

**Scantic Valley Regional Health Trust (SVRHT)**

**Board Meeting**

Monday, April 10, 2017

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
Anna Bishop	Lower Pioneer Valley Educ. Coop. (LPVEC)
Sara Menard	Town of East Longmeadow
Beth Regulbuto	Hampden-Wilbraham RSD

**Guests present:**

Paul Pasterczyk	SVRHT Treasurer
Lyn Fioravanti	SVRHT Wellness Coordinator
Corinne Tranghese	Town of East Longmeadow
Erica Gelinas	Town of Longmeadow
Jocelyn Sanchez	Town of Longmeadow
Ashley Bard	Town of Longmeadow
Herta Dane	Town of Wilbraham
James Rooney	Town of Wilbraham
Christina Gagnon	Hampden-Wilbraham RSD
Christine Brothers	Hampden-Wilbraham RSD
Elena Belanger	Lower Pioneer Valley Educ. Coop. (LPVEC)
E. George Gordon	Hampden-Wilbraham Retiree
Patricia Gordon	Hampden-Wilbraham Retiree
Jonathan Payson	Blue Cross Blue Shield of MA (BCBSMA)
Fred Winer	Tufts Health Plan
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 March 1, 2017 meeting:**

Paul Pasterczyk said on page 4, 3<sup>rd</sup> paragraph from the bottom, “said” was typed twice.

Dick Patullo moved to approve the March 1, 2017 meeting minutes as amended.

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

Motion
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**Wellness Program Report:**

Lyn Fioravanti, Wellness Consultant, distributed and reviewed reports on the participation in the SVRHT Wellness Programs and the budget through March 2017. She reported on the FY17 year-to-date participation in the Colonoscopy, Smoking Cessation, Yoga, and Maintain Don't Gain programs. Ms. Fioravanti said the HIIT (Tabata, a high intensity interval training) class at CTEC will be ending April 12<sup>th</sup>, but said she is going to offer a class in the fall for all municipalities.

Ms. Fioravanti distributed and reviewed the worksite wellness biometric summary report from the BCBS *ahealthyme* program. She reported 68 members screened with an average age of 48 years. Ms. Fioravanti reported the 3 highest biometric risks as Waist Circumference, Body Mass Index (BMI), and HDL (good) Cholesterol. She noted that 35% of the participants fell into the high risk category.

Ms. Fioravanti said there was a temporary issue with the Tufts members having access to the telephonic health coaching follow up. She said the HNE report will be forthcoming.

Ms. Fioravanti said she was contacted by Linda Loiselle, Abacus Health Solutions about applying for the MA Work Well award. She said Jillian Kiernan attended the last award presentation and told Ms. Loiselle that the SVRHT does more with wellness than the last award winner. Ms. Fioravanti said the cost to apply is \$75. She said she is working with Abacus on the application and will apply. She said the decision on the winner will be made during the summer, but announced in September.

**Treasurer's Report:**

Treasurer Paul Pasterczyk distributed and reviewed the February 2017 financial reports and a partial March report (unaudited figures). He reported an Unreserved Fund Balance in February of \$5,063,270 and said the excess balance above the fund balance target was \$2,289,404.

Mr. Pasterczyk reported the quarterly BCBS settle-up was \$534K, which he said was lower than normal. He said the HNE claims were approximately \$900K.

Mr. Pasterczyk said when he wants to purchase Certificates of Deposits, he sends an email to several banks about their terms. He said he found that for a fee Ameritrade will do the research for him and at a discounted rate. He said the CDs would be held by Ameritrade, but he would set the criteria to be fully insured. He asked the Board for their thoughts.

There was a discussion, and Beth Regulbuto suggested editing the current investment policy clarifying the acceptable ratings and other details.

Mr. Pasterczyk agreed and said he will still stagger the maturity dates of the CD's.

Arlene Miller said to move forward with obtaining information and working on the policy.

The Board agreed a vote was not necessary to move forward.

Mr. Pasterczyk reviewed the partial report for the month of March 2017 (unaudited figures) and reported an Ending Cash Balance of \$9.4M.

**GBS Reports:**

*Funding Rate Analysis (FRA) report* - Carol Cormier reviewed the FRA report with data through February 2017 and said the expense-to-funding ratio was 87.3%. She said the funding surplus on this paid claims basis report was in excess of \$2.12M but noted that over \$903K of that amount was from reinsurance reimbursements received from high cost claims of the prior year.

Paul Pasterczyk noted a RDS reimbursement was received in March in the amount of \$43K.

*Reinsurance reports* – Karen Carpenter reviewed the reinsurance excess report for the FY16 policy period and said there were eight members with excess claims totaling \$2,944,650. She said the Aggregating Specific Deductible of \$150K has been met and reimbursements of \$1,404,033 have been received. Ms. Carpenter said there was a claims adjustment made to one of the claimants which resulted in an overpayment of reimbursements in the amount of \$9,383. She said that amount will have to be paid back to the reinsurance carrier at the end of the run-out of the policy if additional high cost claims are not incurred. She said there were fifteen members with claims between 50-100% of the deductible, and the total claims amount was \$1.77M.

Ms. Carpenter said there were 11 members with claims between 50-100% of the deductible for the FY17 policy period with claims totaling \$1.37M. She said one member has claims that have exceeded the \$175K deductible for this policy period, but noted that the Aggregating Specific Deductible of \$150K has not been met so there are no reimbursements due.

Carol Cormier said she will be sending out the Reinsurance RFP in May and asked the Board for direction regarding the specific and aggregating deductibles.

The Board agreed Ms. Cormier should ask for specific levels of \$175 and \$200K with a \$150K aggregating specific deductible. Ms. Cormier spoke briefly about the Mass. Municipal Reinsurance Arrangement (MMRA), a reinsurance pooling arrangement comprised of three joint purchase groups, and how the reinsurance pool works.

The Board agreed to send the RFP to Gallagher Ins., the broker of the MMRA for a quote.

**Proposed PBS contract and options for continuation of alternative Rx purchasing program:**

Carol Cormier said Prescription Benefits Services (PBS) is owned by Abacus Health Solutions. She said PBS is proposing a new contract. She said that PBS/Abacus proposes to add more specialty medications to the My Medication Advisor (MMA) medication lists. She said all of the medications in the MMA program are purchased individually by members through CanaRx. She said the greatest savings come from the specialty meds. She explained that PBS proposes changes to the fee arrangements such that in addition to the current per member per month (pmpm) fees, PBS would also receive 20% of the savings above the savings at the same time in the prior year.

Carol Cormier said she recently learned that CanaRx can provide many, if not all, of the services that Abacus is providing to the program. She said the SVRHT could provide the program using the CanaRx services without paying the extra fees to Abacus. Ms. Cormier said CanaRx receives its money by adding their costs into the per pill costs, which she noted, is already included in the MMA cost. She said that in a CanaRx direct arrangement, specialty drugs that save money and are safe to ship would be available to members and that CanaRx's US-based pharmacists would provide outreach to the members taking the specialty medications. Ms. Cormier said she is working on putting together a comparison of the services of Abacus/PBS and CanaRx.

Ms. Cormier explained and compared the administration and payment process of the current program with CanaRx. She said other JPGs are considering buying direct with CanaRx and suggested having each company present its program and services offered. Ms. Cormier said she believes Abacus provides excellent service and said SVRHT could keep the Diabetes Rewards program if they choose to switch to CanaRx.

There was a discussion and the Board asked Ms. Cormier to invite Abacus and CanaRx to present on different meeting dates. It was agreed that CanaRx would be invited to the next Board meeting.

**Cost containment options for FY18 and beyond – *continued discussion:***

Carol Cormier reviewed the exhibit she prepared to include updating the Deductible plans to the current GIC benchmark level design. She suggested waiting to hear the results of the GIC's Request for Proposals to see what changes they are planning to make. Ms. Cormier said a fall meeting with the Lt. Governor is being worked on.

Ms. Cormier said adding Health Savings Account (HSA)-qualified high deductible health plans with an employer contribution to the HSA is being done by other JPGs and is definitely worth looking into for SVRHT for 7/1/18. She said employers could choose whether or not they wanted to offer the plans with or without the current plans. Ms. Cormier said she included a BCBS presentation in the packet for the Board members to review. She said it explains how the plans work in an easy to understand way.

Erin Hayes said the employees at WSHG that have heard the presentations about the HSA-qualified HDHPs seem to be impressed with the plans. She said the HSAs have become the new "IRA" accounts, except the money deposited is tax free going in and tax free going out when used for medical expenses.

Ms. Cormier said when the Board is ready to hear more about the HSAs and HDHPs, it can invite the health plan representatives to explain the plans.

Ms. Cormier encouraged the employers to review their contribution strategies as another cost savings measure. She said adding a telehealth program for all of the health plans is another cost saving approach.

**Health Plan Reports:**

*SVRHT Board meeting – April 10, 2017*

*Blue Cross Blue Shield* – Jonathan Payson said another Joint Purchase Group (JPG), Berkshire Health Group, is moving exclusively to the deductible plans for July 1, 2017, and said the employee and employer meetings have been very helpful. He said the overall the feedback from the employees has been positive. Mr. Payson said the BCBS eKits should be available soon.

**Other Business:**

The next SVRHT Board Meeting was scheduled for May 23, 2017 at 9:30 AM at the Wilbraham Town Hall, Wilbraham, MA.

There was no other business.

Dick Patullo moved to adjourn.

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

Arlene Miller adjourned the meeting at 10:55 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*