

Scantic Valley Regional Health Trust

Board Meeting

Tuesday, June 15, 2010

9:30 a.m.

Wilbraham Town Hall

Wilbraham, Massachusetts

Meeting Minutes

Members and Alternates Present

Arlene Miller, Chair

Beth Regulbuto

Tom Sullivan

Tom Caliento

Anna Bishop

Cheryl Decoteau

Town of Longmeadow

Hampden Wilbraham RSD

Town of Wilbraham

Town of East Longmeadow

Lower Pioneer Valley Education Collaborative

Lower Pioneer Valley Education Collaborative

Guests Present

Paul Pasterczyk

Amy Higgins

Dan Haynes

Christina Gagnon

Corrine Trangesse

Kate Sharry

Linda Loiselle

Debb Jardin

Steve Corbin

Fred Winer

Karen Bergeron

Wanda Whyte

Carol Cormier

Karen Carpenter

SVRHT Treasurer

SVRHT Wellness Coordinator

SVRHT Financial Auditor

Hampden Wilbraham RSD

Town of East Longmeadow

Group Benefits Strategies

The Abacus Group

The Abacus Group

Blue Cross Blue Shield of MA

Tufts Health Plan

Tufts Health Plan

Health New England (HNE)

Group Benefits Strategies (GBS)

Group Benefits Strategies (GBS)

Chair, Arlene Miller called the meeting to order at 9:33 a.m..

Approval of the minutes of the April 29, 2010 Board meeting:

Cheryl Decoteau made a motion to accept the minutes of April 29, 2010.

Motion

Tom Sullivan seconded the motion. The motion was approved by unanimous vote.

Auditor's report on the FY09 Financial Statements:

Dan Haynes from Scanlon & Associates, LLC distributed and reviewed the draft of the "FY09 audited Financial Statements and Management Discussion and Analysis with required supplementary information years ended June 30, 2009 and 2008".

Mr. Haynes reported year-end Net Assets of \$5,857,662 which, he said was up approximately \$300K from the prior year. He said the slight increase in net assets for 2009 is primarily a result of member contributions exceeding the cost of claims. Mr. Haynes said the total unpaid claims and claim adjustment expenses at the end of year were \$1,469,509.

Mr. Haynes reviewed the Management Letter which included the recommendation that the Group work towards adopting a formal risk assessment policy and documenting policies and procedures to provide guidance to the Group in case the Treasurer were to become unable to perform his duties.

Tom Sullivan said that Tom Caliento has been reviewing all of the accounting records each month at the request of the Board. Mr. Sullivan asked if this would satisfy the segregation of duties deficiency.

Mr. Haynes said that he was unaware of the new process and said that it was a good mitigating step, but said that a separate reconciliation would need to satisfy the deficiency.

Anna Bishop joined the meeting.

Carol Cormier said that some of her other clients have begun to email the monthly Warrants to the Steering Committees for review and approval prior to the Treasurer's issuing payments .

The Board agreed that they are satisfied with the current accounting arrangement and review process.

Mr. Haynes said that the alternative prescription drug benefit is not currently included on the balance sheets provided by the Treasurer.

Paul Pasterczyk said that a line has been added in FY10 on the balance sheet for the alternative prescription drug benefit program.

Carol Cormier BCBS sends the group an annual Standard Accounting Summary (SAS70) report documenting the Internal Controls that BCBS has in place.

Paul Pasterczyk said that an auditor needs to be chosen to complete the FY10 SVRHT Audit and asked the Board for its decision.

Tom Sullivan made a motion to award the FY10 Audit Contract to Dan Haynes with Scanlon & Associates.

Anna Bishop seconded the motion. The motion was approved by unanimous vote.

Motion

Tom Caliento joined the meeting.

Wellness Report:

Amy Higgins distributed and reviewed the year-to-date (YTD) Wellness Budget Summary for 2010 and said that the expenses are below the budget through May 1, 2010.

Tom Caliento made a motion to approve the FY11 Wellness Budget of \$45,650 to include up to \$35,000 in Coordinator Compensation, \$10,000 Program Expenses and \$650 for Coordinator Expenses.

Beth Regulbuto seconded the motion. The motion was approved by unanimous vote.

Motion

Ms. Higgins reviewed the FY11 Wellness Programs and said that all of the successful FY10 programs would be repeated in FY11.

Arlene Miller said that the Board needs to effectively communicate exactly what SVRHT does and the impact and importance of Wellness Programs to the elected officials.

There was a discussion.

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the Treasurer's Worksheets for April and May 2010 (unaudited figures).

Mr. Pasterczyk said that the Unreserved Fund Balance at the end of May was \$8.2M and said that the unreserved trust fund balance was \$5.2M, which is \$2.9M over the target.

GBS Reports:

Ms. Cormier reviewed the Funding Rate Analysis by Plan and the Level Monthly Deposit Quarterly Accounting report.

Ms. Cormier reviewed the myMedicationAdvisor® report through April.

Karen Carpenter reviewed the Stop Loss Reports with data through April.

FY11 Reinsurance Quotations:

Carol Cormier reviewed the SVRHT current reinsurance policy levels with ACE American Insurance Company and reviewed the FY11 quotes received. Ms. Cormier said that the broker for the current policy attended the opening of the quotes and sent in a revised quote at a 13.7% decrease in premiums. Ms. Cormier said that municipal groups are not required to follow the formal quoting process of chapter 30B and said that the Request for Quotations did state that.

There was a discussion, and the Board asked Carol Cormier to ask the two low bidders to re-quote and said that they would go with the lower of the two quotes.

Tom Caliento made a motion to approve the lowest quote once HM and ACE have submitted a final quote.

Beth Regulbuto seconded the motion. The motion was approved by unanimous vote.

Motion

Proposed Service Agreement for the diabetes incentive/compliance program – Abacus Group Health Solutions:

Carol Cormier said at the last Board meeting a motion was passed to move forward with the Diabetes Incentive Program and obtain the contract proposal.

Linda Loiselle, Account Manager for Abacus Health Solutions, reviewed the proposal for jump-starting the program and said that the participants would receive free diabetic medications and supplies for a three month period. She said that if the participant does not complete the requirements of the program they will not be able to continue to receive the medications at no charge until the requirements are met.

Tom Sullivan made a motion to accept the proposal and the jump-start program.

Motion

Beth Regulbuto seconded the motion. The motion was approved by unanimous vote.

Ms. Loiselle said that the program launch will be August 16, 2010 and asked the Board to request program materials that will be customized for each unit or district.

Proposal for Dependent Eligibility Audit – Kate Sharry, GBS:

Kate Sharry distributed and reviewed proposal for a dependent eligibility audit and explained that the Enrollment Audit Solutions (EAS) is a sister company to Group Benefits Strategies (GBS). Ms. Sharry reviewed the benefits of completing a dependent eligibility audit and the cost savings that could be expected. She explained the administrative process and said that EAS would be responsible for all of the administrative work.

The Board said that they were interested but said that they would like to receive samples of the documents that would be sent to the members and asked Ms. Sharry for a list of references.

Ms. Sharry said that she would send the documents and references to the Board.

National Health Insurance Reform (PPACA):

Adult Child Eligibility - Carol Cormier said that employers will be required to adopt the new dependent eligibility rule of The Patient Protection and Affordable Care Act no later than the first health plan anniversary date after September 23, 2010. For SVRHT this means that the expanded eligibility must be put into effect by July 1, 2011.

Carol Cormier reviewed the current SVRHT policy and how BCBS and HNE will be implementing the rule for their insured plans.

Anna Bishop made a motion to make no changes until required on July 1, 2011.

Motion

Beth Regulbuto seconded the motion. The motion passed by a majority vote with one vote against.

Early Retiree Reimbursement Program (ERRP) - Carol Cormier said that that \$5 billion dollars has been set aside for the Early Retiree Reinsurance Program of The Affordable Care Act. Ms. Cormier said that because of the limited pool of money and the first-come-first-serve basis of this pool of funds that GBS will want to file for clients as soon as possible. Ms. Cormier said that an Authorized Representative will need to be designated and said that Arlene Miller is the designated representative for the Retiree Drug Subsidy program.

Beth Regulbuto made a motion to approve Arlene Miller as the Authorized Representative for the ERRP.

Anna Bishop seconded the motion. The motion was approved by unanimous vote.

Motion

Carol Cormier said she would work to file the application as soon as possible once the final application has been issued. She said that GBS would charge a fee for the service and she would propose that at the next meeting.

Other Business:

Carol Cormier reviewed Health New England policy amendment of July 1, 2010 changing the terms of the Summary Plan Description for the Mental Health and Substance Abuse to comply with the Mental Health Parity and Addition Equity Act.

Arlene Miller executed the amendment.

The next SVRHT Board Meeting was scheduled on September 16, 2010 at 9:30 a.m. to be held in the Wilbraham Town Hall.

Tom Sullivan made a motion to adjourn the meeting.

Motion

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

Arlene Miller adjourned the meeting at 11.30 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*