

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday, February 24, 2016
9:30 AM

Wilbraham Town Hall
Wilbraham, MA

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Tom Sullivan	Town of Wilbraham
Richard Patullo	Town of Hampden
Cheryl Wiblyi	Lower Pioneer Valley Educ. Coop. (LPVEC)
Anna Bishop	Lower Pioneer Valley Educ. Coop. (LPVEC)
Beth Regulbuto	Hampden Wilbraham RSD
Sara Menard	Town of East Longmeadow

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Lyn Fioravanti	SVRHT Wellness Consultant
Linda Loiselle	The Abacus Group
Corinne Tranghese	Town of East Longmeadow
Erica Gelinas	Town of Longmeadow
Audra Staples	Town of Longmeadow
Lisa Sternberg	Hampden Wilbraham RSD retiree
Mary Donne	Hampden Wilbraham RSD retiree
William Kober	Hampden Wilbraham RSD retiree
Anna Kober	Hampden Wilbraham RSD retiree
Russell Mooney	Hampden Wilbraham RSD retiree
Deborah Gormley	Hampden Wilbraham RSD retiree
Dolores Salamon	Hampden Wilbraham RSD retiree
Sandra Stankiewicz	Blue Cross Blue Shield
Sandra Ruiz	Health New England
Erin Hayes	Tufts Health Plan
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

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

Approval of the minutes of the January 12, 2016 meeting:

Tom Sullivan moved to approve the January 12, 2016 meeting minutes as written.

Dick Patullo seconded the motion. The motion passed by unanimous vote.

Motion

Auditor's report on the FY15 financial statements:

Arlene Miller said that the auditor's report will be postponed until after a review by Paul Pasterczyk and Carol Cormier.

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the financial reports of January 2016 (unaudited figures). He said that the Unreserved Fund Balance was \$5.19M through January, which, he said, is \$2.58M above the target. Mr. Pasterczyk noted that the Unreserved Fund Balance has decreased from the June balance of \$3.9M. He said the BCBS quarterly level monthly payment was \$1.010M and the HNE claims payment was \$754K.

Wellness Program Report:

Lyn Fioravanti, Wellness Consultant, distributed and reviewed reports on the participation in the SVRHT Wellness Programs and the budget through January 2016. She said the current programs include the Colonoscopy Incentive Program which has grown in participation, and the BCBS and HNE Biometric Screening Incentive Programs.

Ms Fioravanti said that two cooking classes will be held in March at Minnechaug and a Weightwatchers® at work is forming in East Longmeadow.

Ms. Fioravanti noted that 24.6% of the FY16 wellness budget of \$97,350 has been spent to date. She also said that in response to a question at the last meeting, the scantichealth website averaged 92 hits per day or 25K hits last year.

Reports from the Abacus Group:

myMedicationAdvisor® - Linda Loiselle distributed reviewed the year-end report and said the CanaRx and alternative buying script counts for the year fell a little lower than the budget and noted it could be due to the loss of the retirees that are now on the EGWP plan. She said next year's budget will be adjusted. Ms. Loiselle reported estimated net savings to the group of \$379,291 and member co-pays waived totaling \$85,424.

Diabetes Rewards program – Linda Loiselle reviewed the report for the period of September 1, 2015 through November 30, 2015. She said the SVRHT participation of 60% is above the Municipal average of 42%. She said the estimated savings net of fees and pharmacy copays is \$29,320. Ms. Loiselle said the number of medications and supplies was 301 and estimated member copays waived is \$7,881. She said the total diabetes medication cost was \$65,618. She said the next \$50 registration incentive program, funded by Abacus, will run from January 18th and February 26th. Ms. Loiselle said they just launched a new Facebook page for the Diabetes Program and noted that a satisfaction survey was sent out to the participants. She said the focus this year is on health care measures and she will share the results with the group.

GBS Reports:

Funding Rate Analysis (FRA) report - Carol Cormier reviewed the FRA report with data through December of FY16. Ms. Cormier said the expense-to-funding ratio was 105.2%. She said the

estimated shortfall of funding from rate revenue was \$569K at the end of December. She said the NWB plan is severely underfunded, and said that the rates were set too low in FY16.

BCBS Level Monthly Deposit (LMD) – Carol Cormier reviewed the report and said the LMD expenses for October through December exceeded funding by almost \$142K.

Reinsurance reports – Karen Carpenter reviewed the reinsurance excess report for FY15 with claims paid through January. She said that there were six members with claims over the \$175K deductible. She said the total excess claims amount was \$386,640 and said there are reimbursements of \$25,955 due the group. She said that there were 13 members with claims between 50-100% of the deductible with total claims of \$1.54M.

Karen Carpenter reviewed the excess report for the FY16 policy period and said there was one member with excess claims of \$472,101. She said the Aggregating Specific Deductible of \$150K has been met. Ms. Carpenter said there are reimbursements of \$44,542 due to the group. She said there were eleven members that had claims between 50-100% of the deductible and the total claims amount was \$1.3M.

FY17 Rate projections:

Arlene Miller said that the rate projections are based on claims trend and past claims experience and noted that the rates have been generously subsidized by the trust fund surplus for several years. Ms. Miller said the surplus has been reduced and subsidizing the rates may not be an option this year.

Carol Cormier said that the health plan carriers and GBS present their projections to the Board. Ms. Cormier said that she built in the fees to include the carrier, GBS, MMA, government and Diabetes programs into the rates.

Ms. Cormier reviewed the carrier fees and said that HNE and Tufts are proposing a 3% increase while BCBS is not increasing their fees for FY17. She said she pooled out the reinsurance excess claims since that amount was reimbursed. Ms. Cormier reviewed and compared the carrier and GBS projections for each the plans.

Carol Cormier reviewed the current funding scenario and said that based on the December 2015 enrollment numbers, the monthly funding is \$1,688,839 and the annual funding is \$20,266,068.

Ms. Cormier reviewed the following scenarios:

A: Carrier projections with a composite increase of 18.6%. Ms. Cormier noted that she lowered the BCBS BCE decrease of -26.3 to -6.6%. She said that there are only 11 members on that plan and that BCBS uses the MA trend which is higher than other trends.

B: GBS projections with a composite increase of 16.4%

There was a discussion about whether or not to subsidize the rates or give a premium holiday part way through the year.

Dick Patullo noted that if a premium holiday was given that the employers OPEB liability would increase. He said he would favor subsidizing over the holiday option.

Carol Cormier warned that once the fund balance gets to its target, SVRHT will not have surplus to use and a rate spike is possible.

Ms. Cormier distributed a third scenario and reviewed it. She said Scenario C has a composite increase of 14.1% with \$1M of trust fund surplus utilized.

There was a discussion and the Board requested additional scenarios based on the GBS projections to include utilization of surplus in the amounts of \$500K, \$750K and \$1M and HNE at a 5% and 8% increase.

The Board also requested a new BCBS scenario using a 7% trend rather than the 9% used.

Comparative risk analysis of Southwick Tolland Granville (STG) RSD compared to SVRHT:

Carol Cormier said that SVRHT will need to finalize their health plan rates prior to putting together a offer of membership to STG RSD.

Sandra Stankiewicz said to keep the possibility of adverse selection in mind since the STG contribution rate is 50/50. She said several members may enroll in the HNE plan and create rate instability.

Arlene Miller said the Board will take that under advisement.

Ms. Miller asked the Tufts and HNE representatives if they would work on reducing their fee increases.

Erin Hayes said that even with the 3% increase, Tufts fees are lower than the other carriers. She said Tufts cannot reduce their fees without taking a loss on the rates.

Sandra Ruiz said she will get back to the Board.

The next meeting was scheduled on March 2, 2016 at 9:30 a.m. at the Wilbraham Town Hall.

Health Plan Reports:

Blue Cross Blue Shield (BCBS) — Sandra Stankiewicz said if the Board is interested in adding the Telehealth benefit that was discussed at a prior meeting, that they would need to let her know prior to the renewal.

Health New England – Sandra Ruiz said that HNE revamped their portal with a new logo and colors. She said the feedback has been positive

Other Business:

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There was no other business.

Anna Bishop moved to adjourn.

Motion

Beth Regulbuto seconded the motion. The motion passed by unanimous vote.

Arlene Miller adjourned the meeting at 10:50 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*