

Scantic Valley Regional Health Trust

Board Meeting

Wednesday, September 21, 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

Richard Green

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

Town of Hampden

Guests Present

Paul Pasterczyk

Amy Higgins

Erica Gelinis

Diana Morrow

Deidra Staples

Corinne Tranghese

Herta Dane

Gloria Congram

Mark Gold

Marie Angelides

Paul Federici

Gary Manuel

Steve Corbin

Pat Kaplan

Laura Syron

Heidi Fountain

Fred Winer

Karen Bergeron

Carol Cormier

Karen Carpenter

SVRHT Treasurer

SVRHT Wellness Coordinator

Town of Longmeadow

Town of Longmeadow

Town of Longmeadow

Town of East Longmeadow

Town of Wilbraham

Millennium Ins. Agcy./Town of Wilbraham

Town of Longmeadow Board of Selectmen

Town of Longmeadow Board of Selectmen

Town of East Longmeadow Selectman

Hampden Wilbraham Education Association

Blue Cross Blue Shield

Blue Cross Blue Shield

Health New England (HNE)

Health New England (HNE)

Tufts Health Plan (THP)

Tufts Health Plan (THP)

Group Benefits Strategies (GBS)

Group Benefits Strategies (GBS)

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

Approval of the minutes of the June 7, 2011 Board meeting:

Beth Regulbuto made a motion to approve the minutes of June 7, 2011.

Motion

Anna Bishop seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the Treasurer's statements and worksheets for fiscal year ending June 2011 (unaudited figures). Mr. Pasterczyk said that the Unreserved Fund Balance was \$4.257M, \$1.86M above the Fund Balance target. Paul Pasterczyk said that there was a net loss of \$47,176 due to trust fund subsidy to the FY11 health plan rates. He said this was a breakeven year.

Mr. Pasterczyk reviewed the Treasurer's statements and worksheets for fiscal year 2012 through July 31, 2011. He said that the Unreserved Fund Balance was approximately \$4M.

Wellness Program Report:

Amy Higgins distributed and reviewed the Wellness Budget and Agenda through August 2011. She said that 17.78% of the Coordinator's Salary and 4.92% of the Coordinator's Expenses have been utilized. Ms. Higgins said that 14.04% of the Program budget for expenses has been spent. She said this accounts for 16.78% of the overall budget.

Ms. Higgins reviewed the program participation comparison chart comparing fiscal year 2011 to 2012. She said that the BCBS Blue Care line saw an increase in utilization. Ms. Higgins said that the Hampden Wilbraham RSD Health Fair is scheduled on October 6th at the Minnechaug Regional High School and is offering free health screenings. She said that computers will be available at the health fair for employees to complete their health assessments. Ms. Higgins said that those that complete a health assessment or participate in the health screenings, will be entered into a drawing for gas gift cards.

Ms. Higgins said that she is looking at partnering with the Parks and Recreation departments to possibly offer a 40% discount for fitness related programs. She said she is hoping to have the proposal at the next Board meeting.

GBS Reports:

Ms. Cormier reviewed the FY11 Funding Rate Analysis by Plan with data through June. She said that the expense-to-funding ratio was 95.6%. She reviewed the Funding Rate Analysis for FY12 with data through August and said the expense to funding ratio was 95.6%. Ms. Cormier reviewed the BCBS Level Monthly Deposit Quarterly Accounting report with claims paid through June 2011. Carol Cormier reviewed the myMedicationAdvisor® (MMA) report for July 2011 prepared by The Abacus Group.

BCBS LMD Proposed – Carol Cormier said that BCBS is proposing a reduction to the Level Monthly Deposit. She said the proposed amount is \$1,047,000.

Anna Bishop made a motion to approve the proposed BCBS LMD of \$1,047,000.

Motion

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

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 July 2011. Ms. Carpenter said that there are 7 claimants on the report of claimants that have reached 50% of the specific deductible with claims totaling \$887,506.

HNE Claims and the Retiree Drug Subsidy (RDS)– Carol Cormier said that all of the required RDS application steps have been completed. She said that HNE is now saying that its final claims may be incorrect. Ms. Cormier said that she will call RDS today to see if they will be allowed to correct the data. She said she believes that HNE should be held responsible for any subsidy that may be lost.

Laura Syron said that she is not aware of the issue. She said that Heidi Fountain may be aware of it and will check with her following the meeting.

MA Municipal Health Reform Legislation:

Arlene Miller asked everyone in attendance to introduce themselves. Ms. Miller said that Carol Cormier will explain the legislation and said that Ms. Cormier and Group Benefits Strategies (GBS) have been lobbying to insure that the Joint Purchase Groups were included in the legislation. Ms. Miller said that it is exciting to have a new opportunity to be able to make plan design changes.

Overview - Carol Cormier gave an overview of the new legislation, i.e. amendments to Chapter 32B that give municipalities an expedited bargaining process outside of Ch. 150E to make plan design changes to the level of the Group Insurance Commission's (GIC's) benchmark plan. Ms. Cormier said that the legislation also outlines the process to move to the GIC if a municipality can prove savings greater than 5% over what the municipality would save by making plan design changes on its own or, or in this case, through the SVRHT.

Ms. Cormier said that the GIC is able to make plan design changes without collective bargaining. She said that the municipalities need to bargain and said that the Dennis Decision which impeded Joint Purchase Groups' ability to make plan design changes has been a big obstacle to keeping plan design current and cost effective..

Ms. Cormier said that the new legislation also includes a mandatory Medicare section, new Section 18A, for Medicare eligible retirees. She said each municipality must notify its retirees that they will need to apply for Medicare Part B during the Social Security Administration's open enrollment period, January 1 to March 31 to be effective on July 1, 2012. She said that retirees are required to notify their employer of their eligibility or ineligibility for Medicare and to provide documentation from Social Security.

Carol Cormier reviewed the chart that compares the current SVRHT copays with the GIC Tufts Navigator plan design (the GIC Benchmark Plan). She said that she sent the chart to the health plans and asked that their actuaries determine an estimate of savings. Ms. Cormier explained provider network tiering, a feature of the GIC Benchmark plan .

Ms. Cormier reviewed the copays and deductibles proposed and said that the deductible only applies to certain medical services such as Inpatient, Outpatient surgeries, ER, diagnostic imaging and diagnostic testing.

Ms. Cormier said if the Board makes the decision to make plan design changes, she recommends hiring an independent actuary to provide an independent estimate of cost impact. She said that The Segal Company is familiar with the municipalities and said that they have offered to provide the savings estimates per plan for a fee of approximately \$750. Ms. Cormier reviewed the timetable prepared by Fallon Community Health Plan for employers using Ch. 32B, Section 21 to adopt plan design changes and said that the entire Section 21 process could take up to 124 days.

There was a discussion.

Marc Gold asked if all of the units will have to go to the same plan design.

Carol Cormier said that would depend upon the Board vote on that issue. She said that it would fracture the group if all units were to have separate designs and she noted that it would be more difficult to set the rates. Ms. Cormier said that the mitigation proposals do not need to be uniform, but said that Section 21 says mitigation proposals should target high utilizers, those that are low income, and retirees.

Corinne Trangese asked if the GIC had a rating tier for employee and spouse (two person tier).

Carol Cormier said that GIC does not. She noted that the GIC does not offer Blue Cross Blue Shield plans either. Carol Cormier said the mitigation proposals could include an FSA, HRA and the creation of

a high risk pool where members could apply for help. She said that Wellness Programs are acceptable components of a mitigation plan. She said some employers may want to take a simple approach of giving back a cash amount..

Ms. Cormier said that the new law also requires that an eligibility audit be conducted once every two years.

Arlene Miller said that the Board and elected officials agree that changes need to be made, and said that they do not know what changes will be made yet.

Rick Green suggested picking a preliminary plan design with copays and deductibles at the mid-point and ask Segal Company to estimate the savings.

Arlene Miller asked if the Board and elected officials agree with this suggestion.

There was a discussion.

Tom Caliento made a motion for BCBS and HNE to complete an analysis of the current SVRHT health plans against the GIC benchmark plan to show savings decrements with and without the deductible.

Steve Corbin said that BCBS will need to confirm that they will be able to administer the plans as shown.

Carol Cormier said that she would get the numbers from Steve.

Motion

Rick Green seconded the motion. The motion passed by unanimous vote.

Tom Caliento made a motion to hire the Segal Company to complete an analysis of the current SVRHT health plans compared to the GIC benchmark plan to show the savings with and without the deductible.

Rick Green seconded the motion. The motion passed by unanimous vote.

Motion

Tufts Health Plan Report:

Fred Winer said that the Tufts Senior plan rates will be decreasing for 2012. He explained that Tufts will be receiving a credit for prescription costs in the Medicare Part D “donut hole” that Tufts will be passing the savings on to clients. He said that he will be presenting a proposal for a new Medicare Supplement plan at the next meeting.

HNE Report:

Laura Syron reviewed the health plan policy amendments that were effective on July 1, 2011 and said that she will need the Board Chair, Arlene Miller to sign the document.

Other Business:

The next SVRHT Board meeting was scheduled on October 26, 2011 at 9:30 AM.

There was no other business.

Chair Arlene Miller adjourned the meeting at 11:25 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*