

## **Scantic Valley Regional Health Trust**

### **Board Meeting**

Tuesday, November 15, 2011

9:30 a.m.

Wilbraham Town Hall

Wilbraham, Massachusetts

### **Meeting Minutes**

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

Arlene Miller, Chair

Tom Sullivan

Anna Bishop

Beth Regulbuto

Christina Gagnon

Thomas Caliento

Town of Longmeadow

Town of Wilbraham

Lower Pioneer Valley Education Collaborative

Hampden Wilbraham Regional School District

Hampden Wilbraham Regional School District

Town of East Longmeadow

#### **Guests Present**

Paul Pasterczyk

Marie Angelides

Corinne Tranghese

Steve Corbin

Heidi Fountain

Carol Cormier

SVRHT Treasurer

Town of Longmeadow

Town of East Longmeadow

Blue Cross Blue Shield

Health New England (HNE)

Group Benefits Strategies (GBS)

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

#### **Approval of the minutes of the October 26, 2011 Board meeting:**

Tom Sullivan made a motion to approve the minutes of October 26, 2011.

Motion
--------

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

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

Treasurer Paul Pasterczyk reviewed the Treasurer's financial worksheets and statements for the period ending October 31, 2011 (unaudited figures). Mr. Pasterczyk said that the Unreserved Fund Balance was \$4.53M which is \$2.13 M above the Fund Balance target.

Arlene Miller asked about the FY11 audit.

Paul Pasterczyk said he was scheduled to meet with the auditor, Dan Haynes, this afternoon.

#### **GBS Reports –proposed plan design changes for FY13:**

Carol Cormier reviewed the proposed plan design changes, Options 1 and 2, that had been sent to BCBS, HNE, and the Segal Co. for actuarial valuation. She said that the Segal and BCBS estimates of FY13 claims reductions resulting from the proposed changes were extremely close. Ms. Cormier said in the case of HNE, Segal's estimates were considerably lower than HNE's.

Beth Regulbuto asked Ms. Cormier to prepare a document explaining the process, basis of Board actions to date, limitations, and next steps in moving towards plan design changes.

Tom Sullivan pointed out that the SVRHT does a good job of controlling claims costs, noting single digit rate increases in recent years.

Tom Caliento joined the meeting at this time.

Arlene Miller said that she is interested in a lower inpatient co-pay than has been proposed to date, perhaps \$250 or \$300 rather than the \$500. She asked about the proposed deductible.

Steve Corbin and Heidi Fountain said that they did not think their organizations could administer deductibles lower than the proposed \$250 per member, not to exceed \$750 per family.

Arlene Miller said she hoped to get a sense by the end of today's meeting about the direction in which the majority of the Board wants to go.

Tom Caliento said he'd like to learn more about mitigation plans.

There was a discussion about alternative approaches to mitigation required by the law.

Corinne Tranghese asked if an employer could do mitigation only if people do all their disease screenings.

Carol Cormier said that Ch. 32B, Section 21 does not address conditional mitigation plans.

Heidi Fountain talked about Health Reimbursement Arrangements (HRAs) and Flexible Spending Accounts (FSAs).

Steve Corbin said medical trend has gone down and BCBSMA combined medical and Rx trend for January 2012 is around 7%.

Heidi Fountain said for HNE medical trend is around 9% and Rx trend about 4-5%.

Corinne Tranghese asked Carol Cormier if SVRHT would lose grandfathered status under PPACA.

Carol Cormier answered in the affirmative.

Carol Cormier asked BCBS and HNE representatives to request their organizations hold the current administrative fees through FY13, i.e. zero percent increases.

Tom Caliento said East Longmeadow has a lot of retirees on active employee plans, about 75 of whom will transfer to Medicare plans. He said he'd like to know the percent of claims that are attributable to these retirees.

Tom Sullivan said that Plan Design Option 2 should be the minimum the Board considers and that mitigation should cover high co-pays.

Beth Regulbuto suggested the plan year deductible be set at \$250 per Individual, not to exceed \$500 per family and that the inpatient co-pay be set at \$300.

Arlene Miller closed the discussion on plan design changes and said that the Board will vote on the changes for FY13 at the December 8<sup>th</sup> meeting. She urged the Board members to discuss this with their Appropriate Public Authorities.

**BCBS proposed changes to non-network providers for the Blue Care Elect Preferred PPO plan:**

Steve Corbin. BCBSMA, explained that effective 7/1/2012 BCBS will be making changes to the way it pays non-participating providers both in the state and out-of-state for non-network services rendered to PPO members. He said that BCBS will pay based on Usual & Customary (U&C) charges. He said the payment will be at 100% of U&C in MA and 150% out of state. He said that members could experience some balance billing under the new payment arrangements.

**BCBS proposed changes to Durable Medical Equipment (DME) plan design features:**

Steve Corbin briefly explained options for the DME benefit.

Arlene Miller said that the Board would take this up along with the proposed changes to non-network provider payments for the PPO at its next meeting.

**Health Plan Reports:**

*Health New England (HNE)* - Heidi Fountain said HNE will send mailings to member regarding medical management.

Ms. Fountain said that effective January 1, 2012 Medicare Advantage plan members will have routine eye exams covered once every 12 months rather than once every 24 months.

*Blue Cross Blue Shield* – Mr. Corbin said he had nothing to report other than the two issues previously discussed.

Corinne Tranghese asked Steve Corbin about the Walgreens contract.

Mr. Corbin said members are being notified that BCBS will not longer have a contract with Walgreens.

**Other Business:**

Arlene Miller asked Carol Cormier to find out what Segal would charge to conduct a workshop on mitigation for the SVRHT employers. She said to ask for their availability and not to schedule for Monday evenings.

There was no other business.

Chair Arlene Miller adjourned the meeting at approximately 11:20 AM.

*Prepared by Carol Cormier  
Group Benefits Strategies*