

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Thursday, September 10, 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
Richard Patullo	Town of Hampden
Cheryl Wiblyi	Lower Pioneer Valley Educ. Coop. (LPVEC)
Beth Regulbuto	Hampden Wilbraham RSD
Greg Moyer	Town of East Longmeadow

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Lyn Fioravanti	SVRHT Wellness Consultant
Christina Gagnon	Hampden Wilbraham RSD
Corinne Tranghese	Town of East Longmeadow
Debora Gormley	Hampden Wilbraham RSD retiree
Lisa Sternberg	Hampden Wilbraham RSD retiree
George Gordon	Hampden Wilbraham RSD retiree
Kathy Farrell	Hampden Wilbraham RSD retiree
John Farrell	Hampden Wilbraham RSD retiree
Ann Kober	Hampden Wilbraham RSD retiree
William Kober	Hampden Wilbraham RSD retiree
Stephen Castonguay	Hampden Wilbraham RSD
Linda Loiselle	The Abacus Group
Jillian Kiernan	The Abacus Group
Sandra Stankiewicz	Blue Cross Blue Shield
John (Jay) Swanson	Blue Cross Blue Shield
Fred Winer	Tufts Health Plan
Erin Hayes	Tufts Health Plan
Sandra Ruiz	Health New England
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Arlene Miller, Chair, called the meeting to order at 9:31 AM.

Approval of the minutes of the June 10, 2015 meeting:

Paul Pasterczyk said on page 2, that Berkshire Bank purchased Hampden Bank, not Westfield Bank.

Dick Patullo moved to approve the June 10, 2015 meeting minutes as amended.

Motion

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

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the financial report of June 2015 (unaudited figures). He said that the Unreserved Fund Balance was \$6,674,849.76, which he said is \$3.96 million above the target. He said all units are up to date on payments. Mr. Pasterczyk reviewed the FY15 balances and compared them with FY14 figures. He said the BCBS claims were down by \$1.3M and the HNE claims increased by \$144K. He noted that the HNE enrollments also increased and said that could account for the claims increase. He said there was an increase of expenses of over \$70K primarily due to the ACA fees. Mr. Pasterczyk said the unreserved fund balance increased by \$1.067M.

Mr. Pasterczyk said the July and August reports were not finalized yet, but noted that there wasn't anything unusual to report. He said the auditor's report on the FY15 statements should be ready in the fall and said he would contact Scanlon Associates in a week or so.

Wellness Program Report:

Lyn Fioravanti reviewed and compared the FY15 participation in the SVRHT Wellness Programs with the FY14 participation. She said the Yoga classes increased from 36 to 110 participants. Ms. Fioravanti noted that the Colonoscopy Incentive program and Maintain Don't Gain program also increased. Ms. Fioravanti said the health risk assessment and biometric screening participation decreased.

Ms. Fioravanti reviewed the FY15 wellness budget and proposed an increase for the FY16 budget to \$95,000 due to increased programming and expected participation.

Arlene Miller asked Ms. Fioravanti to add a line-by-line list of the FY16 programs along with the amount of the budget that would be allocated to each program.

Ms. Miller said the Board would address agenda item 6 ahead of items 4 and 5.

Update on Hampden Wilbraham RSD (HWRSD) and retired teachers:

Beth Regulbuto said that the School Committee voted to move the retired HWRSD teachers from the Group Insurance Commission (GIC) health plans to the SVRHT health plans.

Arlene Miller explained the SVRHT Board meetings process and rules of addressing the Board to the guests in attendance.

Beth Regulbuto said the earliest target date for the move is July 1, 2016. She said there are a lot of steps that need to be taken, such as notifying the GIC, meeting with the School Committee,

and completing the administrative items for the move. Ms. Regulbuto said the communications to the retirees will include letters, general informational sessions and one-on-one appointments between the retirees and the health plan representatives. She said the HWRSD office has also been fielding questions.

Arlene Miller said the SVRHT has been in operation since 1992, managing the health plans of 6 municipalities. She said the group also supports various Wellness Programs for the health and wellness of its members. Ms. Miller asked if there was a spokesperson in the audience that could speak to the concerns of the HWRSD retirees.

William Kober, HWRSD retiree, said the retirees are having difficulty finding the address and contact information for the SVRHT.

Carol Cormier said she works for Group Benefits Strategies and is the consultant for the SVRHT. She said GBS is responsible for the Central Benefits Administration for SVRHT. Ms. Cormier gave a brief description about what services GBS provides to SVRHT and said that written communications to SVRHT should be addressed to the SVRHT care of the GBS address. She stated the address is 11 Midstate Drive, Auburn, MA, 01501. Ms. Cormier said that MA General Laws, Chapter 32B, Section 12 allows entities to form a Joint Purchase Group (JPG). She said the SVRHT also has a website at www.scantichealth.org.

Ms. Cormier said all of the health plan information will be provided to the retirees at the informational meetings to which Ms. Regulbuto referred. She said once the informational meeting dates have been confirmed with the health plan representatives, the invitations will be sent out. Ms. Cormier said individual meetings will also be set up. She said SVRHT is a very sound group financially and offers a lot of positive features.

Dick Patullo said he has been working with active employees and retirees for over 5 years now and said they do not know about SVRHT. He said they think their benefits are provided by the town. Mr. Patullo said obtaining insurance as a group through SVRHT enables the town to get the best health plan rates. He told the retirees that he thinks they will do better with Hampden-Wilbraham RSD than with the GIC.

In response to a question asked, Beth Regulbuto said that surviving spouses of deceased employees will also be notified.

Arlene Miller said she respects and understands that there is anxiety and questions about the change. She said that once the retirees have all of the information about the plans and rates, she expects everyone will be happy with their new health plan coverage.

GBS Reports:

Milliman RDS Actuarial Attestation fee increase- Carol Cormier said the CY16 RDS Actuarial Attestation fee is increasing by \$200. She said the price for one plan, the HNE MedPlus, is now \$3,300. She said it was \$3,100 last year.

Tom Sullivan made a motion to accept the fee increase of \$200 for the CY16 RDS Actuarial Attestation.

Motion

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

Transitional Reinsurance Program (TRP) – Carol Cormier said the TRP fee for CY15 is \$44 per member. She said she would obtain the counts from the health plans and will provide the information to the Treasurer.

Funding Rate Analysis (FRA) report - Carol Cormier said there are two FRA reports in the packet, one is the FY15 year-end report and the other is for one month, July of FY16. She reviewed both reports and said the expense-to-funding ratio for FY15 year-end was 94%. She said the estimated surplus of funding over expenses was \$1.3M at the end of June. Ms. Cormier said the expense-to-funding ratio for the month of July was 109.6% but noted that one month does not indicate a trend.

Ms. Cormier recommended that the Board set a meeting early in October to set the CY16 senior plan rates.

BCBS Level Monthly Deposit (LMD) – Carol Cormier reviewed the report and said the LMD payment for July exceeded the actual claims payments by \$100,842.

Marie Angelides joined the meeting.

Reinsurance reports – Karen Carpenter reviewed the reinsurance excess report for FY15 with claims paid through July. She said that there were five members with claims over the \$175K deductible. She said the excess claims amount was \$295,396 and said there are reimbursements of \$145,396 due the group. She said that there were six members with claims between 50-100% of the deductible with total claims of \$1.51M.

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 \$226,011.17 in reimbursements. Ms. Carpenter said 14 members had claims between 50-100% of the deductible and the total claims amount was \$1,625,930. She said the group has received all of its reimbursements for FY14 and the policy is now closed.

Vote on the GBS on-line Roster and Invoice Service - Carol Cormier said that employers from the joint purchase groups often request member rosters from GBS's Enrollment and Billing Dept. She said the number of requests is growing and that GBS has automated the process by providing employers access to their own downloadable monthly member rosters and invoices data in Excel format through a secure web portal. She said employers will be able to create historical records of their enrollment data. She said that there will be an annual fee of \$150 per unit, but that if SVRHT purchases the service for all of the member employers, the annual fee per employer would be \$130. She said that GBS would no longer provide the reports on an *ad hoc* basis.

Tom Sullivan made a motion to approve adding the GBS on-line Roster and Invoice service as a group at the annual fee of \$130 per unit.

Motion

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

Reports from the Abacus Group:

Linda Loiselle distributed the myMedicationAdvisor® (MMA) and Diabetes Rewards Program® reports. She said members who participate in the MMA program receive certain maintenance medications at a \$0 co-pay. Ms. Loiselle said it is a mail order program and members have participated in the program since 2004. She reviewed the quarterly report through June 2015 and said the total net savings to SVRHT was \$191,103. She said the estimated employee co-pays waived was \$42,793.

Jillian Kiernan reviewed the Diabetes Rewards Program® and said the program has been in effect since 2010 and said participants receive their diabetic medications and supplies at a \$0 co-pay after meeting the 5 annual diabetes care requirements. She said 63% of those eligible for the program are participating and 49% are compliant with the requirements and receiving their medications and supplies at no cost to them. She said the SVRHT participation and compliance is higher than the municipal average.

Linda Loiselle noted that working with the Lyn Fioravanti, the SVRHT Wellness Consultant, and the wellness coordinators is enhancing the participation.

Jillian Kiernan said the estimated SVRHT savings, net of fees and pharmacy copayments was \$124,370 for the year, 9/1/14 – 8/31/15. She said the medication cost was \$294,042. Ms. Kiernan reviewed the program outreach and promotional efforts. She said the Board approved matching the \$25 Abacus registration incentive for the last year and asked if they would like to continue the match for this year as well. Ms. Kiernan said the combined incentive is \$50.

Tom Sullivan made a motion to approve matching the \$25 registration incentive provided by Abacus for the period September 1, 2015 through August 30, 2016.

Motion

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

Ms. Kiernan said there is a mobile web app available to members participating in the diabetes program. She said participants may prefer to get notifications on their phone rather than their computer. Ms. Kiernan said new posters are available and said to contact her with how many are needed per unit.

Discussion about open enrollment activities for Senior plan renewals:

Carol Cormier said most of the senior health fairs are conducted between October and November for a January renewal. She said the health plans are already receiving requests from clients and said to contact them to coordinate a date. Ms. Cormier noted that the date of October 7th is already booked for the HWRSD retirees.

Fred Winer said that the towns of Longmeadow and E. Longmeadow health fairs for current seniors are booked for October 14th.

Issues regarding the rating of the PPO plan:

Carol Cormier said that there are only nine members currently enrolled on the Blue Care Elect Preferred PPO plan and said most of those are living outside of the health plan service area. She

said the rate of the PPO plan is currently inappropriate because there are too few members to rate the plan on its own claims experience. She suggested pooling the PPO claims with the HMO plan claims and then splitting the rate for FY17 based on the actuarial value difference between the two plans. Ms. Cormier said the Board must keep the 2018 Cadillac Tax in mind when setting the rates.

Ms. Cormier said the ACA affordability mandate will need to be considered as well. She said one approach is to add a low cost high deductible plan to help avoid possible surcharges. Ms. Cormier said she will bring some options to review at a future meeting. She said each unit currently has a different Blue Care Elect Preferred plan rate and suggested that the Board may want to look at streamlining the rates.

Health Plan Reports:

Tufts Health Plans – Fred Winer, Senior Products Account Manager, said Beth Israel hospital was added to the Tufts senior plan service area.

Erin Hayes, Account Manager, said Tufts implemented a new prior authorization process for spinal back issues. She said the claims have been steadily increasing and Tufts analyzed the data for possible reasons. She said the new process will insure that physical therapy, x-rays and other medications are tried prior to obtaining higher cost services.

Blue Cross Blue Shield (BCBS) – Sandra Stankiewicz, Account Executive, said in efforts to control the rising prescription costs, BCBS is requiring prior authorization for certain medications such as PCSK0. She said this is a new class of drugs that has been shown to dramatically lower cholesterol levels. She said BCBS will closely monitor and manage their utilization. Ms. Stankiewicz said Botox, IVIG and Remicade will now be filled through specialty pharmacy instead of under medical. She said Prolia and Xgeva are now able to be filled under specialty pharmacy and medical, in some cases eliminating a pharmacy co-pay for members.

Health New England (HNE) – Sandra Ruiz, Account Executive, said she had nothing new to report

Other Business:

There was no other business.

Dick Patullo moved to adjourn.

Motion

Tom Sullivan 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*