

## **Scantic Valley Regional Health Trust**

### **Board Meeting**

Wednesday, September 12, 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

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 East Longmeadow

#### **Guests Present**

Paul Pasterczyk

Amy Higgins

Marie Angelides

Christina Gagnon

Kristin Chmielewski

Corinne Tranghese

Suzanne Donahue

Pat Kaplan

Emily Savaria

Meghan Patch

Fred Winer

Laura Syron

Wendy Bergeron

Barry Eyre

Steve Kirkpatrick

Carol Cormier

Ginger Hastings

Karen Carpenter

SVRHT Treasurer

SVRHT Wellness Coordinator

Town of Longmeadow

Hampden Wilbraham Regional School District

Town of Longmeadow

Town of East Longmeadow

Blue Cross Blue Shield (BCBS)

Blue Cross Blue Shield (BCBS)

Tufts Health Plan (THP)

Tufts Health Plan (THP)

Tufts Health Plan (THP)

Health New England (HNE)

Health New England (HNE)

KTP Advisors

KTP Advisors

Group Benefits Strategies (GBS)

Group Benefits Strategies (GBS)

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

#### **Treasurer's Report:**

Treasurer Paul Pasterczyk reviewed the Treasurer's financial worksheets and statements for the periods ending June 30 and July 31, 2012. Mr. Pasterczyk said that the unrestricted fund balance was \$4.57M and said that there was an excess of \$1.89M over the policy target of \$2.58M. Mr. Pasterczyk said that he would like to move the \$5K BCBS Wellness Grant and the \$5K from the Abacus Group to the unreserved fund.

The Board agreed with Mr. Pasterczyk and approved moving \$10K from the Wellness reserves to the unreserved fund.

Mr. Pasterczyk said that the month of July is not completed yet, but said that the beginning cash balance is \$7.6M. He said that he estimates the net cash at \$1.7M for the month.

**Approval of the minutes of the June 13, 2012 Board meeting:**

Arlene Miller said that on page two, the third paragraph should state that the Wellness Sub-Committee is recommending increasing Amy Higgins hours.

Beth Regulbuto made a motion to approve the minutes of June 13, 2012 as amended.

Motion
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Cheryl Decoteau seconded the motion. The motion passed by unanimous vote.

**Wellness Program Report:**

Amy Higgins distributed and reviewed the Wellness Budget and Agenda through September 2012. She said that 7.3% of the Coordinator's Salary and 14.4% of the Coordinator's Expenses have been utilized. Ms. Higgins said that 14.39% of the Program budget for expenses has been spent. She said this accounts for 8.72% of the overall budget.

Ms. Higgins reviewed the Wellness Program participation since July 1, 2012 including the Colonoscopy rewards, Spring Activity Challenge, Take 5 Challenge and the on-site Blood Pressure Screenings. She said that upcoming programs will include a Healthy Choices Bingo, group exercise classes and continuation of the on-site Blood Pressure and BMI Screenings. Ms. Higgins said to contact her if any unit would like her to run a program at their location.

Ms. Higgins said to contact her about holding a Flu Shot Clinic and said that some of the towns have already received their shots.

Laura Syron said that HNE will come on-site at no cost to the member to do flu clinics. She said that SVRHT would be billed for the cost.

Pat Kaplan said that BCBS members can receive their flu shot at any pharmacy with no co-pay. She said that Walgreen's Pharmacy started providing the flu shot after September 1, 2012.

Ms. Higgins mentioned that one of the hinges on the SVRHT laptop is broken and she will be getting it repaired.

**Colonoscopy benefit follow-up from last meeting:**

Representatives from HNE, BCBS and Tufts confirmed that members will not be charged a co-pay for their preventative colonoscopy procedure even if a surgical intervention is required and performed at the time of screening.

**GBS Reports:**

Funding Rate Analysis by Plan - Ms. Cormier reviewed the FY12 Funding Rate Analysis by Plan with data through June. She said that the expense-to-funding ratio was 96.7%. Ms. Cormier said that the expense-to-funding ratio in July was 120%. She said that the elevated number is most likely due to the run-out of the FY12 claims with higher plan design features than for FY13 put up against the FY13 plan rates.

Ms. Cormier reviewed the BCBS Level Monthly Deposit Quarterly Accounting report with claims paid through June 2012 and said that \$447K was due BCBS.

SVRHT Health Plan Enrollments – Carol Cormier reviewed the SVRHT health plan enrollments as of September 11, 2012. She said that GBS did not receive the Tufts enrollment numbers for senior plans because GBS is not centrally administering those plans.

There was a discussion, and the Board agreed that they understood that GBS does not receive the Tufts Senior plan enrollment information, but would like to discuss this at the next meeting.

myMedicationAdvisor® Report – Carol Cormier reviewed the myMedicationAdvisor® (MMA) report for June 2012 prepared by The Abacus Group and said that SVRHT is exceeding savings projections by twice the amount expected.

Diabetes Reward Program Report - Carol Cormier reviewed the Diabetes Program report since its inception date of September 1, 2011 and said that there are a total of 248 SVRHT members eligible to utilize the program. She said that 104 are currently participating, which is 42% of those eligible. She said the target for participation is 30%. Ms. Cormier said that 46% of those participating met all of the requirements in a 12-month period and are obtaining free medications and supplies.

Reinsurance Reports - Karen Carpenter reviewed the Stop Loss reports for FY12 and said that the Group has met the Aggregating Specific Deductible (ASD) of \$150K. She said there are 3 claimants on the report and the group has received reimbursements of \$16,363 through July 2012. Ms. Carpenter said that there are no new reimbursements due. Ms. Carpenter said that there are 16 claimants on the report of claimants that have reached between 50% and 100% of the specific deductible with claims totaling \$2M.

#### **Shingles Vaccine:**

Carol Cormier said that the Tufts and HNE senior plans cover the shingles vaccine and said that the BCBS Medex plan does not cover it because, according to BCBS, the plan will only pay for/supplement Medicare covered services.

Suzanne Donahue said that the BCBS active plans cover the vaccine, and confirmed that the Medicare supplement plans only cover Medicare covered services.

Carol Cormier said that self-funded plans should be able to add a rider to add the coverage since they pay the claims for these plans.

Suzanne Donahue said that she will check to see if a rider can be added.

The Board asked Ms. Donahue to provide additional information about this at the next meeting.

#### **Senior Plan Renewals for January 1, 2013:**

Carol Cormier said that the BCBS and HNE rates are not available yet. She said that Fred Winer will present the Tufts senior plan renewal information.

#### Tufts Health Plan –

-Tufts Medicare HMO Prime - Fred Winer said the Tufts Medicare HMO Prime rate will be increasing from \$226 to \$240 and said there are no benefit changes. Mr. Winer said that the network is expected to increase to include Bristol and Plymouth Counties. He said that the expansion is pending CMS approval.

-Tufts Medicare Supplement with PDP Plus – Mr. Winer said that the Tufts Medicare Supplement rate will be increasing from \$323 to \$331. Mr. Winer clarified the hearing aid benefit of up to \$1,700. He said that the first \$500 is covered in full and then 80% of the next \$1,500 is covered up to a total of \$1,700 every two years.

Carol Cormier said that SVRHT may want to consider moving all of the senior plans to a January 1 renewal date. Ms. Cormier said that the Medicare Advantage plans renew in January and this cannot be changed because they are regulated by CMS. She said that with a January renewal, the units would be able to devote an open enrollment in the fall to their retirees. Ms. Cormier said that the health plans could give a 6 month, 12 month or an 18 month rate to transition the plans and there would be an additional RDS filing required.

**Option for retiree plans, Marie Angelides:**

Marie Angelides introduced Steve Kirkpatrick and Barry Eyre of KTP Advisors and said that they will present a retiree plan option that the Board may want to consider as a replacement for all the current retiree plans offered.

Steve Kirkpatrick distributed and reviewed the presentation and said that the savings presented are based on the Town of Longmeadow's data. Mr. Kirkpatrick said that the driver of OPEB liability is the retiree plans and said that the proposed plan may be able to help lower those costs. He said that they matched the benefits with the SVRHT retiree plan that had the richest benefits, which is Medex. Mr. Kirkpatrick said that by switching to a fully insured Employer Group Waiver Plan (EGWP), it appears that there is an opportunity to save money for both the retiree and SVRHT. He said that the current rate of the Medex plan is \$457 as compared to a rate of \$331 for the EGWP plan that KTP is proposing. The information he presented showed that the medical portion would be administered by United American Insurance Co. and the pharmacy portion would be administered by MEDCO.

Carol Cormier said that SVRHT already offers retiree plans at low rates, some considerably lower than those that KTP is proposing, and said that the Tufts Medicare Supplement plan is an EGWP plan that is fully insured, and has low rates, no network, and few co-pays. She asked about wellness benefits on the proposed plan.

Mr. Kirkpatrick said that they will not be able to match the wellness benefits. He said that there would be no network disruption.

Carol Cormier said that there may be bargaining issues with the future retirees if there is a total plan replacement and that she would recommend running this by legal counsel if SVRHT wishes to pursue this proposal.

Arlene Miller said that the presentation was very interesting and said that the Board will continue to discuss the option and do its due diligence.

The Board thanked Marie Angelides and the KTP representatives for the presentation.

**GBS Proposed Contract:**

Carol Cormier said that the GBS Contract expired on June 30, 2012 and said that the only change GBS made was to the dates and the fees. She said that GBS is proposing a 3.5% increase for each of the three years.

The Board asked Ms. Cormier to have GBS consider lowering the proposed increase and asked to see the history of the GBS fees for the next meeting.

**PPO Plan quotes:**

Arlene Miller said that the discussions were concluded at the last Board meeting.

**Health Plan Reports:**

Blue Cross Blue Shield (BCBS) – Suzanne Donahue said that BCBS can propose changing the Medex plan to an EGWP with the medical services continuing to be self-funded and the prescription coverage would be fully insured.

Carol Cormier asked Ms. Donahue to prepare a quote, plan design, and other information for the next meeting.

Health New England (HNE) – Laura Syron said that the Board recently approved HNE's expanded fitness benefit to include hypnosis and acupuncture for weight loss in the list of items reimbursable under the Fitness Reimbursement program.

Tom Caliento made a motion to approve the expanded fitness benefit to include hypnosis and acupuncture for weight loss effective October 1, 2012.

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

Tufts Health Plan (THP)- Emily Savaria said that she is back from maternity leave and introduced Meghan Patch, who will be supporting her on the SVRHT account.

**Other Business:**

Tom Sullivan asked Carol Cormier about gap coverage for deductibles and co-pays.

Carol Cormier said that gap coverage is usually not economical to buy unless the plan has a high deductible. She said the SVRHT plans do not have high deductibles. She said, however, that the Colonial Life mini-gap plan is different from other gap plans. She said that it is a voluntary, employee pay all plan. She said other carriers may also offer this type of mini-gap plan, but she is not yet aware of any. She said she would not recommend SVRHT to pursue this but thinks that it should be up to an individual employer.

The next SVRHT Board meeting was scheduled for October 25, 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 11:10 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*