

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Thursday, April 9, 2015

9:30 AM

Wilbraham Town Hall

Wilbraham, MA

Meeting Minutes

Board Members and Alternates present:

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

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Dan Haynes	Scanlon & Associates
Lyn Hollinger	SVRHT Wellness Coordinator
Christina Gagnon	Hampden Wilbraham RSD
Audra Staples	Town of Longmeadow
Sandra Stankiewicz	Blue Cross Blue Shield
John (Jay) Swanson	Blue Cross Blue Shield
Heidi Fountain	Health New England
Sandra Ruiz	Health New England
Linda Loiselle	The Abacus Group
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 February 11, 2015 meeting:

Beth Regulbuto moved to approve the February 11, 2015 meeting minutes with one typographical correction.

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

Motion

SVRHT Independent Auditor's Report on the FY14 Financial Statements – Dan Haynes, CPA:

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Dan Haynes, CPA, Scanlon & Associates, LLC distributed and reviewed the draft of the “FY14 Audited Financial Statements and Management Discussion and Analysis with Required Supplementary Information, Years Ended June 30, 2014 and 2013”.

Mr. Haynes reported year-end Net Assets of \$8,344,508 which he said was up approximately \$970K from the prior year. Mr. Haynes said that the unrestricted fund balance was \$7,283,739 at the end of June 2014. He noted that approximately \$5.9M of the Net Assets is in investments in longer term Certificates of Deposit. Mr. Haynes recommended implementing an investment policy.

Arlene Miller said to keep Mr. Haynes’s recommendation on a to-do list for the Board to consider.

Mr. Haynes said the claims expense increased by 3.23%, while the claims administration fees decreased slightly. He noted that the group is managing its risk very well and keeping its administrative expenses low.

Mr. Haynes reported that the new government fees, such as PCORI and the Transitional Reinsurance Program fees, added \$185K to the group’s expenses. He said he will send final copies of the audit after Paul Pasterczyk and Carol Cormier have reviewed the draft.

Sara Menard joined the meeting.

Mr. Haynes reviewed the Management Letter which included the recommendation that the Group work towards adopting a formal risk assessment policy and documenting policies and procedures to provide guidance to the Group in case the Treasurer were to become unable to perform his duties. He said that the Board has mitigated some risk by assigning a separate person to review the bank statements and transactions on a monthly basis.

The Board agreed that the risk is minimal and acceptable.

Mr. Haynes made a recommendation to consider adopting written documentation of procedures related to the wellness incentive gifts.

Paul Pasterczyk suggested that the health plan members could pick up their incentives at their Human Resources office rather than the wellness consultant mailing them out. He said that he would work with Ms. Hollinger to write up a procedure for the Board to consider.

Paul Pasterczyk asked if the Board would like to authorize Mr. Haynes to perform the FY15 Financial Audit.

Tom Sullivan made a motion to approve the services of Dan Haynes, CPA to prepare the FY15 SVRHT Financial Audit.

Motion

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

Arlene Miller asked if there were any questions regarding the audit and there were none. She said the Board will vote on the final version of the audit at the next Board meeting.

Mr. Haynes left the meeting.

Treasurer’s Report:

Treasurer Paul Pasterczyk reviewed the financial reports of February 2015 (unaudited figures). He said that the Unreserved Fund Balance was \$6,516,999, which is \$4.08 million above the target. Mr. Pasterczyk reviewed the certificates of deposit exhibit. He said all units are up to date on payments.

Mr. Pasterczyk reviewed financial information for March 2015 but said the report was incomplete.

Wellness Program Report:

Lyn Hollinger, SVRHT Wellness Coordinator, reviewed the Wellness participation and budget reports. She said 58 participants in the weight loss program weighed out with an overall total of 123 pounds lost. She reviewed the participation in the smoking cessation, colonoscopy, yoga and strength training programs. Ms. Hollinger said 16 Wilbraham Fire Department firefighters participated in the Urban Strength challenge.

Ms. Hollinger reviewed the HNE Health Assessment Incentive Program and screening results. She said blood pressure and body mass index are the areas of higher risk of the SVRHT population screened. Ms. Hollinger said she is expecting to receive the BCBS report soon.

Ms. Hollinger reviewed upcoming programs to include holding a blood pressure clinic at the Town of Wilbraham. She said she will try to do the same in the other towns. Ms. Hollinger said that after analyzing the screening results, the Wellness Committee would like to review programs offered by Lifeline and The Abacus Group.

GBS Reports:

GBS-SVRHT Contract expiring - Carol Cormier said the GBS contract with SVRHT expires on June 30, 2015. She said that GBS is proposing extending the current contract for one year with no fee increases.

Beth Regulbuto made a motion to approve extending the GBS contract for an additional year with no fee increases.

Motion

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

Ms. Cormier said she would forward the contract extension amendment to Arlene Miller for her signature.

Funding Rate Analysis (FRA) report - Carol Cormier reviewed the report with data through February. She said the expense-to-funding ratio was 91.1%. She said that the only plan that was underfunded was the Tufts Deductible EPO but that it has very few subscribers.

BCBS Level Monthly Deposit (LMD) – Carol Cormier reviewed the report and said the actual claims payments exceeded the deposits by \$337K. Ms. Cormier said she asked BCBS to reconsider the proposed FY16 LMD.

Paul Pasterczyk asked Ms. Stankiewicz to ask that the Level Monthly Deposit amount be rounded.

Reinsurance reports – Karen Carpenter reviewed the reinsurance excess report for FY15 with claims paid through February. She said that there were three members with claims over the \$175K deductible. She said the excess claims amount was \$69,699, but said there were no reimbursements because the \$150K Aggregating Specific Deductible has not been met. She said that there were six members with claims between 50-100% of the deductible with total claims of \$548,120.

Karen Carpenter reviewed the reports for the FY14 policy period. She said that five members exceeded the \$175K deductible and that the SVRHT has received \$225,570 in reimbursements. Ms. Carpenter said 14 members had claims between 50-100% of the deductible and the total claims amount was \$1,638,135.

The Abacus Group – myMedicationAdvisor® (MMA) and Diabetes Rewards Program reports – Linda Loiselle distributed and reviewed the reports. She said the MMA report is through February and said the international script buying portion of the program is doing well and ahead of the budget. She said the alternate generic script program is slightly under budget with fewer scripts than projected. Ms. Loiselle said the program is still saving money for the group. She said the cumulative net savings is \$53,569 and estimated employee copays waived is \$15,349.

Ms. Loiselle read an excerpt from an article published in the *Providence Journal* regarding the varying costs of Zovarax, one of the drugs on the MMA medication list. She said a person reported paying \$34.65 for the drug without insurance coverage. Ms. Loiselle said his copay with insurance was \$95, and the actual cost of the drug is \$2,500.

Diabetes Rewards Program – Linda Loiselle said there are 125 members participating in the program and 46% are meeting all of the program requirements. She said SVRHT has the highest rate of participation of all the JPGs. Ms. Loiselle reviewed the list of incentives, promotions and outreach the Abacus Group implemented. She said a new mobile platform was effective on January 4th which allows participants in the Diabetes program to view their information, status, and tests due.

Linda Loiselle distributed and reviewed a satisfaction survey that the Abacus Group sent to the participants of the Diabetes Rewards Program. She said 81% of participants who responded reported meeting all of the program requirements and getting their diabetes medication and supplies at no cost to them. She said 90% of respondents agree that the program helps them to take better care of their diabetes and their health.

Abacus fee proposal – Ms. Cormier said that Abacus has proposed a fee increase for the Diabetes Rewards program. She said as requested, she sent an email with more information about the cost of the programs to the Board. Ms. Cormier said the fee has been \$1.12 per contract since the program's inception and that Abacus is proposing an increase to \$1.16, effective 7/1/15 with a 3-year fee guarantee.

Tom Sullivan moved to approve the Diabetes Rewards Program fee increase to \$1.16 per contract for 7/1/15.

Motion

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

Comparison of SVRHT plans and GIC plan design changes:

Carol Cormier reviewed the FY16 GIC plan design changes with the SVRHT current plan designs. She said she obtained the decrements from the health plan representatives should the Board want to consider making changes to their plan designs up to the GIC benchmark Navigator plan. Ms. Cormier said the Board does not need to take any action, but she feels it is her responsibility as Consultant to keep the Board apprised of opportunities to save on health care costs. She noted that on July 1, 2015, the Town of East Longmeadow will be moving its employees to the SVRHT's deductible plans.

Ms. Cormier reviewed an exhibit listing possible actions that SVRHT could consider for FY17. She said if all of the units of SVRHT have not adopted Sections 21-23 of Chapter 32B, they should consider doing so by September 2015 to allow time for the Board to make changes through the expedited bargaining process.

Ms. Cormier suggested that the Board may want to consider eliminating the current "Standard" plans by changing the benefits to either the SVRHT Deductible plans or the level of the GIC Benchmark plan as it will be on 7/1/15.

Ms. Cormier suggested offering the PPO plan only to out-of-area members and require in-area PPO members to change to a POS or HMO plan. She said something will need to be done to avoid the upcoming Cadillac Tax.

Ms. Cormier said another suggestion she would like the employers to consider is a review of the current contribution strategies to determine selection incentives. She said some employers contribute a percentage to the lowest cost plan and contribute that dollar amount to all of the plans. She said all employees receive the same contribution towards their choice of plan.

Affordable Care Act:

Carol Cormier said she wants to be sure that all the employers are aware and working on the employer reporting requirements that the ACA requires. She said the first report will be due on March 22, 2016 on the 2015 calendar year.

It was subsequently determined that the ACA reporting may be done on a policy year basis rather than a calendar year basis, and so the first year for SVRHT employers for which reports will have to be submitted will be 7/1/15 – 6/30/16.

Ms. Cormier said some payroll companies have the capability to do the ACA reporting for the client. Ms. Cormier suggested speaking with Ruth Lynch at GBS to obtain a roster of those enrolled with their dependents. She said the current roster will have dependent social security information included if the employer sent it to GBS.

Health Plan Reports:

Health New England (HNE) – Heidi Fountain, Account Executive, said HNE made contact with each entity and delivered open enrollment materials. She said the PCORI fee is coming up and said the data will be sent to GBS in the Snapshot Factor Method as it was last year.

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Blue Cross Blue Shield (BCBS) – Sandra Stankiewicz, Account Executive, introduced Jay Swanson, Account Service Consultant and said to contact him with any enrollment or support issues. She said he is also the contact to order plan summaries.

Tufts Health Plan – There were no representatives from Tufts at this meeting.

Other Business:

Arlene Miller scheduled the next Board meeting for June 10, 2015 at 9:30 AM at Wilbraham Town Hall.

There was no other business.

Beth Regulbuto moved to adjourn.

Motion

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

Arlene Miller adjourned the meeting at 11:10 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*