

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

**Board Meeting**

Thursday, December 10, 2015

9:30 AM

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
Corinne Tranghese	Town of East Longmeadow
Herta Dane	Town of Wilbraham
Lisa Sternberg	Hampden Wilbraham RSD retiree
Sandra Stankiewicz	Blue Cross Blue Shield
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
Sandra Ruiz	Health New England
Nancy Petronis	Health New England
Steve Presnal	Southwick-Tolland-Granville RSD
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

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

**Approval of the minutes of the October 7, 2015 meeting:**

Tom Sullivan moved to approve the October 7, 2015 meeting minutes as written.

Beth Regulbuto 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 October and a partial report for November 2015 (unaudited figures). He said the November report is missing one bank statement

balance. He said that the Unreserved Fund Balance was \$5,649,481 through October, which, he said, is well above the \$2.5M target. He said there was \$3.2M in member payments through October. Mr. Pasterczyk reported a total of \$144.6K in reinsurance reimbursements received. He said the BCBS quarterly level monthly and settle-up payment was \$1.01M and the HNE claims payment was \$852.5K. He noted that one of the CDs reached its maturity date and said that he reinvested it into a new \$260K CD earning 1.45% for a term of 48 months. He said the total interest for all of the CDs will be reported in December.

Anna Bishop joined the meeting.

**Wellness Program Report:**

Lyn Fioravanti, Wellness Consultant, distributed and reviewed reports on the participation in the SVRHT Wellness Programs and budget for November 2015. She said the current programs include the Colonoscopy Incentive Program, Smoking Cessation Program, Yoga, Walking Works and Zumba. She said there are 141 participants in the Maintain Don't Gain program, which she said is double the participation of last year.

Ms Fioravanti said that the BCBS and HNE Incentive programs will begin in January and February of 2016. She said the BCBS program components include biometric screenings and a health assessment along with activity options. She said the HNE program components include a screening and health assessment with a walking challenge. She said both programs are outcome based.

Ms. Fioravanti noted that 16.9% of the FY16 wellness budget of \$97,350 has been spent to date.

There was a discussion about the ACA wellness guidelines.

**GBS Reports:**

*Retiree Drug Subsidy (RDS) re-opening –*

Carol Cormier said that she spoke to the Board a while back about looking into the re-opening and auditing of the Retiree Drug Subsidy applications. She said that RDS auditors work on a contingency basis if it is found that additional payments are due to the client. She said no action is needed but she wanted the Board to be aware of the opportunity should it want to consider re-opening applications.

*Funding Rate Analysis (FRA) report* - Carol Cormier reviewed the FRA report with data through October of FY16. She said the expense-to-funding ratio was 107.8%. She said the estimated shortfall of funding from rate revenue was \$571K at the end of October. Ms. Cormier 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. She said there may be a significant rate increase indicated for FY17.

*BCBS Level Monthly Deposit (LMD)* – Carol Cormier reviewed the report and said the claims exceeded the LMD payment for the month of October by \$202,814.

*Reinsurance reports* – Karen Carpenter reviewed the reinsurance excess report for FY15 with claims paid through October. She said that there were six members with claims over the \$175K deductible. She said the total excess claims amount was \$379,463 and said there are reimbursements of \$25,744 due the group. She noted that one of the member's claims crossed policy periods resulting in a BCBS claims credit amount of \$307K to the FY15 policy which reduced that amount in excess of the FY15 stop loss deductible. She said those claims would be added to the member's claims during the FY16 policy period. She said that there were 13 members with claims between 50-100% of the deductible with total claims of \$1.54M.

Karen Carpenter reviewed the excess report for the FY16 policy period and said there was one member with excess claims of \$246,831. She said the Aggregating specific deductible of \$150K has been met. Ms. Carpenter said there are reimbursements of \$17,162 due the group. She said there were five members that had claims between 50-100% of the deductible and the total claims amount was \$483,464.

*Preparing for FY17 renewals/rate-setting including changes to PPO rating* – Carol Cormier said the PPO Deductible plan rates are set high relative to claims and expenses; however, she said the group of 11 subscribers is much too small to be experience-rated. She explained that when the carrier proposed the rate it is not rated in the pool. She said she suggests creating a reasonable percentage differential between the PPO and HMO plans. Ms. Cormier also suggested making one common PPO rate for all of the units since the plan design was uniform.

The Board agreed that the PPO rate should be changed to a common rate for all employers since the plan benefits are the same for all.

Ms. Cormier said that the enrollments in the PPO plan are so few that the Board may want to consider only offering the PPO deductible plan.

A retiree of an SVRHT employer asked if there would be an option for non-Medicare eligible retirees living out of the state of MA. She said she also has a concern about the cost shift with the deductible plan.

Arlene Miller said SVRHT is required by MGL Chapter 32B to offer a plan for members who live out of state. She said retirees also have the option of enrolling in a lower cost non-SVRHT plan if they choose.

Carol Cormier said that the rate of the deductible plan will save the member money and noted that the GIC plan deductibles are higher than those of the SVRHT.

Corinne Tranghese noted that some of the SVRHT HMO plan networks extend throughout the New England states.

The Board asked Carol Cormier to provide PPO rates across the SVRHT group rather than based on the experience of the 9 members enrolled.

**Letter of Interest in SVRHT membership:**

Carol Cormier said that SVRHT received a letter of interest from Steve Presnal, School Business Manager of Southwick Tolland Granville Regional School District which is currently a member of Berkshire Health Group. She said the SVRHT did not exist at the time the school district joined the BHG. Ms. Cormier said that the location of the district would be a good fit for SVRHT because the school's employees and retirees utilize the same providers as SVRHT members enrolled through SVRHT employers.

Steve Presnal said he appreciates the Board's consideration of membership and said he has notified the BHG Board Chairperson of the request. Mr. Presnal said that the district is also exploring other alternatives. He said the school membership is approximately 200 active employees. Mr. Presnal said that the ultimate decision will be made by the School Committee.

Anna Bishop said that she has a working relationship with Mr. Presnal and would support adding another LPVEC-participating school district.

Carol Cormier said that she will look at the BHG and SVRHT Joint Purchase Agreements to look at how to proceed with the possible transition.

In response to a question asked by Ms. Cormier, Mr. Presnal said the district's intent would be to offer both the legacy and deductible plans that SVRHT offers.

### **Health Plan Reports:**

*Blue Cross Blue Shield (BCBS) – ACA Reporting* - Sandra Stankiewicz, Account Executive, said she would be able to provide the enrollment information needed for the ACA reporting requirement to each of the SVRHT units. She said once it is confirmed that each employer wants the report that there would be a 2-week turnaround for the report. All of the employers asked Ms. Stankiewicz to provide the report.

*Telehealth* – Ms. Stankiewicz said BCBS is adding a Telehealth benefit as an option to consider. She said no action is necessary today but wanted to let SVRHT know about the benefit. She said the vendor is *American Well*, and she said most folks would utilize the services through the *American Well* portal to have a telehealth visit. Ms. Stankiewicz said this benefit is another way to discourage unnecessary ER use. She said the charge would be \$0.50 per subscriber per month.

*PPO contract amendment* - Sandra Stankiewicz said effective January 1, 2016 BCBS is changing the way that it pays claims for its PPO plan providers. She said they will now be paying fees based on quality measures rather than fee for service. She said BCBS is already paying its HMO providers in this manner through the Alternative Quality Contract (AQC). She said this will help to lower costs, and members will receive more appropriate care at the proper locations.

### *ICD9 to ICD10 conversion* -

Sandra Stankiewicz said that there has been very little impact on claims processing with the conversion. She said that the providers were prepared for the change.

Ms. Stankiewicz asked employers to contact her if they are interested in possibly offering a voluntary dental plan.

*Health New England (HNE)* – Sandra Ruiz, Account Executive, introduced Nancy Petronis. She said the ACA reports from HNE would be in pdf format unless excel reports are preferred. She said the excel reports would take a little over a week or so to prepare.

The Board asked Ms. Ruiz to provide the reports in excel format.

Ms. Ruiz said that the HNE explanations of benefits (EOB) would no longer be provided on paper unless a member specifically requests one. She said they will be available electronically.

Ms. Ruiz said that the HNE new web portal is up and running and said HNE will be re-branding in July.

*Tufts Health Plans* – Erin Hayes, Account Executive, said Tufts would provide the ACA member reports in either cxv or excel format and asked that the request to Tufts be made through the GBS office.

The Board asked Ms. Cormier to notify Tufts that all of the SVRHT employers would like the report and in excel format.

Ms. Hayes said that Tufts has a new member portal and information will be sent to the members enrolled. She said Tufts has rebranded to include its new Cigna PPO network. She said the members will also receive new cards.

**Other Business:**

The next meeting was scheduled for January 12, 2016 at 9:30 a.m. to be held at the Wilbraham Town Hall, Wilbraham, MA.

Ms. Miller asked Ms. Cormier to add the RDS re-opening item to the agenda.

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 10:55 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*