

Scantic Valley Regional Health Trust

Board Meeting

Wednesday, June 13, 2012

9:30 a.m.

Wilbraham Town Hall

Wilbraham, Massachusetts

Meeting Minutes

Members and Alternates Present

Arlene Miller, Chair

Thomas Sullivan

Beth Regulbuto

Anna Bishop

Cheryl Decoteau

Rick Green

Thomas Caliento

Town of Longmeadow

Town of Wilbraham

Hampden Wilbraham Regional School District

Lower Pioneer Valley Education Cooperative

Lower Pioneer Valley Education Cooperative

Town of Hampden

Town of East Longmeadow

Guests Present

Paul Pasterczyk

Amy Higgins

Christina Gagnon

Erica Gelinas

Kristin Chmielewski

Corinne Tranghese

Suzanne Donahue

Pat Kaplan

James Delisle

Erin Hayes

Fred Winer

Heidi Fountain

Carol Cormier

Karen Carpenter

SVRHT Treasurer

SVRHT Wellness Coordinator

Hampden Wilbraham Regional School District

Town of Longmeadow

Town of Longmeadow

Town of East Longmeadow

Blue Cross Blue Shield (BCBS)

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Tufts Health Plan (THP)

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Health New England (HNE)

Group Benefits Strategies (GBS)

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

Approval of the minutes of the May 2, 2012 Board meeting:

Beth Regulbuto made a motion to approve the minutes of May 2, 2012.

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 for the period ending April 30, 2012. Mr. Pasterczyk said that the unrestricted fund balance was \$4.97M and said that there was an excess of \$2.45M over the policy target of \$2.52M. Mr. Pasterczyk reviewed the accounts receivable and said that all members have paid through April.

Mr. Pasterczyk reviewed the beginning balances of the financial worksheet for the period ending May 31, 2012 and said that \$110K was received from the Retiree Drug Subsidy program. He said that there was a

wellness expense of \$2,500 for pedometers. He said the worksheet reflects transactions through May 13, 2012.

Wellness Program Report:

Amy Higgins distributed and reviewed the Wellness Budget and Agenda through May 2012 and the proposed Budget for fiscal year 2013. She said that 85% of the Coordinator's Salary and 105% of the Coordinator's Expenses have been utilized. Ms. Higgins said that 124% of the Program budget for expenses has been spent. She said this accounts for 94% of the overall budget.

Ms. Higgins reviewed the Proposed FY13 Wellness Budget.

Arlene Miller said that the Wellness Sub-Committee is recommending an increase to Ms. Higgins hours to the Board by 10 per week, for a total of 1,500 hours per year. In addition, they proposed increasing the coordinator's expenses to \$1,000 and \$12,000 for program expenses.

Rick Green joined the meeting.

Ms. Higgins reviewed the BCBS and HNE health risk issue reports and said that there are opportunities to improve the health of the employees and increase savings with programs geared towards lack of fitness as indicated by the health plan reports.

Amy Higgins said that she will be adding more on-site visits to help with communicating the programs to the employees and increase participation. She said that participation has increased following face to face meetings.

Tom Sullivan made a motion to approve the FY13 Wellness Budget as proposed.

Motion

Rick Green seconded the motion. The motion passed by unanimous vote.

Arlene Miller said that they will discuss what will work best at each location at the wellness sub-committee meeting.

GBS Reports:

Funding Rate Analysis by Plan - Ms. Cormier reviewed the FY12 Funding Rate Analysis by Plan with data through April. She said that the expense-to-funding ratio was 94.9%. Ms. Cormier reviewed the BCBS Level Monthly Deposit Quarterly Accounting report with claims paid through April 2012 and said that \$9.7K was due BCBS. Carol Cormier reviewed the myMedicationAdvisor® (MMA) report for March 2012 prepared by The Abacus Group and said that the group is exceeding projections.

Reinsurance Reports - Karen Carpenter reviewed the Stop Loss reports for FY12 and said that the Group has not met the Aggregating Specific Deductible (ASD) of \$150K. She said there are 2 claimants on the report and there are no reimbursements due the group through May 2012. Ms. Carpenter said that there are 12 claimants on the report of claimants that have reached between 50% and 100% of the specific deductible with claims totaling \$1.45M.

Reinsurance Quotes for FY13:

Carol Cormier said that only one quote was received and said that it was from the current broker, Stop Loss Insurance Brokers (SLIB) and the current carrier, HM Insurance Company. She said the quote increases the premium rates by 3.8% and after adding the corridor (ASD) of \$150K, the cost increase would be 2.8%. Ms. Cormier said that they quoted the senior plans at an increase of 8.9% or a total liability increase of 2.9% for both the active and senior plan policy.

Rick Green made a motion to approve the active and senior plan reinsurance quotes as presented.

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

Motion

Colonoscopy Benefit - follow-up from last meeting:

Suzanne Donahue said that effective July 1, 2012, BCBS will cover all colonoscopies that were scheduled as routine at \$0 co-pay whether or not a surgical intervention is necessary. She said that the SVRHT is Grandfathered under PPACA until that date.

Heidi Fountain said that HNE will cover preventative colonoscopies with a \$0 co-pay. She said that if polyps are found and a surgery is performed, the co-pay would apply. She said that they could implement a manual process to remove the co-pay if a member calls to request the co-pay be removed. Or, she said, HNE could remove all colonoscopy co-pays.

James Delisle said that if the intent of the colonoscopy is preventative, then there should be no co-pay charged whether or not there is a surgical intervention. He said that the law did not address co-pays when a surgical intervention is necessary.

Arlene Miller asked Heidi Fountain to administer the colonoscopy in the same way that Tufts and BCBS is.

Heidi Fountain said that she will research what HNE can do.

PPO Plan quotes:

Carol Cormier said that the current BCBS PPO plan has only 16 subscribers, two families and 18 members. She said it cannot be rated based on its own claims experience and a fully insured PPO is not an option when all the other plans are self-funded.

Ms. Cormier said that there are two ways to lower the rates of the current PPO. She said one way is to pool the claims of the PPO with the HMO plan claims for next year and develop a common claims factor. She said an actuarial adjustment factor could be applied to each plan type to adjust the rates to reflect the relative value of each plan type. She said the second way would be to change the plan design of the PPO plan by adding a deductible and raising co-pays. She said that the rates in the packet provided by HNE are not real; they are informational.

Rick Green asked the health plans to give rates of plans with high deductibles.

Suzanne Donahue said that adding a deductible of \$1,000 would decrease the rate by approximately 12%. She noted that the retirees' claims are usually higher than those of active employees which drives the rates up.

Carol Cormier said that another option is to suggest purchasing a health plan privately.

Health Plan Reports:

Blue Cross Blue Shield (BCBS) - Suzanne Donahue said that the MA Health Safety Net, also known as the MA Uncompensated Care Pool (UCP), changed back to 1.75% effective May 1, 2012. She said that the rate was temporarily increased to 3.65% for a few months due to the MA Pediatric Immunization Program Assessment.

Ms. Donahue said that due to the abuse of prescription opioids, BCBS is introducing a comprehensive opioid management program effective July 1, 2012. She said that the program includes limiting a member's access to one physician and one pharmacy chain. She said the exception to the program would be members with cancer or end-of-life illnesses.

Ms. Donahue said that effective January 1, 2012, ophthalmic solutions used to treat allergies will be excluded from the BCBS pharmacy benefit because they are available over-the-counter without a prescription. She said members affected will be notified of the change by mail.

Ms. Donahue said that effective on July 1, 2013, additional women's preventative services will be covered at \$0 co-pay as required by the Affordable Care Act. She said that the major change is that contraceptives will be covered at no cost to the member. Ms. Donahue said that also effective on July 1, 2013, the health plan Summary of Benefit Coverage (SBC) will be standardized across all health plan carriers and will be easier to understand. She said that BCBS will prepare the summaries and distribute to the employers for distribution to their employees.

Tufts Health Plan (THP)- Fred Winer thanked the districts for all their work to move the Medicare eligible retirees to senior plans and onto Medicare Part B. He said the health fairs went well and the members seemed well informed.

Jim Delisle said that the Tufts health plans will keep current with the changes required by the Affordable Care Act, same as BCBS.

Health New England (HNE) – Heidi Fountain said that HNE will also comply with the Affordable Care Act requirements. She said that HNE will be making the women's preventative services effective August 1, 2012 unless otherwise requested by the group.

Carol Cormier said that BCBS is not providing this as an option and suggested keeping the effective date the same across all health plans.

The Board agreed with Ms. Cormier.

Rick Green made a motion to defer the HNE effective date for the women's preventative services until required by PPACA, which is July 1, 2013 for SVRHT health plans.

Motion

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

Heidi Fountain said that SVRHT members are eligible to receive access to the Working Advantage discount program through HNE. She said that discounts of up to 60% on tickets, travel and shopping are available. Ms. Fountain said all the group needs to do is register on line and said that the details are provided on the brochure she distributed.

The Board said that they would like to register to provide discounts to its members.

Other Business:

Erica Gelinis introduced Kristen Chmielewski and said that she is the new benefits administrator at the Town of Longmeadow.

Rick Green requested that the Board reconsider giving a premium holiday.

There was a discussion and the Board members agreed that it was too late in the year to consider a premium holiday for fiscal year 2013 and said they would discuss it for fiscal year 2014.

SVRHT Board meeting, 06/13/2012

Arlene Miller said that the Board worked very hard to keep the rates low this year and supported several wellness initiatives for all of the SVRHT members.

The next SVRHT Board meeting was scheduled on September 12, 2012 at 9:30 a.m. to be held at the Wilbraham Town Hall.

There was no other business.

Chair Arlene Miller adjourned the meeting at 10:50 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*