

## **Scantic Valley Regional Health Trust**

### **Board Meeting**

Wednesday, October 2, 2013

9:30 a.m.

Wilbraham Town Hall  
Wilbraham, Massachusetts

### **Meeting Minutes**

#### **Members and Alternates Present**

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Tom Caliento	Town of East Longmeadow
Beth Regulbuto	Hampden Wilbraham RSD
Cheryl Decoteau	Lower Pioneer Valley Educ. Collaborative
Tom Sullivan	Town of Wilbraham
Marie Angelides	Town of Longmeadow

#### **Guests Present**

Paul Pasterczyk	SVRHT Treasurer
Lyn Hollinger	SVRHT Wellness Coordinator
Erica Gelinis	Town of Longmeadow
Audra Staples	Town of Longmeadow
Christina Gagnon	Hampden Wilbraham RSD
Herta Dane	Town of Wilbraham
Corinne Tranghese	Town of East Longmeadow
Pat Kaplan	Blue Cross Blue Shield (BCBS)
Erin Hayes	Tufts Health Plan (THP)
Fred Winer	Tufts Health Plan (THP)
Laura Syron	Health New England (HNE)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

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

#### **Approval of the minutes of the September 12, 2013 Board meeting:**

Tom Sullivan made a motion to approve the minutes of the September 12, 2013 meeting.

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

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

Treasurer Paul Pasterczyk reviewed the Treasurer's financial worksheets and statements ending July 31 and August 30, 2013 (unaudited figures). Mr. Pasterczyk said that the unreserved fund balance was \$4.8M and said that there was an excess of \$2.5M over the fund balance policy target for the month ending August 30. He said that member assessments are paid in full. Mr. Pasterczyk said that work on the FY13 audit will begin next week.

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Mr. Pasterczyk said that the current interest rate for 5-year CDs is 1.7%, versus 1.1% for the 2-year CDs. He said that SVRHT currently has \$5M invested in CDs and said that there is one CD that will renew in November. He asked the Board to consider moving up to 20% of the amounts in the 2-year CDs to the 5-year CDs to benefit from the increased interest rate.

Tom Caliento joined the meeting.

The Board favored moving up to 20% of the investments in the 2-year CDs into the 5-year CDs as they renew.

Carol Cormier noted that SVRHT expected to use \$1M of the trust fund surplus towards the FY13 rates. She said that \$700K was actually utilized. Ms. Cormier said that the FY14 rates were set expecting to use between \$500K and \$800 K of the fund balance.

Paul Pasterczyk said that he will add what the Board anticipates utilizing and the actual utilization of the trust fund balance to his reports.

#### **Wellness Program Report:**

Lyn Hollinger, Wellness Coordinator, distributed and reviewed the Wellness Agenda and Budget for fiscal year 2014. She reviewed the recent and upcoming programs which include line dancing, Zumba and yoga classes, strength training and a walking program. She said that 10 employees have signed up for the self-care yoga classes, and 5 employees are participating in line dancing. Ms. Hollinger said that the Mindfulness/Stress reduction seminars are scheduled from November 18<sup>th</sup> through December 9<sup>th</sup> at Hampden-Wilbraham RDS.

Ms. Hollinger said that the Great American Smokeout is promoted nationally in November, but said that the holidays are usually a stressful time for people, so she suggests beginning the SVRHT smoking cessation program in January or February.

The Board agreed with Ms. Hollinger and favored January to begin the program.

Ms. Hollinger said that the Wellness Committee would like to increase participation in the programs and would like to look at adding incentives to participate.

Ms. Hollinger said that she met with Healthtrax representatives and said that they will honor the existing 30% gym discount. She said that they discussed an alternative discount program. She said that the discount could include \$10 off of the membership fee each month or 30% off a yearly membership with SVRHT contributing \$1 per month per membership. She said they are holding an open house in October and have offered to conduct screenings at the work site health fairs. She said she would bring their proposal to the next meeting.

There was a discussion about purchasing a computer to be used by Ms. Hollinger for wellness. The Board members asked Mr. Pasterczyk to work with Ms. Hollinger on the details of the purchase.

Tom Sullivan asked the status of the HNE "Healthy Directions" Wellness Program proposal that was presented at the September Board Meeting.

Lyn Hollinger said that there would be no cost to the HNE subscribers and said that the Tufts members can participate if SVRHT would be willing to pay for the costs. Ms. Hollinger said that BCBS has a program for the BCBS members.

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Erin Hayes said that THP does have programs that can be utilized, but said that there is a minimum enrollment requirement. She said that SVRHT does not meet the minimum enrollment.

Tom Sullivan made a motion to approve paying for the SVRHT Tufts members to participate in the HNE Wellness program and asked Lyn Hollinger to coordinate the program with BCBS and HNE to begin in the spring.

Motion

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

### **GBS Reports:**

Funding Rate Analysis by Plan - Ms. Cormier reviewed the FY13 Funding Rate Analysis by Plan with data through August. She said the expense-to-funding ratio was 86.6%, with an excess of funding over expenses on a paid basis of \$509,943.

BCBS Level Monthly Deposit – Ms. Cormier said with two months into the second quarter, there is a balance due BCBS of \$77K at the end of August.

Reinsurance Reports - Karen Carpenter reviewed the Stop Loss reports for FY13 and said that the Group has met the Aggregating Specific Deductible (ASD) of \$150K. She said there are 8 claimants that exceeded the \$175K specific deductible and that the group has received reimbursements of \$263K through August 2013. Ms. Carpenter said that there are total reimbursements of \$10,162 due SVRHT. Ms. Carpenter said that there are 16 claimants that have reached between 50% and 100% of the specific deductible with claims totaling \$1.8M.

In response to a question, Ms. Carpenter said that the report cannot identify claimants by type of occupation. She said that information is not collected.

Carol Cormier said that GBS is working with a small advisory committee to review a new model for the reinsurance pooling arrangement. She said that the goal is to have it up and running for July 1, 2014. Ms. Cormier said that she will keep the Board up to date on its progress.

Ms. Cormier said that GBS is hosting a seminar “Employer Responsibilities under the ACA”. She said that there is no cost to attend and breakfast will be provided prior to the seminar. Ms. Cormier said that Attorney Joseph Bartulis of Fletcher Tilton law firm will be presenting. She said that the seminar will be held on October 22, 2013 at the Sheraton Framingham at 9:00 a.m. and encouraged all to attend.

### **CY14 Senior Plan Rates:**

Carol Cormier said that the Board reviewed information about Medicare Part D plans and voted to move the Medex 3 plan to the Medex 2 Medicare Part D plan with a January 1 renewal date to be effective January 1, 2014. She reviewed the GBS Senior Plan Rate exhibit and said that the Board approved the BCBS Medex 2 and Tufts senior plans at the last meeting. Ms. Cormier suggested holding the current HNE MedWrap plan rate for 18 months and moving that plan to a January renewal. She said HNE has approved holding the rate at \$378. Ms. Cormier said that the Managed Blue for Seniors rate decreased from \$413.76 to \$280.58 because the prescription co-pays were eliminated and replaced with Medicare Part D and co-pays. Ms. Cormier said the Medicare HMO Blue plan rate decreased from \$295 to \$237.97 and the HNE Medicare Secure Freedom POS increased from \$207.40 to \$226.00. She said both of these plans are Medicare Advantage plans and fully insured.

Beth Regulbuto made a motion to approve the Managed Blue for Seniors rate, moving to the Medicare Part D prescription drug plan and replacing the Rx coinsurance with Rx co-pays.

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

Motion

Cheryl Decoteau made a motion to accept the Medicare HMO Blue rate as presented.

Motion

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

Beth Regulbuto made a motion to hold the current HNE Medicare Secure Freedom POS rate through December 31, 2014 and to change the plan to a January 1 renewal date.

Motion

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

Ms. Cormier said that CMS requires a 21-day letter to be sent to Senior plan members when moving them electronically to a Medicare Part D prescription plan. She said that she asked BCBS to send the suggested letter. She said BCBS says that it is the employer's responsibility to distribute the letters. Ms. Cormier said that a copy of the letter is included in the meeting packet. She said that she revised the BCBS letter to be more reader-friendly. She said that the letter needs to be sent by US mail and be addressed to the member along with the Medex 2 benefit summary. Ms. Cormier said that she will email an electronic copy to the employers no later than tomorrow. She said that the benefit comparisons will be sent out by the end of next week. Ms. Cormier said that she will draft a general letter to explain the changes and impacts, such as the ineligibility to utilize the MMA Rx program and Diabetes Rewards program. She said diabetic members will hopefully use the disease management programs offered by the health plans.

**Claims payment responsibility for late enrollees to Medicare Part B:**

Carol Cormier said that MA governmental retirees are required to sign up for Medicare Part B when first eligible to enroll in order to be eligible to enroll in the former MA governmental employer's health plans. She said that open enrollment to sign up is January through March for a July 1 effective date. She said if the retiree does not sign up and is enrolled in an active BCBS plan, BCBS will pay their claims as if they have Medicare Part B. She said this means that the retiree will be billed for the services that Medicare Part B would have paid for if the retiree was enrolled in Part B. Ms. Cormier said that the Board needs to decide who will be responsible for the balance: the employer/retiree or the SVRHT.

Erica Gelinas said that the difference of opinion that her town has is when the retiree has a dependent. She said the Town of Longmeadow's interpretation is that they may remain on an active plan and can defer Medicare Part B. She said that BCBS believes that the retiree needs to sign up for Part B regardless.

Carol Cormier said that the law is silent on this issue. She said that each town may administer this based on their own interpretation; however, a decision needs to be made as to the responsibility of the unpaid claims. She noted that if the town does not require the retiree to enroll in Part B when first eligible, the town will have to pay the Part B late enrollment surcharge each year once the retiree does enroll.

Erica Gelinas said that the town is taking responsibility and will be administering and advising its retirees to enroll in Part B going forward.

Carol Cormier said that Tufts Health Plan and Health New England will pay the claims for Medicare eligible retirees who are on Family plans because they have more than one covered dependent the same as they do for others on the family plan. She said that HNE and Tufts probably have no way of knowing whether or not the member is retired.

Arlene Miller said that she remembers the Board voting that all Medicare Part B eligible retirees move to senior plans. She said that it would be in the Trust's best financial interest that if a unit wants to

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administer the enrollment of their retirees differently, then the unit will be responsible to decide whether or not the unit or the retiree will be responsible for the claims not paid by the health plan.

Dick Patullo made a motion that effective July 1, 2014, the SVRHT will not be responsible for claims incurred past June 30, 2014 by retirees who do not sign up for Medicare Part B when first eligible.

Beth Regulbuto seconded the motion.

Motion
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There was a discussion.

Pat Kaplan said that BCBS will administer paying the claims through the BCBS system through June 30, 2014.

Fred Winer said that Medicare *Part D* open enrollment is October through January for an effective date of July 1, 2014.

A vote was taken on the motion and passed by a unanimous vote.

**Health Plan Reports:**

Health New England (HNE) –Ms. Syron said that HNE is updating all of its Business Associate Agreements to conform to the new HIPAA regulations. She said that she will send the agreement for Arlene Miller to sign on behalf of SVRHT when it is ready.

Tufts Health Plan (THP) - Erin Hayes said that there was a question brought up at the last meeting regarding coverage of dependents of dependents. She said that coverage is required by the MA Health Care Reform law. Ms. Hayes said that THP allows its self-funded clients to make the decision on MA Health Care Reform, but not on the Federal Health Care Reform eligibility rules. Ms. Hayes said that Tufts members are eligible to get flu shots at CVS with no co-pay.

BCBS – Pat Kaplan said that BCBS members can also receive flu shots at any contracted pharmacy with no co-pay. Ms. Kaplan said she is working closely with the SVRHT employers on the open enrollment for its senior members.

Laura Syron said that HNE members can also receive the flu shot at any HNE contracted pharmacy with no co-pay.

**Other Business:**

The next SVRHT Board meeting was scheduled for December 12, 2013 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 10:55 AM.

Prepared by Karen Carpenter  
Group Benefits Strategies