

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday, December 3, 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
Tom Sullivan	Town of Wilbraham
Richard Patullo	Town of Hampden
Beth Regulbuto	Hampden Wilbraham RSD
Cheryl Wiblyi	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
Suzanne Donahue	Blue Cross Blue Shield
Sandra Stankiewicz	Blue Cross Blue Shield
Laura Syron	Health New England
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
Karen Carpenter	Group Benefits Strategies

Arlene Miller, Chair, called the meeting to order at 9:30 AM.

Approval of the minutes of the October 22, 2014 meeting:

Richard Patullo moved to approve the October 22, 2014 meeting minutes.

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

Motion

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the financial reports of October and November 2014 (unaudited figures).

He said that on October 30th the Unreserved Fund Balance was \$5,293,546.76, which is \$2.84 million above the target. Mr. Pasterczyk noted that the BCBS claims processing was delayed

due to their transition to a new systems platform. He said that the claims were lower than normal during October and November.

Suzanne Donahue said that BCBS expects that the claims processing will be caught up and reflected on the next monthly bill and the transition complete by January 2015.

Mr. Pasterczyk said that the November statement is not complete, but said \$147K of reinsurance reimbursements was received.

Mr. Pasterczyk said that Scanlon and Associates will be performing the SVRHT financial audit for FY14, and said the audit will begin prior to the holidays.

Wellness Program report:

Lyn Hollinger, SVRHT Wellness Coordinator, reviewed the program participation report. She said that the number participants in the Maintain Campaign increased to 115 weighing in at the program start in 2014 as compared to 71 participants in 2013. Ms. Hollinger reviewed the website daily and monthly hits report.

Ms. Hollinger said the upcoming programs include nutrition, yoga and ergonomic classes. She said the Ergonomics instruction will be conducted for the Town of Longmeadow initially, but said she would like to expand to other locations as well.

Ms. Hollinger said she would like to offer a 6-week fitness training program to the Town of Wilbraham firefighters beginning January 2015. She said she would like to address issues such as cardiovascular disease, stress, obesity and injury risk. Ms. Hollinger asked the Board to consider approving \$1,500 in wellness incentives, approximately \$94 per person to be used towards workout equipment such as weights.

There was a discussion about the possibility of receiving community donations to use towards equipment.

Ms. Hollinger said she met with BCBS and HNE to update and enhance the Health Risk Assessment (HRA) program for next year. She said she is working on a Spring Challenge.

Arlene Miller said that the BCBS online wellness program doesn't seem to be user friendly and said Ms. Hollinger will be meeting with Amy Higgins about this. She said the program may be on hold for a year to work through the technical issues.

Ms. Hollinger reviewed the FY15 wellness budget and said that 16.7% of the budget was used through November 2014. She noted that she would like to rename the "Biggest Loser" program due to trademark reasons. She said if anyone has a suggestion to contact her.

Group Benefits Strategies reports:

Funding Rate Analysis (FRA) Report – Karen Carpenter reviewed the year-end report with data through October 30, 2014. She said the Tufts EPO Deductible plan was underfunded, but said enrollment in that plan is low. She said the HNE EPO was underfunded by \$98K. Ms.

Carpenter said the expense-to-funding ratio across all plans was 98.2% and that there was an excess of funding over expenses of \$133,657.

Level Monthly Deposit (LMD) Reconciliation report for BCBS plans- Ms. Carpenter said that the report is for the month of October and said that SVRHT has a debit balance of \$256,067.

myMedicationAdvisor® report – Ms. Carpenter reviewed the MMA report prepared by The Abacus Group and said that the report is through the month of September 2014. She said that SVRHT is exceeding the international buying scripts projections. Ms. Carpenter said the alternative generic buying scripts are below the projections. She said that the total net savings, less fees through September was \$200,659. She said a total of \$72,664 employee copays were waived.

Stop Loss reports – Karen Carpenter reviewed the stop loss report for the FY13 policy year and said there are reimbursements of \$7,006 due to the group. She said the reinsurance broker was working with HNE to obtain claims information for the reinsurer. Ms. Carpenter reviewed the stop loss report for FY14 and said there are 5 claimants who exceeded the \$175K specific deductible with total claims of \$1,252,001 and excess claims of \$377,001. Ms. Carpenter said the \$150K aggregating specific deductible has been met and said that there are reimbursements of \$20,508 due to the Group. She said that there were 13 claimants on the report of claims between 50% and 100% of the stop loss deductible with claims totaling \$524,164.

On the FY15 reinsurance policy, Ms. Carpenter said there were 2 claimants who exceeded the \$175K specific deductible with total claims of \$355,408. She said the \$150K aggregating specific deductible has not been met. Ms. Carpenter said there were 2 claimants with claims between 50% and 100% of the deductible with total claims of \$617,158.

Schedule for FY16 rate setting - Ms. Carpenter asked the Board to consider scheduling a meeting date in mid-February to set the FY16 health plan rates. The Board scheduled a meeting on February 11, 2015 at 9:30 a.m. to be held at the Wilbraham Town Hall.

Affordable Care Act (ACA) Issues:

RX Out-of Pocket (OOP) Maximum for FY16 - Ms. Carpenter said Carol Cormier will be discussing this item in detail at the next Board meeting. She said that the ACA will be requiring prescription drug copays be counted towards the OOP maximum on plan anniversary in 2015. Ms. Carpenter said that a separate OOP maximum for medical and one for prescription drug copays is allowed under the ACA. She said that the current OOP maximums for all of the SVRHT plans is \$2,000 individual and up to \$4,000 per family with the exception of the Blue Care Elect *Out-Of-Network* OOP maximum which is \$3,000 per member. Ms. Carpenter said that the combined OOP maximums cannot exceed the ACA total of \$6,600 per individual and \$13,200 per family.

Transitional Reinsurance Program fee (TRP) update – Karen Carpenter 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 TRP fee is \$63 per active employee plan member for 2014 and for SVRHT the total fee is \$184,642.55.

Paul Pasterczyk said that the fee is lower than first quoted by GBS. He said that GBS re-calculated the fee based on the “Snapshot Factor Method” which saves SVRHT about \$65K.

Cadillac Tax – Karen Carpenter reviewed the exhibit prepared by Carol Cormier. She said that employers would be taxed on the amount of the annual health plan premium costs that exceed \$10,200 for an individual plan and \$27,500 for a family plan. She said the tax is 40% on all costs exceeding the limits. Ms. Carpenter said that Carol Cormier will discuss how SVRHT can avoid the tax at the next Board meeting.

Employer reporting for Pay or Play Mandate – Ms. Carpenter said that an exhibit is included in the packet which details the type of reporting that will be required. She said that employers with at least 50 full-time employees and employers with self-insured plans are required to submit a report. Ms. Carpenter said the IRS allows employers to use a single combined form for employers that are both self-insured and have over 50 full-time employees. She said the first filing is due in 2016 for coverage provided in 2015.

Arlene Miller asked the Board members to think of ways that SVRHT may be able to assist the employers with the reporting mandate and to present them at the next meeting.

Hampden Wilbraham RSD – retired teachers enrolled through GIC - Beth Regulbuto asked to speak in an Executive Session and asked to keep on the next Board agenda.

Arlene Miller suggested going into Executive Session at the end of the Board meeting.

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

Karen Carpenter said in response to the Board’s request, BCBS and HNE ran reports. Ms. Carpenter said that Laura Syron reported on the HNE results at the last meeting. She said Suzanne Donahue was not present at the last meeting and asked if she would review the BCBS report.

Suzanne Donahue said SVRHT approved an incentive of waived copays to members who obtain HTI at non-hospital-based facilities. She said it is hard to tell the full impact because the 2014 year is not a full year yet. Ms. Donahue said that the report shows that there is an increase in utilization to free-standing non-hospital-based facilities. She recommends additional promotion of the incentive and suggested adding information to the wellness newsletter again.

Corinne Traghese suggested educating the physicians about the incentive.

There was a discussion about the effectiveness of the employer communication to the employees regarding the programs.

Suzanne Donahue announced that she would be retiring on December 31, 2014. She introduced Sandra Stankiewicz as the new BCBS Account Executive for SVRHT.

Health Plan Reports:

Health New England – Laura Syron announced that she would be leaving HNE after 20 years of service. She said that Heidi Fountain, who has worked with SVRHT, will be her replacement.

The Board members wished Ms. Donahue and Ms. Syron well.

Tufts Health Plan – Erin Hayes said that THP has amended its service agreement. She said that they are re-negotiating with vendors and are replacing their Out-of-Network Out-of-Country vendor effective December 15, 2014. She said that the funding invoices will have a slightly different look to them. Ms. Hayes said that there will be no impact in Central MA with provider negotiations. She said that THP has not come to an agreement with Tenant Associates, who owns St. Vincent Hospital and Metrowest Hospitals. She said they are continuing to negotiate and hope to come to an agreement. She said there is no one from SVRHT utilizing those facilities.

BCBS – Suzanne Donahue said that the Blue Medicare Rx packages are being sent to members as required by CMS.

Tufts Health Senior Plans - Fred Winer said there has been some member confusion regarding the Medicare Part D donut hole and literature that the members are receiving during open enrollment. He confirmed that there is no donut hole with the Tufts Senior Plans.

Other Business:

The next meeting was scheduled for January 14, 2015 at 9:30 at the Wilbraham Town Hall.

Arlene Miller said she would entertain a motion to go into Executive Session to discuss the Hampden Wilbraham RSD request regarding the retired teachers.

Beth Regulbuto moved to go into Executive Session to discuss matters pertaining to the Hampden Wilbraham RSD request regarding the retired teachers.

Motion

Nick Breault seconded the motion.

There was a roll call vote on the motion as follows:

Beth Regulbuto, Hampden Wilbraham RSD	- Yes,
Arlene Miller, Town of Longmeadow	- Yes,
Cheryl Wiblyi, LPVEC	- Yes,
Tom Sullivan, Town of Wilbraham	- Yes,
Nick Breault, Town of East Longmeadow	- Yes,
Richard Patullo, Town of Hampden	- Yes.

At 10:50 AM Arlene Miller said that the Board was now in Executive Session following a unanimous roll call vote. She said that the Board would not return to Open Session. Ms. Miller asked the health plan representatives to leave the meeting.

*Prepared by Karen Carpenter
Group Benefits Strategies*