

Scantic Valley Regional Health Trust

Board Meeting

Tuesday, February 15, 2010

9:30 a.m.

Wilbraham Town Hall

Wilbraham, Massachusetts

Meeting Minutes

Members and Alternates Present

Arlene Miller, Chair

Tom Sullivan

Anna Bishop

Tom Caliento

Beth Regulbuto

Richard R. Green

Town of Longmeadow

Town of Wilbraham

Lower Pioneer Valley Education Collaborative

Town of East Longmeadow

Hampden Wilbraham Regional School District

Town of Hampden

Guests Present

Paul Pasterczyk

Corinne Tranghese

Steve Corbin

Pat Kaplan

Laura Syron

Heidi Fountain

Fred Winer

Carol Cormier

Karen Carpenter

SVRHT Treasurer

Town of East Longmeadow

Blue Cross Blue Shield

Blue Cross Blue Shield

Health New England (HNE)

Health New England (HNE)

Tufts Health Plan (THP)

Group Benefits Strategies (GBS)

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Chair, Arlene Miller called the meeting to order at 9:35 a.m..

Approval of the minutes of the January 15, 2011 Board meeting:

Tom Caliento made a motion to accept the minutes of January 15, 2011.

Motion

Rick Green seconded the motion. The motion was approved by unanimous vote.

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the Treasurer's Worksheets for January 31, 2011 (unaudited figures). Mr. Pasterczyk said that the Unreserved Fund Balance was \$4.3M as of January 31, \$1.88M above the Fund Balance target.

There was a discussion about the Health New England (HNE) provider negotiations and how they are affecting the timing of the claims payments. Mr. Pasterczyk estimated that the fund balance surplus will be lowered to \$1.2M after the payment of the HNE pending claims are paid.

GBS Reports:

Ms. Cormier reviewed the Funding Rate Analysis by Plan and the BCBS Level Monthly Deposit Quarterly Accounting report with claims paid through December 2010.

Mr. Pasterczyk asked Carol Cormier to check to see why the LMD amount on the GBS report differs from his report.

Karen Carpenter reviewed the stop loss report with claims paid through December 2010. She noted that HNE notified her of a possible diagnoses change of one of the high cost claimants and said that the claims may not remain above the policy deductible.

Carol Cormier reviewed the myMedicationAdvisor® report through November provided by Abacus Health Solutions and said that the Import and Generic prescription drug programs are doing better than the projections. Ms. Cormier said that a notice from CanaRx was received stating that there had been some mail delays of prescriptions due to the inclement weather conditions. She said that CanaRx will reimburse the 30-day supply co-pay to anyone who needs to purchase their prescriptions at retail due to the delay.

Carol Cormier said that the MMA medication lists were sent to the health plans to see if any of the prescriptions were drugs subject to Step Therapy or not on the health plan's formulary.

Wellness Report:

Arlene Miller said that Wellness Coordinator Amy Higgins could not attend the meeting today. Ms. Miller reviewed the Wellness Budget to date and said that 51% of the overall wellness budget has been spent year-to-date.

The Board agreed that the colonoscopy incentive of \$100 to the first 15 participants was previously approved.

Dependent Eligibility Audit Update:

Arlene Miller said that Kate Sharry sent a progress report to the units and said that there were 2 voluntary withdrawals from the health plans. Ms. Miller asked if anyone had any issues with the audit to date.

The Patient Protection and Affordable Care Act (PPACA) - Grandfathering:

Carol Cormier said that one of the provisions of PPACA even for plans that are Grandfathered is the ban on annual limits for Essential Benefits as defined by PPACA. Ms. Cormier said that all of the health plans consider Durable Medical Equipment (DME) to fall under the category of an essential benefit, with the exception of BCBS. Ms. Cormier said that for the Tufts and Health New England plans, the annual limit for DME will need to be removed.

Steve Corbin said that the Blue Cross Blue Shield Association reviews the laws and provisions and makes the decision about how to proceed.

There was a brief discussion.

Rick Green motioned to approve removal of the annual limit for DME for the Tufts and HNE plans and take no action regarding the BCBS plans.

Motion

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

FY12 Rate Projections:

Carol Cormier said Abacus Group provided the FY12 claims projections for the Alternative RX Program. She said those expenses and the \$150K reinsurance Aggregating Specific Deductible were not factored into the rates. Likewise, she said the Medicare Retiree Drug Subsidy (RDS) revenue, Early Retiree Reinsurance Program (ERRP) estimated proceeds and investment income were not taken into account. She said that the revenue pretty much cancelled out the expenses of these programs.

Ms. Cormier reviewed the contractual Group Benefits Strategies fees and the administrative fees proposed by the health plans. Ms. Cormier said that the health plan fees are negotiable and noted that the BCBS fees seemed high.

Arlene Miller asked Steve Corbin to see if the BCBS administrative fees could be reduced.

The Board discussed the rate projections and how much fund balance subsidy should be used to reduce the rates.

Rick Green said that the projected expenses for the current year indicated an 11% rate increase, and SVRHT used the trust fund balance surplus to reduce the rates for a 2% increase. He said that the claims did not increase by 11% as projected last year and said that the FY12 projections may be too high.

Ms. Cormier pointed out that only 6 months of data were in for the current year.

Beth Regulbuto asked if the Group should look at alternative plans.

Steve Corbin said that he can bring in some information about plans with front-end deductibles.

Arlene Miller asked Mr. Corbin to present alternative plans at the next Board meeting.

Following the meeting HNE and Tufts asked to present alternative plan design options
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Ms. Miller asked Carol Cormier to present other rate scenarios bringing the composite increase down to 8.5% and 8.0%

Other Business:

The next SVRHT Board Meeting was scheduled for March 3, 2011 at 9:30 a.m. to be held at the Wilbraham Town Hall.

There was no other business.

Arlene Miller adjourned the meeting at 11:13 a.m.

*Prepared by Karen Carpenter,
Group Benefits Strategies*