

Scantic Valley Regional Health Trust

Board Meeting

Wednesday, October 26, 2011

9:30 a.m.

Wilbraham Town Hall

Wilbraham, Massachusetts

Meeting Minutes

Members and Alternates Present

Arlene Miller, Chair

Tom Sullivan

Anna Bishop

Cheryl Decoteau

Beth Regulbuto

Christina Gagnon

Thomas Caliento

Town of Longmeadow

Town of Wilbraham

Lower Pioneer Valley Education Collaborative

Lower Pioneer Valley Education Collaborative

Hampden Wilbraham Regional School District

Hampden Wilbraham Regional School District

Town of East Longmeadow

Guests Present

Paul Pasterczyk

Amy Higgins

Corinne Tranghese

Rob Aseltine

Steve Corbin

Pat Kaplan

Heidi Fountain

Fred Winer

Carol Cormier

Karen Carpenter

SVRHT Treasurer

SVRHT Wellness Coordinator

Town of East Longmeadow

Town of Longmeadow Board of Selectmen

Blue Cross Blue Shield

Blue Cross Blue Shield

Health New England (HNE)

Tufts Health Plan (THP)

Group Benefits Strategies (GBS)

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

Approval of the minutes of the September 21, 2011 Board meeting:

Tom Sullivan made a motion to approve the minutes of September 21, 2011.

Motion

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

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the Treasurer's statements and worksheets ending August and September 2011 (unaudited figures). Mr. Pasterczyk said that the Unreserved Fund Balance was \$4.478M at the end of August, \$2.09M above the Fund Balance target.

Mr. Pasterczyk said that the Unreserved Fund Balance was \$4.4M at the end of September, \$1.99M above the Fund Balance target.

Mr. Pasterczyk asked the Board to consider who it would like to complete the financial audit for fiscal year 2011.

Tom Caliento made a motion to retain the services of Dan Haynes, Scanlon & Associates, CPA, to perform the financial audit for fiscal year 2011.

Motion

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

Wellness Program Report:

Amy Higgins distributed and reviewed the Wellness Budget and Agenda through September 2011. She said that 17.51% of the Coordinator's Salary and 4.92% of the Coordinator's Expenses have been utilized. Ms. Higgins said that 15.54% of the Program budget for expenses has been spent. She said this accounts for 16.90% of the overall budget.

Ms. Higgins said that the Hampden Wilbraham RSD Health Fair held on October 6th at the Minnechaug Regional High School went well. She said that there were approximately 60 attendees and about 45 of those participated in the health screenings.

Ms. Higgins said that there are exercise videos posted on www.scantichealth.org/exercises.htm. She said that upcoming programs include a 6-week strength training program, Yoga instruction and a Maintain Campaign focused on getting through the holidays while maintaining the same weight. Ms. Higgins said that the health plans have been promoting flu shot clinics.

Ms. Higgins said that she did not have any news on partnering with the Parks and Recreation departments.

GBS Reports:

Ms. Cormier said that she will forward the September reports to the Board. She reviewed the Diabetes Rewards Program report for August 2011 prepared by The Abacus Group. She said that the program is doing well and said that participation and compliance are increasing steadily. Ms. Cormier said that to date, \$13K in member co-pays were waived.

Anna Bishop joined the meeting.

Carol Cormier said that in response to the public's outrage at the \$4M settlement to the former BCBS President & CEO, BCBS, in consultation with the Attorney General's Office, has decided to give an equal amount back to the BCBS accounts. Ms. Cormier said that amounts to a credit of \$4,158 to the Scantic Valley Health Group.

Reinsurance Reports - Karen Carpenter reviewed the Stop Loss reports for FY11 and said that the Group has not met the Aggregating Specific Deductible of \$150K and said there are no reimbursements due the group through September 2011. Ms. Carpenter said that there are 8 claimants on the report of claimants that have reached 50% of the specific deductible with claims totaling \$986,144.

MA Municipal Health Reform Legislation:

Carol Cormier reviewed the SVRHT Timetable for plan design changes that may be made for July 1, 2012. She said that the Board has completed the first four items to include a review of preliminary information on possible plan design changes, the cost impact and approval of sending three plan design scenarios to the Segal Company for actuarial analysis. Ms. Cormier said that she will update the Timetable.

Ms. Cormier said that under the new law, the employer needs to show the basis of estimated cost savings and make a mitigation proposal sharing up to 25% of the first year's estimated gross savings. She said if the Public Employee Committee does not agree, the proposal will go before a Municipal Review Panel. She said if the proposal meets all of the requirements of the law, the Panel is required to approve it. Ms.

Paul Pasterczyk said that he created a spreadsheet calculating the different between the premiums with and without modifications. He said that he would email the spreadsheet to the Board.

The next SVRHT Board meeting was scheduled for November 15, 2011 at 9:30 a.m. to be held at the Wilbraham Town Hall.

Rob Aseltine said that the State Ethics Committee responded to a question sent to them by David E. Sullivan, General Counsel, Executive Office for Administration and Finance about how the conflict of interest law, G.L. c. 268A, applies to the acceptance by municipalities of Chapter 69 of the Acts of 2011. He said it was specific regarding city councilors or selectmen that are eligible to receive health insurance from their municipalities, giving them a financial interest in the matter. He said that a Selectman that takes health insurance through the town is required to recuse himself from the process unless a quorum cannot be obtained, in which case the law of necessity would be invoked.

Paul Pasterczyk suggested scheduling a Board meeting to discuss mitigation options.

Ms. Cormier reviewed the proposed health plan design features and the estimated claims savings provided by BCBS and HNE. She said that the estimates from Segal Co. will not be available until Nov. 11. She suggested withdrawing Option 1 from consideration since the health plans cannot offer a design with tiering.

Heidi Fountain, Health New England, said that the GIC tiering is based on the GIC's own cost and quality determinations and so HNE could not use those measures to provide tiering for SVRHT.

The Board agreed to eliminate the Option 1 plan design.

Carol Cormier reviewed the proposed deductibles and what services the deductibles would apply to.

A Board member said that they were concerned that adding a deductible may impede some members from getting the medical care that they need.

There was a discussion of the pros and cons of adding a deductible.

BCBS proposed changes to provider payments & Options for Durable Medical Equipment:

Arlene Miller tabled these discussions until the next meeting.

Tufts Health Plan Report:

Fred Winer said that the Tufts Medicare Preferred HMO premium would be decreasing from \$242 to \$226 effective January 1, 2012. Mr. Winer said that the Board can choose to change the renewal of the premium for the Tufts Medicare Prime Supplement plan to January to take advantage of the premium reduction from \$344 to \$311. He said the other option is to stay as is and renew as scheduled in July, however the renewal rate may not remain at \$311. He said that the retirees can continue to have an open enrollment in July even if the rate changes in January.

He explained that Tufts was able to reduce their rates because they will be receiving a credit for prescription costs in the Medicare Part D "donut hole". He said that Tufts will be passing the savings on to clients.

The Board did not take any action.

HNE Report:

Heidi Fountain said that Mercy Medical Center is now included in the HNE Medicare Advantage network.

Other Business:

In addition to the November 15th meeting date set earlier, a second SVRHT Board meeting was scheduled for December 8, 2011 at 9:00 AM.

There was no other business.

Chair Arlene Miller adjourned the meeting at 11:00 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*