

Scantic Valley Regional Health Trust

Board Meeting

Tuesday, March 05, 2013

9:30 a.m.

Wilbraham Town Hall

Wilbraham, Massachusetts

Meeting Minutes

Members and Alternates Present

Arlene Miller, Chair	Town of Longmeadow
Marie Angelides	Town of Longmeadow
Anna Bishop	Lower Pioneer Valley Education Cooperative
Cheryl Decoteau	Lower Pioneer Valley Education Cooperative
Thomas Caliento	Town of East Longmeadow
Dick Patullo	Town of Hampden
Beth Regulbuto	Hampden Wilbraham RSD
Tom Sullivan	Town of Wilbraham

Guests Present

Paul Pasterczyk	SVRHT Treasurer
Lyn Hollinger	SVRHT Wellness Coordinator
Christina Gagnon	Hampden Wilbraham Regional School District
Erica Gelinas	Town of Longmeadow
Kristin Chmielewski	Town of Longmeadow
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Erin Hayes	Tufts Health Plan (THP)
Laura Syron	Health New England (HNE)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Chair, Arlene Miller called the meeting to order at 9:33 AM.

Approval of the minutes of the February 21, 2013 Board meeting:

Arlene Miller said that on page 2, under Wellness Program Report, it should read "Erica Gelinas offered to send acknowledgement letters to the applicants."

Dick Patullo made a motion to approve the minutes of February 21, 2013 as amended.

Motion

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

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the Treasurer's financial worksheets and statements ending February 28, 2013 (unaudited figures) and said that the worksheet is missing the interest income and the PBS prescription drug program expense. Mr. Pasterczyk said that the BCBS quarterly reconciliation was

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favorable at an \$889K credit to SVRHT. He said that the HNE claims expense was \$565K at the end of February 2013.

Mr. Pasterczyk said that the FY12 financial audit is almost complete and should be ready for the next Board meeting.

Wellness Program Report:

Arlene Miller said the Wellness Sub-Committee was unanimous in favor of contracting with Lynn Hollinger. .

Lyn Hollinger said that she lives in the Town of Monson and is a dietician with a Master's in public administration and with a specialty in working with children with disabilities. She said that she is looking forward to continuing and improving on the Wellness programs that Amy Higgins developed.

Arlene Miller said that the health fairs are coming up and said that health screenings are usually provided to the SVRHT members at the fairs.

Erica Gelinas asked about the possibility of offering a treasure hunt with a raffle prize.

Lyn Hollinger said that the treasure hunt has already been planned.

Marie Angelides asked how often the travel clinic that Suzanne Donahue spoke about at the last meeting would be available to administer the shingles vaccine.

Suzanne Donahue said that all of the BCBS active plans cover the vaccine and said that the issue was that the Medex plan was the only plan that previously did not cover it. Ms. Donahue said that the shot should be administered by the member's physician since some members may not benefit from receiving the vaccine.

Ms. Miller suggested that the employers communicate with the employees and retirees that if their physician recommends the vaccine, but does not provide it, the member should request their physician to refer them to a physician who will administer it.

Dick Patullo suggested adding the shingles vaccine and the administering issues with suggestions to the next wellness newsletter.

Anna Bishop offered the use of the LPVEC facility to hold nutritional cooking classes.

Vote on proposed modification to Medex for July 1, 2013:

Carol Cormier said that there are several retiree plan changes that the SVRHT has been considering. Ms. Cormier said she is recommending first adding a prescription drug formulary to the Medex plan on July 1, 2013 and then adding a 3-tier co-pay structure to the Medex prescriptions on January 1, 2014. She said the estimated savings of adding the BCBS Rx formulary is \$32.8K. Ms. Cormier noted that the Medex plan is the only SVRHT health plan without a formulary.

Suzanne Donahue said that she will run a report and send notices out to members that may be affected by the change. She said that physicians can submit a request for a formulary exception for members that require a certain drug.

Tom Sullivan made a motion to approve adding a prescription drug formulary to the Medex plan effective July 1, 2013.

Motion

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

Carol Cormier reviewed the updated exhibit of expected savings of changing Medex to an EGWP plan which will require changing it to a January renewal date. Ms. Cormier said that the rate was artificially low and said Medex is currently overfunded by 13.7%. She said that the real rate would be \$372.34 and said the savings would be \$79.77 per contract. She said that SVRHT also saves money on prescription drugs through the international Rx purchasing program and the alternative savings program, both overseen by The Abacus Group. Ms. Cormier said she received utilization data from Abacus and found that utilization of these programs by the Medicare eligible retirees is higher than originally thought and that SVRHT would lose savings from the alternative Rx programs if it adopts the EGWP model for Medex.

Ms. Cormier said SVRHT has been receiving reimbursements through the RDS program since its inception in 2006. Ms. Cormier said that the RDS funds belong to the Plan Sponsor, and SVRHT is the Plan Sponsor. She said that SVRHT has the option to utilize the RDS funds to subsidize the health plan rates as they have done or may return RDS money to the employers as some other joint purchase groups have done.

Ms. Cormier said that the EGWP plans incorporate Rx savings into the plan rates, so the savings are shared with the members. She said the lower rates of the EGWPs will reduce the employer's OPEB liability.

Suzanne Donahue noted that there has always been a per person cap on the RDS reimbursement. She said there is currently no cap associated with the EGWP plans providing the possibility of greater savings.

FY14 Rate Projections:

Carol Cormier said that as the Board had requested at the last meeting she created an FY14 funding scenario, Scenario C, with a 6% composite rate increase with no increase to the retiree plans and expected use of about \$400K of trust fund surplus compared to Scenario A.

At the previous Board meeting Ms. Cormier reviewed the plan projections, several possible funding scenarios, and the current (FY13) rates and funding.

Beth Regulbuto said she favors a more consistent increase across all of the plans.

There was a discussion.

Paul Pasterczyk said Scenario C looked reasonable and didn't foresee an issue with the proposed funding.

Dick Patullo made a motion to approve Scenario C with the rates rounded up to the nearest dollar.

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

Motion

Tom Sullivan asked to review the fund balance in 6 months to see if a premium holiday might be possible.

The Board thanked Ms. Cormier for her work on the rate projections.

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Health Plan Reports:

There were no health plan reports.

Other Business:

Tom Sullivan asked Suzanne Donahue to review the costs savings if members received high tech radiology services at free standing facilities rather than at a hospital.

Ms. Donahue said that SVRHT could opt to waive the MRI/HTR copayment when the member uses a free standing facility. She said the costs are considerably lower at free-standing facilities than when receiving a hospital based MRI. Ms. Donahue said she has a list of the free-standing facilities and will send it to GBS for distribution to the Board.

Arlene Miller asked to add this item to the next Board Meeting Agenda.

Ms. Donahue said she would run a report on the radiology utilization for SVRHT.

Ms. Donahue said that another savings option available is Exclusive Home Delivery of prescriptions. She said this is mandatory RX mail order program for maintenance medications. She said the members would also save on copays. Ms. Donahue said she would calculate the estimated savings.

The next SVRHT Board meeting was scheduled for April 25, 2013 at 1:00 p.m. to be held at the Wilbraham Town Hall.

There was no other business.

Chair Arlene Miller adjourned the meeting at 1:00 PM.

Prepared by Karen Carpenter
Group Benefits Strategies