

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday, January 10, 2018

9:30 AM

Wilbraham Town Hall

Wilbraham, MA

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair
Cheryl Wiblyi
Anna Bishop
Tom Sullivan
Dick Patullo
Howie Barber
Karin Decker

Town of Longmeadow
Lower Pioneer Valley Educ. Coop. (LPVEC)
Lower Pioneer Valley Educ. Coop. (LPVEC)
Town of Wilbraham
Town of Hampden
Hampden-Wilbraham RSD
Town of East Longmeadow

Guests present:

Paul Pasterczyk
Lyn Fioravanti
Dan Haynes
Linda Loiselle
Herta Dane
Christina Gagnon
Corinne Traghese
Jocelyn Sanchez
Sandra Ruiz
Jonathan Payson
Fred Winer
Carol Cormier
Karen Carpenter

SVRHT Treasurer
SVRHT Wellness Coordinator
Scanlon & Associates
Abacus Health Solutions
Town of Wilbraham
Hampden Wilbraham RSD
Town of East Longmeadow
Town of Longmeadow
Health New England
Blue Cross Blue Shield of MA
Tufts Health Plan – Senior products
Group Benefits Strategies
Group Benefits Strategies

Arlene Miller, Chair, called the meeting to order at 9:30 AM.

Approval of the minutes of the November 21, 2017 meeting:

Dick Patullo made a motion to approve the meeting minutes of November 21, 2017.

Motion

Tom Sullivan seconded the motion. The motion passed by a majority vote. Howie Barber abstained.

Approval of the notes of the October 12, 2017 meeting:

Anna Bishop made a motion to approve the meeting Notes of October 12, 2017.

Motion

Tom Sullivan seconded the motion. The motion passed by a majority vote. Howie Barber abstained.

Wellness Program Report:

Lyn Fioravanti, Wellness Consultant, distributed and reviewed reports on the participation in the SVRHT Wellness Programs. She said the Pilates classes have been very well received in the Towns of Longmeadow and Wilbraham. Ms. Fioravanti said the SVRHT website has been updated to include new resources for members with pre-diabetes or diabetes. She said the Wellness Sub-committee is scheduled to meet tomorrow.

Ms. Fioravanti reviewed the FY18 YTD wellness budget and said 42.5% of the overall budget has been spent.

FY17 Audit report:

Dan Haynes, Scanlon & Associates distributed and reviewed the FY18 audited financial report. He said no material weaknesses of internal controls were found, but noted the management letter has a deficiency related to the segregation of treasurer's duties. Mr. Haynes said that the deficiency will always be there with a small organization and noted all other groups have the same notation.

Mr. Haynes reported an unrestricted net position at the end of July of \$5,982,891, which he noted was a planned reduction of \$63,123. Mr. Haynes reported a 15.53% increase of member contributions and a 9.18% increase in claims expenses. Mr. Haynes said in 2016, the actual claims total was less than the \$2.3M estimation, but noted the treasurer's IBNR used is a good conservative number. He said the estimated claims liability for FY17 is \$2.06M, which is 8.98% of claims expense.

Mr. Haynes said SVRHT adopted an investment policy, which will need to be monitored regularly. He said the investments are conservative with most being in Certificates of Deposits (CDs) versus market investing. Mr. Haynes said the Trust will receive the final reports following confirmation receipts.

Arlene Miller thanked Mr. Haynes, and he left the meeting.

Treasurer's Report:

Treasurer Paul Pasterczyk distributed and reviewed the November 2017 financial report (unaudited figures). He reported an Unreserved Fund Balance at the end of November of \$4,949,149 and said the fund balance target was \$2.98 million. Mr. Pasterczyk reviewed the list of Certificates of Deposits and said the ending balance was \$6,848,961.

Mr. Pasterczyk distributed a preliminary December report and said all of the bank statements have not been received. He said he reinvested in 2 new CDs, one for \$450K at 1.6% interest at a term of 1 to 18 months and another for \$225K at a term of 1 to 3 years at 1.85% interest.

There was a discussion about the possibility of investing in other types of investment vehicles.

The Board agreed on a conservative approach to investing and asked to see additional investment options.

GBS Reports:

Funding Rate Analysis (FRA) report - Carol Cormier reviewed the FY18 FRA report with data through November 2017 and said the 5-month expense-to-funding ratio was 87.3%. She said the funding surplus on the *paid claims basis* report was \$1,395,973. She noted over \$740,000 was from reinsurance reimbursements.

Level Monthly Deposit (LMD) report – Ms. Cormier said the LMD payments exceeded the actual claims cost by \$185,062 for two months ending November 30th.

Reinsurance reports – Karen Carpenter said there were ten claimants in the *FY17 policy period* who have exceeded the specific deductible of \$175K. She said these claims total \$2,977,719 with excess claims of \$1,227,719. She said that the \$150K Aggregating Specific Deductible has been met, and \$1,051,971 has been reimbursed. She said the outstanding reimbursement due is \$25,747.

Ms. Carpenter said there was one claimant in the FY18 policy period who has exceeded the specific deductible of \$200K. She said the Aggregating Specific Deductible has not been met and no reimbursements are due through November.

Diabetes Care Rewards program report and program enhancements:

Linda Loiselle reviewed the myMedicationAdvisor® MMA) program report through December and said there was a total of 924 CanaRx scripts and 252 Alternative Savings Program (ASP) scripts purchased for the year. Ms. Loiselle said the estimated net savings was \$397,949 and a total of \$57,036 in employee copays waived. She said following the final accounting of the program in January, the group will receive a refund of any remaining balance in the account.

Ms. Loiselle reviewed the Diabetes Rewards Program report for the quarter ending November 30th and said 57% of those eligible to participate in the program are enrolled. She said of those enrolled, 56% are meeting the 5 care guidelines and receiving their diabetes medications and supplies at \$0 copay. Ms. Loiselle said the estimated savings to the group, net of fees and copays is \$35,384. She thanked Lyn Fioravanti for getting the word out and promoting the program.

Ms. Loiselle said she and Ed Aberger did a presentation to the Board about the new program enhancements available to SVRHT. She said having regular care will keep costs down by decreasing hospital visits. Ms. Loiselle said the proposed enhancements will increase program participation and allow an Abacus diabetes nurse educator to track the glucose levels of participating members. She said the program enhancements include a new Blue-tooth enabled blood glucose monitor named Accu-Chek® Guide. Ms. Loiselle said it can track ongoing testing results. She said members who choose to receive the Accu-Chek® -Guide meter will also receive test strips at \$0 copay, as well as access to a certified diabetes nurse educator and clinical pharmacist support. Ms. Loiselle said Abacus will pay for the meters, and SVRHT will also receive a significant savings on the cost of the test strips. She said Abacus has gotten the program costs down now through negotiated the savings on the test strips and said the enhanced program is available to SVRHT at no extra cost.

Carol Cormier said she is recommending adding the enhancements to the SVRHT program.

Tom Sullivan made a motion to approve adding the enhancements to the current diabetes program to be effective the beginning of March.

Motion

Anna Bishop seconded the motion. The motion passed by a unanimous vote.

Mission Statement – 2nd review and vote:

Arlene Miller read the proposed Mission Statement, “*The Scantic Valley Regional Health Trust’s (SVRHT’S) mission is to provide participating governmental employers with high quality health plan options at the best possible value, to promote a Culture of Wellness throughout its membership, and to help its members become prudent consumers of health services.*”

Dick Patullo made a motion to approve the Mission Statement as presented and to add it to the SVRHT website.

Motion

Tom Sullivan seconded the motion. The motion passed by a unanimous vote.

Cost containment options for FY18 and beyond – High Performance Health Plan updates:

Carol Cormier said GBS sent the prescription drug data to the PBM vendor and hopes to get quotes in February regarding carving out prescriptions from the active health plans. She said in February, GBS will present a packet of programs with expected savings and a recommendation to the Board. She said the Board will decide on which of the programs it would like to pursue. Ms. Cormier noted GBS does not receive any fees related to the programs.

In response to a question about the CanaRx program, Ms. Cormier said CanaRx will provide quarterly utilization and savings reports.

Health Plan reports:

Health New England – Sandra Ruiz said HNE is working on the semi-annual notices and will send them out when completed. She said effective January 1, 2018, 3-D mammograms will be added and a notice will be sent to members.

Tufts Health Plan – Fred Winer said Tufts made a small error on the SVRHT bill and said it will be adjusted. He said the error was to the good of SVRHT.

Blue Cross Blue Shield – Jonathan Payson said there was nothing new to report.

Other Business:

The next meeting was scheduled for February 22, 2018 at 9:30 AM at the Wilbraham Town Hall, Wilbraham, MA.

There was no other business.

Arlene Miller adjourned the meeting at 11:00 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*