/25		
CVS Caremark	FY '26 Rx claims - 12/16/25 - 12/31/25	\$ 144,226.31	
CVS Caremark	FY '26 Rx claims - 12/31/25 - 1/12/26	\$ 163,709.77	
CVS Caremark	FY '26 Rx claims through Jan. 31st		\$ 300,000.00
ImpaxRx	December '25	\$ 4,259.00	
ImpaxRx	January '26	\$ 4,259.00	
MSHG/Aetna	Retiree Health Insurance Dec. Carver		
MSHG/Aetna	Retiree Health Insurance Dec. ORRS		
MSHG/Aetna	Retiree Health Insurance Jan. Carver	\$ 135,425.13	
MSHG/Aetna	Retiree Health Insurance Jan. ORRS	\$ 51,359.37	
Seder & Chandler	Legal Invoice for Services	\$ 1,171.00	
Treasurer	January	\$ 1,500.00	\$ -
		\$ 1,765,218.72	\$1,218,134.15
		Total Est. Due 2/1/26	\$2,983,352.87

Projected Trust Deficit 6/30/26

- As of 6/30/25 the trust deficit was **\$1.1M**
- Current outstanding unpaid group active plan **\$1.57M (see prior slide)**.
- Below does not make any assumption about additional premiums paid by Trust members. Assumes paid as billed each month.
- Disclaimer- For planning purposes only. An auditing or accounting firm may have alternative findings.

	6 Month Incurred Average		Jan-June 26		
Medical ¹	\$	774,418	\$	4,259,298	5.5 Months
Pharmacy ^{1 2}	\$	288,363	\$	1,730,178	6 Months
ASO/Stop Loss	\$	144,007	\$	720,035	5 Months
Total	\$	1,206,788	\$	6,709,511	

	Monthly		Jan-June 26		
Gateway Premium	\$	1,113,678	\$	5,568,389	5 Months
Aetna	\$	(233,012)	\$	(1,398,072)	6 Months
Treasurer	\$	(1,500)	\$	(9,000)	5 Months
Total	\$	879,166	\$	4,161,317	

Projected Rebates	Quarterly Proj.		Jan-June 26		
Pharmacy ³	\$	(250,000)	\$	(500,000)	2 Quarters

Total	\$	3,048,194
As of Jan 15 Unpaid Liability	\$	1,578,434
Total as of June 30 2026	\$	4,626,628

Notes:

1. Average incurred claims thru November Medical; December 2025 Rx
2. Includes ImpaxRx \$4.25k per month
3. Two Quarterly Rebates payments expected in March & June of \$250k Each. Final payment expected in October \$250k
4. Does not include Aetna Medicare Premiums in the Deficit
5. Disclaimer for planning purposes only. An auditing or accounting firm may have alternative findings.
6. At this time projection not include stop loss reimbursements prior to June 30, 2026. Likely reimbursements after June 30th. Though monitoring monthly.
7. Assumes that premiums are paid monthly by the Gateway Groups.
8. \$ 1.1M was the starting deficit for FY 26

Monthly Claims



GHG Total Paid Claims

MEDICAL & RX CLAIMS ALL PLANS												
	IND	FAM	TOTAL	MEMBERS	RUN-IN					CLAIMS		
					PAID PREMIUM	ADJUSTED PREMIUM	MEDICAL & RX CLAIMS	MEDICAL CLAIMS	RX CLAIMS	TOTAL CLAIMS	CLAIM RATIO	CLAIMS COST PMPM
1/1/2024	171	284	455	1,146	912,518	1,069,939	1,523,007	0	0	\$1,523,007	142.35%	\$1,328.98
2/1/2024	172	285	457	1,152	916,301	1,074,375	1,111,757	0	0	\$1,111,757	103.48%	\$965.07
3/1/2024	173	284	457	1,144	914,273	1,071,997	993,516	0	0	\$993,516	92.68%	\$868.46
4/1/2024	174	282	456	1,139	910,235	1,067,262	955,281	0	0	\$955,281	89.51%	\$838.70
5/1/2024	175	283	458	1,142	913,358	1,070,924	985,358	0	0	\$985,358	92.01%	\$862.84
6/1/2024	174	286	460	1,145	919,874	1,078,564	913,165	0	0	\$913,165	84.66%	\$797.52
7/1/2024	174	284	458	1,138	934,903	1,072,023	919,828	0	121,838	\$1,041,666	97.17%	\$915.35
8/1/2024	181	292	473	1,151	1,016,927	1,108,450	235,830	0	347,919	\$583,749	52.66%	\$507.17
9/1/2024	183	284	467	1,146	994,061	1,083,526	86,133	465,726	291,607	\$843,466	77.84%	\$736.01
10/1/2024	188	283	471	1,143	995,730	1,085,345	62,897	290,810	309,123	\$662,830	61.07%	\$579.90
11/1/2024	190	281	471	1,135	992,147	1,081,440	-183,614	518,105	258,258	\$592,749	54.81%	\$522.25
12/1/2024	191	279	470	1,131	987,592	1,076,475	11,966	615,839	214,561	\$842,366	78.25%	\$744.80
1/1/2025	191	280	471	1,131	990,786	1,079,956	18,191	903,618	271,325	\$1,193,134	110.48%	\$1,054.94
2/1/2025	192	278	470	1,130	986,268	1,075,031	10,008	483,063	242,985	\$736,056	68.47%	\$651.38
3/1/2025	193	276	469	1,124	981,591	1,069,934	15,101	1,315,407	249,028	\$1,579,536	147.63%	\$1,405.28
4/1/2025	189	276	465	1,118	975,649	1,063,457	0	632,571	261,761	\$894,332	84.10%	\$799.94
5/1/2025	182	273	455	1,106	959,995	1,046,394	2,449	687,924	278,536	\$968,909	92.60%	\$876.05
6/1/2025	182	272	454	1,104	957,330	1,043,489	9,562	529,221	320,115	\$858,898	82.31%	\$777.99
7/1/2025	184	270	454	1,098	977,717	1,039,431	30,337	876,787	341,896	\$1,249,020	120.16%	\$1,137.54
8/1/2025	177	266	443	1,078	1,018,983	1,018,983	10,467	1,084,418	412,038	\$1,506,923	147.88%	\$1,397.89
9/1/2025	172	266	438	1,080	1,012,676	1,012,676	0	246,923	263,553	\$510,476	50.41%	\$472.66
10/1/2025	180	265	445	1,077	1,018,744	1,018,744	0	444,901	243,072	\$687,973	67.53%	\$638.79
11/1/2025	178	264	442	1,079	1,015,659	1,015,659	0	499,184	216,524	\$715,708	70.47%	\$663.31
12/1/2025	180	263	443	1,077	1,014,702	1,014,702	0	2,011,484	227,529	\$2,239,013	220.66%	\$2,078.94
Prior 12	2,146	3,407	5,553	13,712	\$11,407,920	\$12,940,318	\$7,615,124	\$1,890,480	\$1,543,306	\$11,048,910	85.38%	\$805.78
Current 12	2,200	3,249	5,449	13,202	\$11,910,100	\$12,498,455	\$96,115	\$9,715,501	\$3,328,362	\$13,139,978	105.13%	\$995.30
											23.13%	23.52%

- Claims increase 23% over the current vs prior 12 months.
- “Paid” medical claims represent the amount paid by Gateway to cover batches within a specific month. Months could be short pay or larger payments to cover prior month shortfalls.
- Gateway has \$1.56M in medical claims currently outstanding. Included in this chart back to their incurred date.
- Does not include reimbursements for stop loss or pharmacy rebates.

High Cost Claims Rolling Basis

HIGH COST CLAIMANTS PAID 01/01/24 - 12/31/24

					175000
CONTRACT	GROUP		TOTAL PD		OVER DED.
Subscriber	Carver		\$445,955		\$270,955
Subscriber	Carver		\$298,928		\$123,928
Spouse	Carver		\$260,338		\$85,338
Spouse	Carver		\$225,142		\$50,142
Subscriber	Carver		\$194,351		\$19,351
Subscriber	Carver		\$194,351		\$19,351
Subscriber	Carver		\$189,966		\$14,966
Spouse	ORRSD		\$282,846		\$107,846
Spouse	ORRSD		\$249,703		\$74,703
TOTALS			\$2,341,580		\$766,580

PAID 01/01/25 - 12/31/25

					175000
CONTRACT	GROUP		TOTAL PD		OVER DED.
Spouse	Carver		\$393,376		\$218,376
Self	Carver		\$265,324		\$90,324
Child	Carver		\$177,159		\$2,159
Child	Carver		\$176,792		\$1,792
Spouse	ORRSD		\$196,905		\$21,905
TOTALS			\$1,209,556		\$334,556

- “Paid” medical claims on a monthly rolling
- Current Contract period no claims above the \$175k stop loss level.

GHG High Cost Claims Plan Year Basis

Incurred 7/1/2025 to 12/31/2025

Paid 7/1/2025 to 12/31/2025

HCC \$50k +

Claimant	Relation	Entity	Paid	Individual Spec Level	Amount from Spec Level
Claimant #1	Child	Carver	\$ 113,424	\$ 175,000	\$ (61,576)
Claimant #2	Spouse	Carver	\$ 100,408	\$ 175,000	\$ (74,592)
Claimant #3	Self	Carver	\$ 86,466	\$ 175,000	\$ (88,534)
Claimant #4	Child	ORR	\$ 78,266	\$ 175,000	\$ (96,734)
Claimant #5	Child	Carver	\$ 67,435	\$ 175,000	\$ (107,565)
Claimant #6	Self	Carver	\$ 61,838	\$ 175,000	\$ (113,162)
Claimant #7	Self	Carver	\$ 61,793	\$ 175,000	\$ (113,207)
Claimant #8	Self	Carver	\$ 55,691	\$ 175,000	\$ (119,309)
Claimant #9	Spouse	Lakeville	\$ 52,082	\$ 175,000	\$ (122,918)
Claimant #10	Spouse	Carver	\$ 50,447	\$ 175,000	\$ (124,553)
Total:			\$ 597,501		

*No Reimbursements to date

HPI Medical Only

Reimbursements*	\$ -
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Incurred 7/1/2024 to 06/30/2025

Paid 7/1/2024 to 12/31/2025

HCC 50% of \$175 Spec Level

Claimant	Relation	Entity	Paid	Individual Spec Level	Amount from Spec Level
Claimant #1	Spouse	Carver	\$ 548,452	\$ 175,000	\$ 373,452
Claimant #2	Self	Carver	\$ 262,194	\$ 175,000	\$ 87,194
Claimant #3	Spouse	Carver	\$ 198,468	\$ 175,000	\$ 23,468
Claimant #4	Spouse	ORR	\$ 197,808	\$ 175,000	\$ 22,808
Claimant #5	Child	Carver	\$ 176,881	\$ 175,000	\$ 1,881
Claimant #6	Child	Carver	\$ 167,690	\$ 175,000	\$ (7,310)
Claimant #7	Spouse	Carver	\$ 154,673	\$ 175,000	\$ (20,327)
Claimant #8	Spouse	ORR	\$ 144,167	\$ 175,000	\$ (30,833)
Claimant #9	Spouse	Carver	\$ 137,657	\$ 175,000	\$ (37,343)
Claimant #10	Self	Carver	\$ 133,905	\$ 175,000	\$ (41,095)
Claimant #11	Spouse	Carver	\$ 132,852	\$ 175,000	\$ (42,148)
Claimant #12	Child	Carver	\$ 115,579	\$ 175,000	\$ (59,421)
Claimant #13	Self	ORR	\$ 102,719	\$ 175,000	\$ (72,281)
Claimant #14	Spouse	Carver	\$ 97,630	\$ 175,000	\$ (77,370)
Claimant #15	Self	Carver	\$ 95,490	\$ 175,000	\$ (79,510)
Claimant #16	Spouse	ORR	\$ 95,474	\$ 175,000	\$ (79,526)
Claimant #17	Self	Lakeville	\$ 98,053	\$ 175,000	\$ (76,947)
Claimant #18	Child	ORR	\$ 94,232	\$ 175,000	\$ (80,768)
Claimant #19	Child	Lakeville	\$ 91,963	\$ 175,000	\$ (83,037)
Claimant #20	Child	Lakeville	\$ 88,335	\$ 175,000	\$ (86,665)
Total:			\$ 3,134,220		
Reimbursements*			\$ 508,802		

*Reimbursements being finalized by Sunlife/HPI

HPI Medical Only

- “Paid” on a plan year basis.
- Current Contract period no claims above the \$175k stop loss level to date. Though monitoring on a monthly basis.

GHG Rate Projection 7/1/26

Medical Projection	Combined HMO / PPO	
	Paid 1/01/24-12/31/24	Paid 1/01/25-12/31/25
	Medical	Medical
Number of months in rating period	12	12
Paid Claims (includes unreimbursed claims)	\$11,048,910	\$13,139,978
Amount over Specific of \$175,000	<u>-\$766,580</u>	<u>-\$334,556</u>
NET Paid Claims	\$10,282,330	\$12,805,422
IBNR	\$0	\$0
Net Adjusted Claims	\$10,282,330	\$12,805,422
Unfunded Claims (December 2025)	\$0	<u>\$1,476,524</u>
Final Adjusted Claims	\$10,282,330	\$14,281,946
Average Member Enrollment	<u>1,143</u>	<u>1,100</u>
Paid Claims PMPM	\$749.88	\$969.96
Annual Trend	9.00%	9.00%
Months of Trend Prospective Only	30	18.0
Effective /Compounded Trend	1.2250	1.1350
Plan Design Adjustment	1	1
RX Rebate Adjustment Adjustment	1	-\$66.40
COVID-19 Adjustment	1	1
Projected PMPY Claims	\$918.60	\$1,167.31
Current Member Enrollment at 12/01/25	1,077	1,077
Projected Annual Claims	\$11,871,997	\$15,086,256
Weighting	33.00%	67.00%
Weighted Projected Annual Claims	\$14,025,550	
Manually Rated Claims (not calculated but may be a factor)	\$0	
Weighting between Projected and Manual 100%/0%	100%	
Capitation/Member Based Charges	INCLUDED IN WEIGHTED PROJECTED CLAIMS	
Existing Deficit	\$0	
Total Projected Annual Claims	\$14,025,550	
Administration Fee Current \$40.50	\$219,604	
Reinsurance Premium (\$146.59/IND+\$377.86/FAM)	\$1,735,535	
Total Fixed Costs	\$1,955,139	
Total Projected Annual Premium Required	\$15,980,689	
Current Premium as of 12/01/25	\$12,176,429	
Necessary Rate Increase	31.24%	
Expected Change in Deficit as of 06/30/26		

- Rate indication only, does not include projected deficit consideration.
- Based on claims and premiums thru December 2025.

All calculations above are based upon current estimated fixed costs and as such may not be representative of costs associated with Members going alone or merging with smaller group than current.

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, or managed care savings, etc. There are many variables impacting projected health care costs such as catastrophic claims, health care trend, plan design, utilization patterns, etc. This analysis does not amend, extend, or alter the provisions of the actual insurance carrier contract(s).

Appendix



Municipal Insurance Landscape Commentary

- Rising medical service utilization, elevated hospital prices, post-pandemic care rebound, sector-wide inflation, and increased utilization have collectively contributed to increases in spend.
- 2024: BCBS \$400M & HPHC \$200M Operating Loss
 - Fully insured plans are scaling back access and choice to GLP 1 for weight loss in 2026
 - Network
 - Restrictive payment increases on network providers &
 - Network negotiation uncertainly (ex UMass and Beth Israel Lahey)
 - Tighter prescription formulary controls
- Group Insurance Commission (GIC)
 - FY26 Budget Impact from GLP 1 Coverage
 - Governor vetoed \$27.5 M and proposed mid year elimination of GLP-1s for obesity starting January 1, 2026 (while retaining diabetes coverage); TBD on final GIC plan and rate decisions for FY 26,
 - GIC as of November 2025 had a \$77M budget gap
- Hampshire County (HCGIT)
 - Off-cycle 20% premium increase to address trust deficits on 10/1/25, in addition to the 18% on 7/1/25. **In total 38%!**
 - This rate change impacted **73** communities
 - Removing GLP from plans effective 10/1/25
- Massachusetts Interlocal Insurance Association (MIIA)
 - Likely not quoting new groups for FY 27
 - Rates range to be released end of January

Gateway Cost Drivers

- Thru December 2025, member claims for the Gateway Trust increased 23% over the last 12 months vs the prior 12 months.
- HPI claims processing delays in FY25 and its impact on FY26
 - During FY25, HPI experienced significant challenges with its claims systems, resulting in delays in processing. These delays caused extreme month-to-month fluctuations in claims activity. As a result, renewal ratings for FY26 were impacted because claims that had not been visible during the renewal process emerged after approvals and communications were completed.
- Retired BCBS Deficit
 - Gateway retired a \$1.6M deficit owed to BCBS, which carried a 9% interest rate during FY25. Premium funds were used to pay current claims, BCBS run-out, and settle prior liabilities. This process resulted in a \$1.1M shortfall entering FY26. **Reducing the BCBS deficit was a significant achievement by June 30, '25 as it left Gateway with nearly 1/2 the deficit it began the fiscal year with.**

Gateway Cost Drivers Cont.

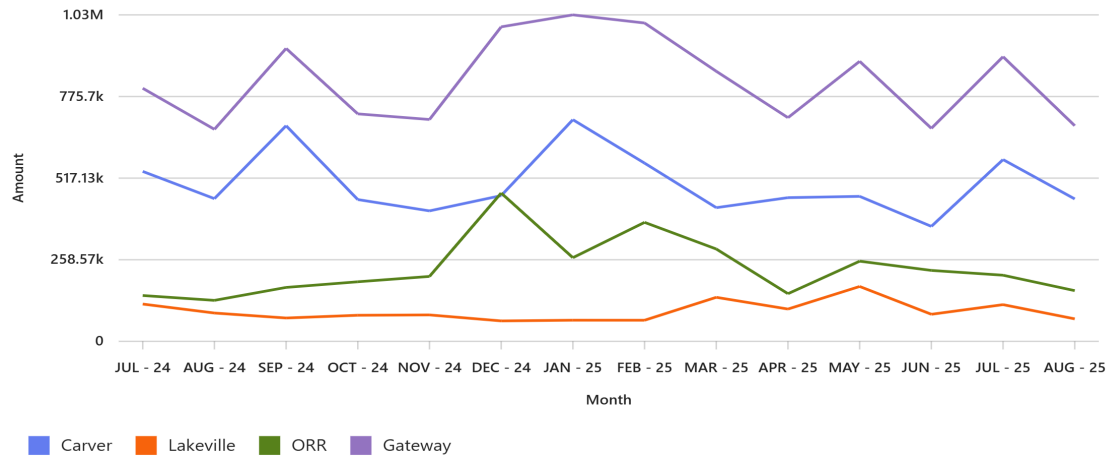
- Between July 1, 2024 and June 30, 2025, GLP-1 utilization has emerged as a significant driver of increased claims costs within Massachusetts municipal health plans. For Gateway specifically, over \$1 million in net claims were attributed to this category, with \$716,000 tied directly to anti-obesity and weight loss medications.
- While these medications may offer long-term health benefits and potential cost savings in other areas, the upfront financial impact is creating budgetary challenges for municipalities. In response, several strategies have been explored, including:
 - Eliminating coverage for weight loss drugs
 - Most Savings/Most Disruption
 - Establishing direct payment arrangements
 - Maintaining options, through stronger cost efficiencies
 - Implementing utilization controls through member accountability measures
 - Maintaining options, though patient responsibility to perform

Stop Loss Considerations

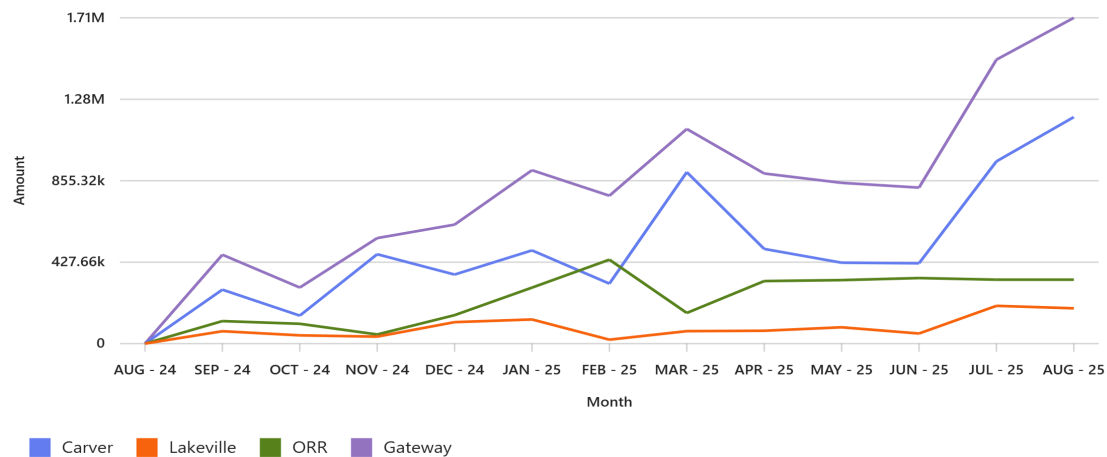
- Stop Loss
 - 12 / 18 Contract
 - 7/1/2024 - 6/30/2025 (*incurred claims*)
 - 7/1/2024 - 12/31/2025 (*paid*)
 - Total Reimbursements to date: \$509k
 - Top claimant terminated from the plan in April 2025
 - Thus far, \$138k paid in December 2025.
 - Final accounting to be provided by Sunlife & HPI.

What is Driving Gateway's Growing Deficit?

“Incurred” Amount 7/1/2024-8/31/2025



“Paid” Amount 7/1/2024-8/31/2025



- The Gateway line on the chart represents the sum of paid claims for Carver, Lakeville, and ORR each month.
- Gateway’s trend line will always be above the individual group lines.
- Note to complete the data set both include incurred but not paid expenses AKA “the batches”.
- When factoring in the unpaid batches, the incurred claims reflect a typical distribution across the time period. In contrast, the paid claims show a pronounced spike between **June and August 2025**. This occurred because HPI delayed processing and payment of a substantial volume of claims until that window, due to system issues and upgrades.
- As a result, these claims remain Gateway’s liability, even though many would have normally been captured in earlier months and included in the FY25 rate-setting process.



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