

Scantic Valley Regional Health Trust

Board Meeting

Tuesday, January 15, 2013

9:30 a.m.

Wilbraham Town Hall

Wilbraham, Massachusetts

Meeting Minutes

Members and Alternates Present

Arlene Miller, Chair

Marie Angelides

Anna Bishop

Cheryl Decoteau

Thomas Caliento

Dick Patullo

Beth Regulbuto

Tom Sullivan

Town of Longmeadow

Town of Longmeadow

Lower Pioneer Valley Education Cooperative

Lower Pioneer Valley Education Cooperative

Town of East Longmeadow

Town of Hampden

Hampden Wilbraham RSD

Town of Wilbraham

Guests Present

Paul Pasterczyk

Amy Higgins

Christina Gagnon

Kristin Chmielewski

Corinne Tranghese

Suzanne Donahue

Pat Kaplan

Fred Winer

Jim Delisle

Kate Heffernan

Erin Hayes

Lynne Colesano

Carol Cormier

Karen Carpenter

SVRHT Treasurer

SVRHT Wellness Coordinator

Hampden Wilbraham Regional School District

Town of Longmeadow

Town of East Longmeadow

Blue Cross Blue Shield (BCBS)

Blue Cross Blue Shield (BCBS)

Tufts Health Plan – Senior Products (THP)

Tufts Health Plan (THP)

Tufts Health Plan (THP)

Tufts Health Plan (THP)

Health New England (HNE)

Group Benefits Strategies (GBS)

Group Benefits Strategies (GBS)

Chair, Arlene Miller called the meeting to order at 9:32 AM.

Approval of the minutes of the October 25, 2012 Board meeting:

Tom Sullivan made a motion to approve the minutes of October 25, 2012.

Motion

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

Acceptance of the Notes of the December 6, 2012 Board meeting:

The Board accepted the notes of the December 6, 2012 Board meeting.

Arlene Miller asked the members of the Board to RSVP to the consultant, GBS, as to whether or not they will be attending the meetings. She said that it is a courtesy to all that attend the meetings and essential to making sure that there is a quorum in order to conduct business.

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the Treasurer's financial worksheets and statements ending November 30, 2012 (unaudited figures). Mr. Pasterczyk said that the unreserved fund balance was \$4.05M and said that there was an excess of \$1.4M over the policy target of \$2.63M.

Mr. Pasterczyk said that he received a proposal from Dan Haynes to perform the FY12 financial audit. He said that the proposed fee is \$4,250 and said that is a \$250 increase over the prior year. Mr. Pasterczyk said that he is pleased with Mr. Haynes's work.

Beth Regulbuto and Tom Caliento joined the meeting.

Tom Sullivan made a motion to approve engaging Dan Haynes to perform the FY12 SVRHT financial audit at the fee of \$4,250.

Motion

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

Investment Policy discussion – Mr. Pasterczyk said that Carol Cormier sent out two investment policy samples to the Board. He asked if the Board would like to hire an independent investment company. Mr. Pasterczyk said that the Trust currently holds \$5M in certificates of deposits (CD's). He noted that they will need to ladder the investments in case cash was needed.

After a discussion, the Board asked Mr. Pasterczyk to develop an investment policy for review.

Wellness Program Report:

Arlene Miller said that SVRHT was very fortunate to have Amy Higgins as its Wellness Coordinator and said that Ms. Higgins has received and accepted a position with BCBS beginning February 11, 2012. Ms. Miller said that the Board is happy for Ms. Higgins and wishes her the best.

Amy Higgins distributed and reviewed the Wellness Budget and Agenda through December 2012. She said that 33.12% of the Coordinator's Salary and 35.95% of the Coordinator's Expenses have been utilized to date. Ms. Higgins said that 48.75% of the Program budget for expenses has been spent. She said this accounts for 36.02% of the overall budget.

Ms. Higgins reviewed the Wellness Program participation including the Smoking Cessation, Biggest Loser, Got Strength and Zumba programs. Ms. Higgins asked if the Board would like to add a 1-year smoking cessation award. She said that awards are currently given for 4-week, 8-week and 6-month smoke-free goals.

Anna Bishop made a motion to approve a 1-year smoking cessation incentive award of \$100.

Motion

Beth Regulbuto seconded the motion. The motion passed by a majority vote. Dick Patullo abstained.

Ms. Higgins thanked the Board for the opportunity to work with them and its members.

Arlene Miller said that she will put an ad out to seek a new Wellness Coordinator and talked about the job responsibilities.

Cheryl Decoteau, Beth Regulbuto and Arlene Miller volunteered to review and interview the candidates.

There was a discussion about the hours and pay that would be appropriate for a new coordinator.

Ms. Miller said that the ad stated between a 20 and 30 hour work week and would pay between \$25 and \$35 per hour depending on experience. She said there would be a 6-month review and said that they may be able to interview before the next Board meeting.

Cheryl Decoteau noted that approximately 12 applications had been received.

Marie Angelides asked about the possibility of taking wellness a step further by offering a concierge service and paying for additional physician visits.

Suzanne Donahue said that the concierge service is usually paid by the member to the physician and typically costs between \$1K and \$2K per year.

GBS Reports:

Funding Rate Analysis by Plan - Ms. Cormier reviewed the FY13 Funding Rate Analysis by Plan with data through October. She said the expense-to-funding ratio was 102.7% with data through October 2012. Ms. Cormier noted that the Network Blue NE and HNE plans were underfunded and require watching.

BCBS Level Monthly Deposit – Ms. Cormier said that there is a credit balance due SVRHT of \$23K at the end of October.

Reinsurance Reports - Karen Carpenter reviewed the Stop Loss reports for FY12 and said that the Group has met the Aggregating Specific Deductible (ASD) of \$150K. She said there are 3 claimants that exceeded the \$175K specific deductible and that the group has received reimbursements of \$44,314 through October 2012. Ms. Carpenter said that there are \$1,515 reimbursements due SVRHT. Ms. Carpenter said that there are 18 claimants that have reached between 50% and 100% of the specific deductible with claims totaling \$2.3M. Ms. Carpenter said that there are 3 claimants on the FY13 report that have reached between 50% and 100% of the specific deductible with claims totaling \$326K.

Carol Cormier spoke briefly about the reinsurance workshop that GBS held with Gallagher Insurance Benefits for the Steering Committee members of the Joint Purchase Groups. She said that due to a decline in reinsurance quotes received over the last couple of years, GBS has been working on possible solutions to assure clients protection for high cost claims risk. She said that the meeting included a suggestion to create a reinsurance pooling arrangement across joint purchase groups. She said that the arrangement is complex and would require fund management. She said that she will forward additional information from Gallagher as it becomes available.

Possible modifications to Senior plans and discussion about changing the anniversary date - Carol Cormier said that the Board reviewed information and discussed modifying the senior plans and changing the plans from a fiscal year to a calendar year anniversary. She said that the Board reviewed a comparison chart that showed the average savings of the Retiree Drug Subsidy (RDS) vs. the estimated savings from switching to Medex with a PDP. Ms. Cormier said that the EGWP plans, i.e. plans with a PDP, are governed by CMS and would require a change to a January 1 renewal date. She said that EGWP plans could help to lower the OPEB liability.

Arlene Miller explained that EGWP plans build Medicare Part D into the health plan product, and said savings are obtained through lower premiums as opposed to receiving Retiree Drug Subsidy (RDS) monies. She said the EGWP premium savings are shared with the Medicare plan members.

Corinne Tranghese noted that the EGWP plan members are not eligible to utilize the alternative prescription drug program.

Carol Cormier said that the prescription drug portion of the EGWP plan would be fully insured and the medical portion could continue to be self-funded. She said that the majority of claims is from the prescriptions and Medicare is the primary payer for the medical claims.

Carol Cormier said that the Board also discussed the option of changing the Medex pharmacy benefit design to a tiered co-pay structure similar to the active plans.

Suzanne Donahue said that some Medex members are currently paying 20% for brand medications which can be very costly.

Marie Angelides said that she would like to see how the self-funded Medex plan is less expensive than a fully insured plan.

Carol Cormier said that BCBS could provide a rate for a fully insured product.

Ms. Cormier asked Suzanne Donahue to run a disruption report should the Board vote to change to a Medex EGWP with a 3-tiered prescription structure.

Arlene Miller asked to keep this topic on the agenda and said that she would like the Board to make its decision at the next Board meeting for a January 2014 effective date.

Hampshire County Group Insurance Trust Communication:

Carol Cormier said that she briefly reviewed the information that Tom Sullivan had provided from the County and said that Hampshire County is a lower cost area.

Tom Sullivan asked if he should invite a representative from Hampshire County to attend a Board meeting to review and suggested merging with the County.

Arlene Miller said that the Board is interested and said that it is the Board's fiduciary responsibility to review all of the data prior to inviting a representative to a meeting.

Health Plan Reports:

HNE – Lynne Colesano introduced herself and said that Laura Syron was on vacation. She invited the Board to the HNE January 23, 2013 seminar.

BCBS – Suzanne Donahue distributed and briefly reviewed the three new State Mandates to include Hearing Aids for children, Cleft Lip and Palate treatment for children and the Physician Assistants Consumer choice. She said these were discussed at the last meeting.

Carol Cormier said that she is concerned about the implementation date and said that BCBS will implement the mandates on July 1, 2013.

Tufts Health Plan – Jim Delisle introduced Erin Hayes and Kate Heffernan and said that Erin will be the new Account Manager for SVRHT. He said that the new mandates will have a less-than-1% impact on claims costs.

Marie Angelides left the meeting.

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Tom Sullivan asked the health plan providers about programs that would work with members who have certain conditions to help them to keep well and be of no cost to the members.

Erin Hayes said that she will send information about the programs currently in place and said that the Board could also consider adding the Coaching piece to the current Alere Disease Management program.

Arlene Miller asked all of the health plans to bring information to the next Board meeting.

Other Business:

The next SVRHT Board meeting was scheduled for February 21, 2013 at 9:30 a.m. to be held at the Wilbraham Town Hall.

There was no other business.

Chair Arlene Miller adjourned the meeting at 11:00 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*