

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

**Board Meeting**

Wednesday, October 7, 2015

1:45 PM

Wilbraham Town Hall

Wilbraham, MA

**Meeting Minutes**

**Board Members and Alternates present:**

Arlene Miller, Chair	Town of Longmeadow
Tom Sullivan	Town of Wilbraham
Richard Patullo	Town of Hampden
Cheryl Wiblyi	Lower Pioneer Valley Educ. Coop. (LPVEC)
Anna Bishop	Lower Pioneer Valley Educ. Coop. (LPVEC)
Beth Regulbuto	Hampden Wilbraham RSD
Sara Menard	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
Sandra Stankiewicz	Blue Cross Blue Shield
Fred Winer	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 1:45 PM.

**Approval of the minutes of the September 10, 2015 meeting:**

It was noted that there were three typos. On page 5 next to the last paragraph, “September 28<sup>th</sup>” should be “October 28<sup>th</sup>”, last paragraph page 5 “Cre”, should be “Care” and on page 6, under BCBS health plan reports “if efforts to” should be “in efforts to”.

Tom Sullivan moved to approve the September 10, 2015 meeting minutes as amended.

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

Motion
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**Treasurer’s Report:**

Treasurer Paul Pasterczyk reviewed the financial reports of July and August and a partial report for September 2015 (unaudited figures). He said that the Unreserved Fund Balance was

\$5,980,252 through August, which he said is \$3.51 million above the target. He said there were \$3M in advanced member payments through August. He said the BCBS claims were \$1.44M, higher than usual and the HNE claims payment was \$777K. He noted that in September, there was nothing unusual with the BCBS Level Monthly Deposit and HNE claims.

He said the auditor, Scanlon Associates, should be ready to begin work on the FY15 financial statements in early November.

**Wellness Program Report:**

Lyn Fioravanti, Wellness Consultant, distributed and reviewed the FY16 participation in the SVRHT Wellness Programs and budget for October 2015. She said the current programs include the Colonoscopy Incentive Program, Smoking Cessation Program, Yoga, Walking Works and Zumba.

Ms. Fioravanti noted that the FY16 wellness budget of \$97,950 includes increased programming and an expected increase in participation as well as the incentive program.

Ms. Fioravanti asked the Board to consider offering a 40% class discount for wellness programs with fees for employees who work less than 20 hours per week and are therefore not eligible for health plan membership.

There was a discussion.

Tom Sullivan made a motion to approve a 40% discount to employees that work less than 20 hours per week for participation in wellness programs.

The motion was not seconded and was defeated.

Lyn Fioravanti said she has a concern about the new Affordable Care Act (ACA) regulations towards wellness programs and incentives. She said she would like to know of a source for information on this.

Carol Cormier suggested New England Employee Benefits Council (NEEBC) as a possibility. She said that much of the regulations have to do with not being discriminatory in program offerings.

There was a discussion.

Arlene Miller said that the SVRHT is trying to be fair to all.

**GBS Reports:**

*Funding Rate Analysis (FRA) report* - Carol Cormier reviewed the FRA report with 2 months of data through August of FY16. She said the expense-to-funding ratio was 120.7%. She said the estimated shortfall of funding from rate revenue was \$757K at the end of August. Ms. Cormier said the BCBS Network Blue plans, both with and without deductible were seriously underfunded. She noted that the Board held the FY16 rates at the FY15 levels in anticipation of spending down some of the Fund Balance that exceeded the fund balance target.

*BCBS Level Monthly Deposit (LMD)* – Carol Cormier reviewed the report and said the claims exceeded the LMD payment for the first quarter of FY16 by \$539,865.

*Reinsurance reports* – Karen Carpenter reviewed the reinsurance excess report for FY15 with claims paid through August. She said that there were six members with claims over the \$175K deductible. She said the total excess claims amount was \$661,231 and said there are reimbursements of \$501,846 due the group. She said that there were 13 members with claims between 50-100% of the deductible with total claims of \$1.55M.

Karen Carpenter reviewed the report for the FY16 policy period. She said there was one member that had claims between 50-100% of the deductible and the total claims amount was \$88,333. She said there were no members that exceeded the FY16 specific deductible as of the August.

*GBS MOU for the Medicare Retiree Drug Subsidy services* – Carol Cormier reviewed the GBS MOU and proposed the annual fee of \$2,600 to provide administration services related to the application and filing for the Medicare Retiree Drug Subsidy (RDS) for the HNE MedPlus plan for calendar year 2016.

Tom Sullivan made a motion to approve the GBS RDS MOU as proposed.

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

**Update on Hampden Wilbraham RSD (HWRSD) retired teachers coverage:**

Beth Regulbuto said that in response to the School Committee's decision to move the retired HWRSD teachers from the Group Insurance Commission (GIC) health plans to the SVRHT health plans, two informational meeting sessions were planned. She HWRSD retirees attended the first informational meeting session on September 30<sup>th</sup> to hear from the school, health plan representatives and Carol Cormier representing SVRHT. Ms. Regulbuto said the session went really well and said that the session will be available on the school website for those who were unable to attend. She said there will be a second meeting on October 7<sup>th</sup>. Ms. Regulbuto said the target date for the move is July 1, 2016.

Tom Sullivan said there was some confusion when several Town of Wilbraham retirees that also have health insurance through the GIC went to the meeting in error.

**CY16 Senior Plan Rates:**

Carol Cormier reviewed the CY16 insured senior plan rates compared to the CY15 rates as described below:

Managed Blue for Seniors - \$309.18, up from \$290.17 in CY15

Medicare HMO Blue - \$300.87, up from \$266.44

HNE Medicare Secure Freedom POS - \$280, up from \$229

Tufts Medicare Preferred Supplement - \$337, down from \$344, and

Tufts Medicare Preferred HMO - \$267, up from \$262

*Health New England* – Sandra Ruiz said a hearing aid benefit will be added to the Secure Freedom plan as of January 1, 2016 and noted that the addition of this benefit did not have an impact on the rate increase.

*Blue Cross Blue Shield* – Sandra Stankiewicz said the rise in cost for all of the senior plans is due to the increased costs of prescription drugs, especially the specialty drugs. Ms. Stankiewicz noted that the Emergency Room co-pay for the Medicare HMO Blue plan increase from \$65 to \$75. She said there were also some drug formulary changes made for CY16.

*Tufts Health Plan* – Fred Winer said even though there is a rise in medication costs, the SVRHT had good claims experience this past year which is why the Medicare Supplement plan rate decreased by \$7. Mr. Winer reviewed the addition of new plan discounts to include adding acupuncture to the wellness reimbursement, “Idiet” to the weight management benefit, and discounts at “Safer at Home” and Jenny Craig foods. He said a new user-friendly web portal has been added to the Tufts website for the senior plan members.

Mr. Winer said Tufts has expanded its Medicare HMO provider network to include Beth Israel Hospital providers. He said over 500 new PCPs and specialists have been added with locations from Cape Cod to the North Shore area. Mr. Winer said Tufts will be sending out new ID cards to all of its members beginning January 1 due to re-branding.

Ms. Cormier reviewed the Medex II and HNE MedPlus plan rate calculations from the health plans and the calculations done independently by GBS. She said the Medex II medical claims are self-funded and the HNE MedPlus plan is also self-funded for medical and prescription drug expenses.

Ms. Cormier said the FY16 HNE MedPlus plan expenses are running at 67.6% of rate revenue and that the plan has been overfunded for the past 6 years. She said the GBS calculation is a reduction of the rate, while HNE is recommending holding the CY15 rate for CY16. She said she thinks holding the rate at the current amount of \$337 per month is reasonable.

Ms. Cormier said the Medex costs to SVRHT went down since the prescription drug portion of the plan was moved to a Medicare Part D plan, i.e. Blue Medicare RX. She said the GBS and BCBS projections were very close and suggests setting the rate at \$337, an amount about midway between the two projections.

There was a discussion.

Anna Bishop made a motion to approve the Medex II with Blue Medicare RX rate of \$337 as recommended.

Motion

Sara Menard seconded the motion. The motion passed by unanimous vote.

Dick Patullo made a motion to approve the HNE MedPlus plan rate of \$378.

Motion

Sara Menard 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 has requested the counts from the health plans and will provide the information to the Treasurer.

**Cadillac Tax** – Carol Cormier said she attended a webinar recently and learned new information how the tax will be calculated. She said employers may be able to aggregate the costs of the early retirees on active employee plans with the cost of the Medicare plans which may reduce the active employee plan tax liability. She said the IRS has not finalized anything yet and both parties in Congress do not like the Cadillac Tax as it is currently conceived. Ms. Cormier said she will keep the group updated as things develop.

**Health Plan Reports:**

*Blue Cross Blue Shield (BCBS)* – Sandra Stankiewicz, Account Executive, said the medical coding changed from ICD9 codes to ICD10 codes, effective October 1<sup>st</sup>, 2015. She said some providers had already updated their systems and have been using the new codes for a few months. Ms. Stankiewicz said the change may impact the payment of claims, so the claims numbers may be deflated for a couple of months. She said she is hoping to know the impact by the end of October.

*Health New England (HNE)* – Sandra Ruiz, Account Executive, said the semi-annual notice will be mailed to the employees next week. She said HNE is revamping its website which should be ready at the end of the month.

*Tufts Health Plans* – Fred Winer, Senior Products Account Manager, said he didn't have anything new to report.

**Other Business:**

The next meeting was scheduled for December 10, 2015 at 9:30 a.m. to be held at the Wilbraham Town Hall, Wilbraham, MA.

There was no other business.

Dick Patullo moved to adjourn.

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

Arlene Miller adjourned the meeting at 2:55 PM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*