

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Tuesday, October 04, 2016

1:00 PM

Wilbraham Town Hall

Wilbraham, MA

Meeting Minutes

Board Members and Alternates present:

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| Arlene Miller, Chair | Town of Longmeadow |
| Tom Sullivan | Town of Wilbraham |
| Richard Patullo | Town of Hampden |
| Cheryl Wiblyi | Lower Pioneer Valley Educ. Coop. (LPVEC) |
| Sara Menard | Town of East Longmeadow |
| Beth Regulbuto | Hampden-Wilbraham RSD |

Guests present:

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| Paul Pasterczyk | SVRHT Treasurer |
| Lyn Fioravanti | SVRHT Wellness Consultant |
| Jillian Kiernan | Abacus Health Solutions |
| Corinne Traghese | Town of East Longmeadow |
| Erica Gelinas | Town of Longmeadow |
| Herta Dane | Town of Wilbraham |
| Christina Gagnon | Hampden-Wilbraham RSD |
| Denise Menard | Town of East Longmeadow |
| Sandra Stankiewicz | Blue Cross Blue Shield |
| Sandra Ruiz | Health New England |
| Fred Winer | Tufts Health Plan |
| Carol Cormier | Group Benefits Strategies |
| Karen Carpenter | Group Benefits Strategies |

Arlene Miller, Chair, called the meeting to order at 1:03 PM.

Approval of the minutes of the September 13, 2016 meetings:

Dick Patullo moved to approve the September 13, 2016 meeting minutes as written.

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

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| Motion |
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Wellness Program Report:

Lyn Fioravanti, Wellness Consultant, distributed and reviewed reports on the participation in the SVRHT Wellness Programs and the budget through September 2016. She said there wasn't much new since giving the report a couple of weeks ago. Ms. Fioravanti said she is working with Sandra Ruiz in an effort to increase participation in the HNE Teladoc program.

Ms. Fioravanti reported from the National Diabetes Prevention research study, that through teaching lifestyle changes, Type 2 diabetes risk decreased by 58% and by 71% in those over 60 years of age. She said without intervention, 15-30% of pre-diabetics will develop diabetes within 5 years. Ms. Fioravanti said she would like to propose to the Board to offer a \$110 discount to SVRHT members who join the YMCA Diabetes Prevention Program. She said the total cost for the 16 sessions over a period of one year is \$479 and includes a lifestyle coach, support group, and membership to the YMCA.

There was a discussion, and Dick Patullo made a motion to offer the \$110 discount to all employees and retirees covered through the SVRHT health plans.

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

Treasurer's Report:

Treasurer Paul Pasterczyk said he updated the September 2016 financial report (unaudited figures) since the last meeting. He said that the ending balance was \$8,712,668 and the net cash increase was \$356,469. Mr. Pasterczyk reported reinsurance reimbursements of \$677K in September and an RDS reimbursement of \$27,404. He said September was pretty much a break even month.

GBS Reports:

Funding Rate Analysis (FRA) report - Carol Cormier reviewed the FRA report with data through August of FY17 and said the expense-to-funding ratio at the end of August was 78.8%, but said that the Network Blue plan was underfunded by \$28.7K; however, she said other plans were over-funded.

BCBS Level Monthly Deposit (LMD) report - Carol Cormier reviewed the LMD report through August and said SVRHT has a credit balance with BCBS \$40.4K.

Reinsurance reports – Karen Carpenter reviewed the reinsurance excess report for the FY16 policy period and said there were eight members with excess claims totaling \$2,952,041. She said the Aggregating Specific Deductible of \$150K has been met and reimbursements of \$1,386,462 have been received. Ms. Carpenter said there are reimbursements of \$15,278 due to the group. She said there were fourteen members with claims between 50-100% of the deductible and the total claims amount was \$6.4M.

Abacus Health Solutions Report -

Diabetes Care Rewards Program – Jillian Kiernan distributed and reviewed the Annual Report for the period of September 1, 2015 to August 31, 2016. She said that at the end of August, 62% of the 191 SVRHT members with diabetes were enrolled in the program. She said 52% of those enrolled, were meeting the requirements of the program and receiving their medications and supplies at no cost. Ms. Kiernan said these were excellent results and noted that Mass. municipal average is 42% enrolled and the national average of diabetics enrolled is 16%.

Ms. Kiernan said the estimated total savings to SVRHT was \$120,999 and member copays waived was \$30,367. Ms. Kiernan reviewed the demographics and noted that 66% of those

enrolled are subscribers of the health plan rather than dependents. She also reviewed the outreach efforts made by Abacus, including targeted mailings, phone calls and text message support. Ms. Kiernan said other social media support includes Facebook and a member newsletter.

Ms. Kiernan recommended continuing the monthly incentive for meeting the program criteria, a direct promotion from the Town or school to employees on town letterhead, and continued quarterly promotions. She also said that Abacus has a new partnership with Glooko, for a unified diabetes management system. Ms. Kiernan said that for the cost of \$20 per month, the members can upload their test results and have access to a nurse coach/case manager. Ms. Kiernan said the Healthy Heart program is another optional program designed to promote annual exams and health screenings. She asked the Board to contact her if they are interested in hearing more information about these program.

The Board thanked Ms. Kiernan for her presentation and report.

CY17 Senior Plan renewals & health fairs:

Carol Cormier reviewed the fully insured senior plan renewals and noted that the increase is driven largely by the rising cost of prescription drugs. Ms. Cormier said that the US is the only country that doesn't regulate drug pricing and is one of only two countries that allow direct to consumer drug advertising. She said that the plan rates for CY17 are as follows:

Medicare HMO Blue rate goes from \$300.87 to \$356.83
Managed Blue for Seniors rate goes from \$309.18 to \$346.58
Tufts Medicare Preferred HMO rate goes from \$267.00 to \$296.00
Tufts Medicare Supplement rate goes from \$337.00 to \$355.00

Ms. Cormier said the HNE Medicare Secure Freedom plan rate is expected to be available on Friday.

Tom Sullivan made a motion to accept the insured senior plan rates as presented and authorized Arlene Miller to accept the HNE Medicare Secure Freedom insured plan rate.

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

Fred Winer explained that the increases to the Tufts senior HMO plans is due to a decrease in funding from Medicare and the increased cost of prescriptions, including expensive specialty drugs.

There was a discussion about the increasing costs of pharmaceuticals, and the Board asked Ms. Cormier to draft a letter from SVRHT to the legislators about this issue, and asking for consideration of controls on pricing. The Board authorized Ms. Cormier to invite the other JPGs to join with them in signing the letter.

Ms. Cormier reviewed the self-funded Medex 2 and HNE MedPlus senior plan renewal projections and administrative fees. She said that BCBS held the Medex 2 administrative fee at

\$29.01 and the HNE MedPlus plan increased its fee from \$19.71 to \$20.25. She said the average GBS per individual contract fee of \$4.74 is also included in the rate projections.

Ms. Cormier said the projected self-funded rate for Medex 2 is \$196.66 and the Blue Medicare Rx fully insured prescription drug rate is \$175.03, for a total projected rate of \$371.69, a 10.3% overall increase. Ms. Cormier reviewed the HNE MedPlus plan projections and said HNE projects a CY17 rate of \$384.74. She said the GBS projection is \$321.42, but said that the enrollment is too small to be fully credible and suggested that the rate be level-funded at \$378.00 for CY17. Ms. Cormier reviewed the funding based on the current enrollments and suggested a Medex rounded rate of \$372.00.

Sara Menard made a motion to approve the rates as presented by Carol Cormier on page 6 of the rate exhibit, i.e. \$372 for Medex and \$378 for MedPlus.

Motion

Cheryl Wiblyi seconded the motion.

Sandra Stankiewicz said that she researched adding the fitness benefit to the Medex 2 plan, and said BCBS can add the reimbursement benefit without a change to the rate. She said they do not expect a high utilization of the benefit.

There was a discussion.

A vote was taken on Ms. Menard's motion for the CY17 senior plan rates and passed by a majority of 4 in favor and 2 against.

Tom Sullivan made a motion to add the BCBS fitness and weight reimbursement benefit to the Medex 2 plan.

Motion

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

Cost containment options for FY18 and beyond:

Carol Cormier said she spoke at the last meeting about what other Joint Purchase Groups are doing to help to contain future health plan costs. She said the Board asked to add the topic to this agenda for further discussion.

Ms. Cormier reviewed a plan to manage health benefits for FY18 and beyond from an exhibit she prepared for SVRHT. She said for 7/1/17, the Deductible plans could be updated to the current GIC benchmark plan design level. She said on 7/1/18, the standard, non-deductible plans could be eliminated. Ms. Cormier said that for 7/1/18, the group could add Health Savings Account (HSA)-qualified high deductible plans with employer contributions to the HSA. She said it would be up to each employer to decide as to whether it wants to replace the current plans with the high deductible HSA-qualified plans, or offer both types of plans, or continue to offer only the current benchmark type of deductible plans. Ms. Cormier said she is also suggesting that all employers review their contribution strategies because these drive employee decision-making in plan selection. In addition, Ms. Cormier suggested considering telehealth programs.

Health Plan Reports:

Blue Cross and Blue Shield – Sandra Stankiewicz said BCBS is going live with “My Blue”, the on-line member site replacing Member Central. She said the “Find a Doctor” tool has been updated to include physicians in New England, rather than just MA.

Health New England – Sandra Ruiz apologized for the delay in obtaining the rate for the HNE Medicare Secure Freedom plan and said she had nothing new to report.

Tufts Health Plan – Fred Winer said that Erin Hayes is attending a health fair today so she was unable to be at today’s meeting. He said he had nothing new to report.

Other Business:

Arlene Miller asked to add Cost Containment for FY18 and beyond to the next agenda.

The next SVRHT Board Meeting was scheduled for December 7, 2016 at 9:30 AM at the Wilbraham Town Hall, Wilbraham, MA.

There was no other business.

Dick Patullo moved to adjourn.

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

Arlene Miller adjourned the meeting at 2:35 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*