

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

**Board Meeting**

Wednesday, October 22, 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
Sara Menard	Town of East Longmeadow
Tom Sullivan	Town of Wilbraham
Richard Patullo	Town of Hampden
Beth Regulbuto	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Coop
Cheryl Decoteau	Lower Pioneer Valley Educ. Coop.

**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
Laura Syron	Health New England
Erin Hayes	Tufts Health Plan
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Arlene Miller, Chair, called the meeting to order at 9:23 AM.

**Approval of the minutes of the September 10, 2014 meeting:**

Tom Sullivan moved to approve the September 10, 2014 meeting minutes.

Richard 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 August and September 2014 (unaudited figures).

He said that on September 30<sup>th</sup> the Unreserved Fund Balance was \$5,529,865.59, which is \$3.08 million above the target.

Anna Bishop joined the meeting.

Mr. Pasterczyk said that Dan Haynes, CPA is no longer with Scanlon and Associates. He said that Mr. Haynes may still be willing to do the SVRHT FY14 audit. Mr. Pasterczyk asked the Board if it had a preference.

The Board members agreed that they did not have a preference and approved contacting Mr. Haynes and/or Scanlon Associates.

**Wellness Program report:**

Lyn Hollinger, SVRHT Wellness Coordinator, reviewed the program participation report. She said that the number of website hits averages 39 per day.

In response to a question, Ms. Hollinger said she would try to obtain a website hit rate by specific topics.

Ms. Hollinger said she was happy to report that the units are beginning to ask for specific wellness programs. She reviewed the various programs.

Arlene Miller said that Ms. Hollinger organized a meeting with BCBS to review the current wellness programs available through BCBS. She said that the incentive to members to complete the Health Risk Assessment (HRA) last year was \$200. Ms. Miller said that several employees that were not covered through the SVRHT were upset that they were ineligible to participate. Ms. Miller said that the Wellness Committee would like to revamp the program and asked the Board members for their thoughts.

Several Board members expressed a concern that the employees not insured through SVRHT are not contributing to the Trust Fund and that offering them incentives would increase the SVRHT's costs.

Other members said that even if the employee is not insured through SVRHT, the goal is to promote employee health.

Sara Menard suggested charging employees a nominal fee to participate in SVRHT wellness programs.

There was a discussion and the Board agreed to continue reviewing the options at future meetings.

Ms. Hollinger reviewed the FY15 wellness budget and said that 13.7% of the budget was used through October 2014.

**Group Benefits Strategies reports:**

*Funding Rate Analysis (FRA) Report* – Carol Cormier reviewed the year-end report with data through June 30, 2014. She noted that the previous Medex spreadsheet was incorrect and has now been corrected. She said in FY14 the Medex plan was underfunded by 02.2%. Ms.

Cormier said she wanted to bring this to the Board's attention in case it would like to reconsider the decision to hold the Medex rate, i.e. 0% increase, for CY15. Ms. Cormier said the expense-to-funding ratio for Medex from July through August was 89.5%. She said the 2-month expense-to-funding ratio across all plans was 90.8% and that there was an excess of funding over expenses of \$346,590.

*Level Monthly Deposit (LMD) Reconciliation report for BCBS plans-* Ms. Cormier said that the report is for months of July and August and said that SVRHT has a credit balance of \$472,611.

*Medicare Part D Retiree Drug Subsidy (RDS) Memorandum of Understanding (MOU) -* Ms. Cormier said that the HNE MedPlus plan is now the only plan eligible for the RDS reimbursements. She said that GBS is proposing a fee of \$3,000 to provide the services related to the RDS application and filing for CY2015.

Dick Patullo made a motion to approve the GBS proposed MOU with a fee of \$3,000 for management of the RDS CY15 application.

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

*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 \$1,250,570 and excess claims of \$375,570. Ms. Carpenter said the \$150K aggregating specific deductible has been met and said that there are reimbursements of \$166,012 due to the Group. She said that there were 12 claimants on the report of claims between 50% and 100% of the stop loss deductible with claims totaling \$1,390,570.

On the FY15 reinsurance policy, Ms. Carpenter said there were 3 claimants with claims between 50% and 100% of the deductible with total claims of \$332,503.

*Retiree Drug Subsidy re-openings –* Carol Cormier said that GBS recently issued an RFP for auditing RDS applications. She said that employers have the right to re-open closed and reconciled RDS applications for audits. Ms. Cormier said she is not suggesting at this time that SVRHT do such an audit but wanted to let the SVRHT know about this option. She said that another GBS client has hired the company that was selected by GBS through the bid process and said she will let SVRHT know the outcome of the audit.

*Enrollment Audits-* Carol Cormier said that Ch. 32B, S 25 requires that an enrollment audit be performed every two years. She said SVRHT hired Enrollment Audit Solutions (EAS) to perform a dependent audit about 2 years ago and that following the audit, the employers are supposed to be requesting specific documents to support eligibility. Ms. Cormier said that employers may want to do a subscriber audit next and noted that CMS is very diligent about requiring documentation from the Medicare eligible retirees. Ms. Cormier said that the employers may want to send a letter to their employees on Family plans annually to remind them to notify the employer of any status changes or have them sign an AFFIDAVIT confirming that there have been no changes.

**Medex Senior Plan Renewal - revisited:**

Carol Cormier reviewed the funding and CY15 rate calculations for the BCBS Medex plan medical claims and said that the GBS rate projection/recommendation including the PDP premium is \$335.94. She said that the BCBS projection is \$320.76. Ms. Cormier noted that the current Medex rate for CY14 is \$312. She asked the Board if it would like to revise the rate for CY15 in light of the corrected funding report.

The Board took no action.

**HNE Medicare Secure Freedom Plan CY15 Renewal:**

Laura Syron said that there are no benefit changes to the Medicare Secure Freedom plan for CY15 and said the rate is increasing to \$229, a 1.3% increase.

Tom Sullivan made a motion to approve the HNE Medicare Secure Freedom plan CY15 rate of \$229.

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

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

*Transitional Reinsurance Program fee (TRP)* update – Carol Cormier said that Paul Pasterczyk registered and set up a *Pay.gov* account in preparation for filing and paying the TRP fee. She said that the annual fee is \$63 per member and for SVRHT the total fee for FY14 is going to be about \$250K. Ms. Cormier said that the form to file is expected to be available on the IRS website tomorrow and the filing deadline is Nov. 17.

*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 has obtained the HPID for SVRHT and said that someone needs to be designated as the Official Representative.

Arlene Miller volunteered to be the Official Representative.

Carol Cormier said that the ACA Cadillac Tax is expected to take effect in 2018, but said that employers will need to prepare earlier. She said she would bring a chart to the next meeting to estimate the effect of the tax on SVRHT. She recommended adding language to future labor agreements that will reach into 2018 to enable employers to respond to this new tax. Ms. Cormier also recommended the adoption of Ch. 32B, Sections 21-23 to those employers that have not done so already.

Arlene Miller asked the Board members to report at the next meeting as to the status of adopting the sections.

**Change in utilization based on incentives to use free-standing hi-tech imaging facilities:**

Carol Cormier said in response to the Board's request, BCBS and HNE ran reports. Ms. Cormier said that she would like to wait until Suzanne Donahue is present to review the BCBS report.

Laura Syron said that the increase in utilization to free-standing non-hospital-based facilities from 2013 to 2014 was 4.6%. She recommended additional promotion of the incentive.

**Health Plan Reports:**

*Health New England* - In response to a question asked about the medical and prescription trends, Laura Syron, HNE, said that the medical trend has not increased, but said the prescription trend has increased to 9.5% for 2015, up from 5.5% in 2014. She said that the very expensive specialty drugs used to treat Hepatitis C, such as Solvaldi, is one of the causes of the increase in drug trend. She noted that two SVRHT HNE members were prescribed Solvaldi in 2014.

*Tufts Health Plan* – Erin Hayes said that Solvaldi is a treatment and often a cure for Hepatitis C and said that the treatment can cost between \$130K and \$140K for a year. She said that the costs are expected to level out and noted that not all people with Hep-C need the drug. Ms. Hayes said that there is an authorization process in place for the prescription.

Ms. Hayes said that THP has reevaluated the ACA requirement to cover dependent adult children to age 26 and said that Tufts will start to cover dependents through the end of the month in which they turn age 26 rather than until the 26<sup>th</sup> birthday. She said that THP will give self-insured groups the option of implementing the change on plan anniversary or earlier.

Carol Cormier said that BCBS will implement the same change in dependnet coverage on plan anniversary, July 1, 2015 for SVRHT. She said that HNE has already been administering this eligibility in this way.

There was a discussion.

Beth Regulbuto made a motion to cover dependents to age 26 through the end of the month in which they turn 26 effective on plan anniversary, July 1, 2015 for BCBS and Tufts plans.

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

Motion
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**Other Business:**

Corinne Tranghese asked the Board to consider covering the removal of impacted teeth the same across all of the health plans.

Erin Hayes said that Tufts Health Plan is a medical insurer and does not administer or contract for dental services.

Dick Patullo asked about offering a dental plan.

Arlene Miller said that the Board is not prepared to consider this topic.

Carol Cormier said that employers can go direct with a dental provider and offer a voluntary plan.

There was no other business.

The next meeting was scheduled for December 3, 2014 at 9:30 at the Wilbraham Town Hall.

Beth Regulbuto made a motion to adjourn.

Motion
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Dick Patullo seconded the motion. Arlene Miller adjourned the meeting at 10:45 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*