

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

**Board Meeting**

Wednesday, September 10, 2014  
9:30 AM

Wilbraham Town Hall  
Wilbraham, MA

**Meeting Minutes**

**Board Members and Alternates present:**

Arlene Miller, Chair	Town of Longmeadow
Nick Breault	Town of East Longmeadow
Tom Sullivan	Town of Wilbraham
Richard Patullo	Town of Hampden
Beth Regulbuto	Hampden Wilbraham RSD

**Guests present:**

Paul Pasterczyk	SVRHT Treasurer
Lyn Hollinger	SVRHT Wellness Coordinator
Christina Gagnon	Hampden Wilbraham RSD
Corinne Tranghese	Town of East Longmeadow
Audra Staples	Town of Longmeadow
Herta Dane	Town of Wilbraham
Linda Loiselle	Abacus Health Solutions
Jillian Kiernan	Abacus Health Solutions
Suzanne Donahue	Blue Cross Blue Shield of MA
Laura Syron	Health New England
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

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

**Approval of the minutes of the June 4, 2014 meeting:**

Carol Cormier said that there was a typo on page 3. She said under the diabetes report the date of September 1 should be September 13<sup>th</sup>.

Lyn Hollinger said that on page 2, first paragraph, 207 employees completed their health assessments, not 331.

Arlene Miller said that DPW should be removed from the 5<sup>th</sup> paragraph on page 2.

Tom Sullivan moved to approve the June 4, 2014 meeting minutes as amended.

Motion
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Richard Patullo seconded the motion. The motion passed by unanimous vote.

**Treasurer's Report:**

Treasurer Paul Pasterczyk reviewed the financial reports of June, July, and August 2014 (unaudited figures). He said the SVRHT ended the fiscal year on June 30, 2014 with \$10 million cash and investments. He reviewed the report of CDs and said that the ending balance in June was \$5.9M. Mr. Pasterczyk said the Unreserved Fund Balance was \$5,307,851, which, he said, is \$2.8M million above the Fund Balance target.

Mr. Pasterczyk reviewed the July reports. He said the ending balance was \$9.1 million and that the Unreserved Fund Balance was \$5,106,529, which is \$2.6 million above the target.

Mr. Pasterczyk said that the August reports are not completed, but noted that the member premiums have been received. He said the ending cash balance was \$9.8 million.

Mr. Pasterczyk said that Dan Haynes, CPA left the auditing firm he worked for, but said that he may still be available to conduct the SVRHT FY14 financial audit. He asked the Board if they would like him to contact Mr. Haynes.

The Board approved contacting Mr. Haynes for his availability and fee proposal.

Mr. Pasterczyk asked for a volunteer to review the SVRHT electronic transaction statements as part of the financial control function. He said that Tom Caliento, who is no longer a member of the group, previously performed this function.

Dick Patullo volunteered to review the statements.

**Wellness Program report:**

Lyn Hollinger, SVRHT Wellness Coordinator, reviewed the program participation report. She said that the participation has increased from 805 to 1,015 members participating across all of the programs. Ms. Hollinger said that the sub-committee will be meeting with Amy Higgins, the BCBS Wellness Consultant, on October 30<sup>th</sup> to review the programs for effectiveness. She said they will be looking at ways to improve the current programs or offer something new. Ms. Hollinger said that she is in the process of putting up Wellness bulletin boards at each location. She said that they will be updated regularly to create more awareness of the programs and activities. She noted that the website is updated on a regular basis with all the wellness activities.

In response to a question asked, Lyn Hollinger said that she would contact the webmaster to obtain a website visitor report. She said that Health Observance notices have been added to the website and asked for members to “like” the SVRHT Facebook page.

Ms. Hollinger said that the Committee also talked about modifying the equipment room in the Wilbraham Middle School to have room to offer strength training programs. She said she is also working on increasing awareness of the fitness reimbursements offered by the health plans.

In response to a question asked by Ms. Hollinger, Mr. Pasterczyk said that the tax threshold for employer wellness incentives is \$600 per person annually. He noted that SVRHT is not an employer and the group awards the incentives, not the employers.

Carol Cormier said that she will distribute the actual wording of the tax rule.

Ms. Hollinger reviewed the FY15 wellness budget and said that 4.10% of the budget was used through September 2014.

**MyMedicationAdvisor® & Diabetes Rewards Program reports – Linda Loiselle and Jillian Kiernan, Abacus Health Solutions:**

*myMedicationAdvisor®* - Linda Loiselle reviewed the second quarter report and said that the international Rx buying program is doing better than projected. She said that the alternative (generic) program is a little behind projections. She said the total net savings after program fees is \$125,698 and the employee savings through waived co-pays is \$48,918.

*Diabetes Rewards Program* – Linda Loiselle reviewed the year-end report dated September 1, 2013 through August 31, 2014. She said that as of today, the number of members enrolled is 124. She said that 55 of those enrolled have met all five program requirements. Ms. Loiselle reported estimated SVRHT savings, net of fees and pharmacy co-pays of \$119,460. She said co-pays waived totaled \$27,082 and the total medication claims cost was \$223,890. Ms. Loiselle noted that the retirees enrolled in the EGWP plans are no longer eligible to participate in the program.

In response to a question, Ms. Loiselle said members that are pre-diabetics and not prescribed medications have the option to participate, but the incentive would not be utilized.

Jillian Kiernan reviewed the program promotional efforts including on-site attendance at the benefit fairs, flu clinics and biometric screenings. Ms. Kiernan said that the next mailing to non-registered members will be sent in October.

Carol Cormier asked Ms. Kiernan to add the flyer distribution date to future flyers.

Jillian Kiernan reviewed a flyer that she said Abacus would like to send out to the members that are currently participating in the program. She said that each month, the names of participants are entered into a drawing for one of ten \$25 bonus checks. She said if the participants chosen have not met the program requirements, they are not eligible to receive the bonus. Ms. Kiernan said a regret letter would be generated to those ineligible to let them know their name was picked, but they weren't eligible. She said the incentive is intended to encourage compliance. She said that Abacus Health Solutions funds the incentives.

Arlene Miller asked the Board to consider matching the \$25 bonus incentive.

There was a discussion.

Tom Sullivan made a motion to match the \$25 bonus incentive for the next 6 months with a report of results from Abacus Health Solutions.

Motion
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Beth Regulbuto seconded the motion.

Carol Cormier said that the \$25 bonus incentives would be billed through the warrant process.

A vote was taken on the motion and passed unanimously.

**Group Benefits Strategies reports:**

*Funding Rate Analysis (FRA) Report* – Carol Cormier reviewed the year-end report with data through June 30, 2014. She said that the report continues to show a favorable pattern with funding from the rate revenue exceeding claims, administration, and net reinsurance expenses. She said the expense-to-funding ratio was 91.0% and that there was an excess of funding over expenses of \$2.03 million.

Carol Cormier reviewed the FY15 FRA report with one month of data through July 31, 2014. She said the expense-to-funding ratio was 79.7%.

Ms. Cormier reviewed the Retiree Drug Subsidy (RDS) payments to date and said that the subsidy amounts will decrease because all the retiree plans, with the exception of the HNE MedPlus plan, now incorporate Medicare Part D.

*Level Monthly Deposit (LMD) Reconciliation report for BCBS plans:* Ms. Cormier said that the report is for the month of July and that there is a credit balance of \$368,258 for the month.

*Stop Loss reports* – Karen Carpenter reviewed the stop loss report for the FY14 policy year. She said there are 5 claimants who exceeded the \$175K specific deductible with total claims of \$1,251,681 and excess claims of \$376,681. Ms. Carpenter said the \$150K aggregating specific deductible has been met and said that there are reimbursements of \$167,123 due. She said that there were eleven claimants on the report of claims between 50% and 100% of the stop loss deductible with claims totaling \$950,213.

Ms. Carpenter said that there were six claimants on the FY13 policy period excess report and that total claims were \$1,475,692 and excess claims were \$425,692. Ms. Carpenter said the \$150K aggregating specific deductible has been met and said that \$285,362 has been reimbursed to the SVRHT. She said there was a reimbursement overpayment of \$9,658.61.

**Senior Plan Renewals:**

Carol Cormier reviewed the CY15 rate calculations for the two self-funded senior plans, BCBS Medex and HNE MedPlus. She said that BCBS is holding the CY14 administrative fee and HNE proposes to increase its fee by 4%. Ms. Cormier noted that the HNE fee is still lower than the BCBS fee even with the increase. Ms. Cormier said that GBS administrative fee for these plans averages \$4.50 per individual plan.

Ms. Cormier reviewed the projections for the HNE MedPlus plan and said that the HNE projected rate is \$382.76, a 3% increase. She said the GBS projected rate for MedPlus is

\$329.16, a decrease of -12.9%. Ms. Cormier said that the HNE Medplus plan was overfunded in CY14 by 30%. She recommended holding the rate at the current level of \$378 for CY15.

Carol Cormier reviewed the BCBS Medex 2 plan projections and said that BCBS is projecting a rate of \$320.76, a 2.8% increase. She said this includes the fully insured Medicare Part D plan premium of \$136.74 and the self-funded medical plan rate of \$184.02. She said that GBS's medical claims projections for Medex were higher than the BCBS projections.

Ms. Cormier reviewed the CY15 Senior fully insured plan rates as below:

BCBS Managed Blue for Seniors - \$290.17, an increase of 3.4%

BCBS Medicare HMO Blue - \$266.53, an increase of 12.0%

Tufts Medicare Supplement w/PDP - \$344.00, a 3.0% increase

Tufts Medicare Preferred HMO - \$252.00, a 4.0% increase

Carol Cormier said that she has not received the premium proposal for the HNE Medicare Secure Freedom yet.

There was a discussion.

Beth Regulbuto made a motion to accept the CY15 fully insured plan rates for Managed Blue for Seniors, Medicare HMO Blue, and the Tufts Medicare Supplement and Tufts Medicare Preferred HMO as presented.

Motion

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

Tom Sullivan made a motion to set the CY15 HNE MedPlus rate at the CY14 rate of \$378.00 with no increase.

Motion

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

Dick Patullo made a motion to keep the Medex rate at the CY14 rate of \$312.00 with no increase.

Motion

Tom Sullivan seconded the motion.

There was a discussion.

A vote was taken on Mr. Patullo's motion and passed by unanimous vote.

Carol Cormier said that the HNE Medicare Secure Freedom renewal will be discussed at the next Board meeting.

#### **Affordable Care Act (ACA) Issues:**

*PCORI Fees due by July 30, 2014* – Ms. Cormier said that in June 2014 SVRHT paid its first years PCORI fee for the plan year ending 6/30/13 and received an invoice stating that the fee was due last year and added penalties and interest to the fee. Ms. Cormier said that the regulations clearly state that the first fee for plan years ending after Sept. 30, 2012 and before

Oct. 1, 2013 is to be paid by July 31 of the calendar year following the end of the plan year. She said that SVRHT paid on time based on the language of the regulation. She said that other clients paid on the same schedule and did not receive notice of late filing and payment.

Paul Pasterczyk said the IRS waived the late penalties but not the interest charges. He said he paid the interest and filed and paid the FY15 PCORI fee at the same time.

*Transitional Reinsurance Program fee (TRP)* – Carol Cormier said that Paul Pasterczyk registered and set up a *Pay.gov* account in preparation of filing the TRP fee. She said that the annual fee is \$63 per member and for SVRHT the total fee for FY14 is \$257,397. Ms. Cormier said that the form to file is not yet available on the IRS website and noted that she and Karen Carpenter will be attending the next instruction webinar on September 23<sup>rd</sup>.

*Health Plan ID# (HPID)* – Carol Cormier said that self-funded health plans are required to obtain a HPID by November 5, 2014 to be used as a standard identifier as required by the original HIPAA in 1996. Ms. Cormier said that GBS will be obtaining the HPID for SVRHT.

*DOI Bulletin regarding Transgender Surgery* – Carol Cormier said that the Dept. of Insurance has issued a bulletin stating that the Department has concluded that excluding coverage for gender identity or gender dysphoria-related treatment will be considered sex discrimination. She said that BCBS and HNE will be adding this coverage to the SVRHT plans effective on anniversary, July 1, 2015.

Erin Hayes said that while Tufts is saying that adding this coverage is optional for its self-funded clients, she said she would recommend adding it on plan anniversary.

### **Health Plan Reports:**

Laura Syron, HNE said she did not have anything to report.

Fred Winer, Tufts Senior Products said that new for the senior plans in 2015 is the removal of the \$50 co-pay when polyps are found and removed during routine colonoscopies. He said the rates are increasing due to new expensive prescription drugs and a decrease in new generic drugs.

Suzanne Donahue, BCBSMA, said costs of the new Hepatitis C prescription Solvaldi can reach as high as \$84K depending on the treatment. She said those with Gaucher's disease can cost \$310K.

Carol Cormier said she has asked all of the health plans for the number of members with Hepatitis C and of those the number who are on Solvaldi.

Arlene Miller asked to table the High Cost Radiology agenda item until the next meeting.

### **Other Business:**

There was no other business.

The next meeting was scheduled for October 22, 2014 at 9:30 at the Wilbraham Town Hall.

*SVRHT Board meeting – 09/10/14*

Beth Regulbuto made a motion to adjourn.

Dick Patullo seconded the motion. Arlene Miller adjourned the meeting at 11:05 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*