

**Berkshire Health Group**

**Board Meeting #12-07**

Lenox Town Hall  
Lenox Massachusetts  
Tuesday, February 28, 2012 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

Greg Federspiel, Chair	Town of Lenox
Jorja-Ann Marsden	Berkshire County Insurance Group
Gerri Porter	Berkshire County Insurance Group
Brenda Rondeau	Mt. Greylock RSD
Janet Saddler	Town of Williamstown
Stephen Presnal	Southwick Tolland RSD
Sharon Harrison	Berkshire Hills RSD
Marge Foster	Central Berkshire RSD
David Hinkell	Adams Cheshire RSD
Maureen Senecal	Northern Berkshire Vocational RSD
Kevin O'Donnell	Town of Great Barrington
Terri Licata	Southern Berkshire RSD

**Guests present:**

James Kelley	Treasurer, Berkshire Health Group
Maureen Daniels	BHG Wellness Coordinator
Cindy Polinsky	MA Teachers Association
Steve Corbin	Blue Cross Blue Shield (BCBS)
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Greg Federspiel opened the meeting at 9:35 a.m.

**Approval of the Minutes of the meeting of January 23, 2012 (Meeting #12-06):**

Brenda Rondeau made a motion to approve the minutes of the January 23, 2012 meeting.

Jorja-Ann Marsden seconded the motion. The motion passed by unanimous vote.

Motion

**Treasurers Report -**

Treasurer Jim Kelley reviewed the financial statements of January 31, 2012 (unaudited figures). Mr. Kelley said that the overall cash position decreased by a net of \$68K at the end of January and reported a decrease to the operating cash account of \$57K. He said the Cash-Schwab portfolio decreased by \$11K.

Jim Kelley said that the health claims are running at 80% of member assessment revenue, and the dental claims are running at 74% of member assessment revenue.

Mr. Kelley said that there are small member assessment balances remaining following the premium holiday as a result of retroactive enrollment transactions that need to be paid or taken.

Mr. Kelley distributed the Veribank quarterly review report and said that People's United Bank continues to be rated green with three stars, the highest rating attainable.

Jim Kelley said that he and Mary Beverly will reschedule the meeting that was scheduled for today to work on finalizing the internal controls documents.

Greg Federspiel asked Mr. Kelley to present a one page document at the next Board meeting about how the internal controls committee will function.

**Approval of February and March 2012 Warrant Summaries:**

Carol Cormier reviewed the February and March 2012 Warrant Summaries and noted the LMD reduction in March.

Sharon Harrison moved to approve the February and March Warrant Summaries.

Motion
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Kevin O'Donnell seconded the motion. The motion passed by unanimous vote.

**Wellness/Health Behaviors Update:**

Maureen Daniels said that the Wellness Nurse is continuing to conduct the Blood Pressure Clinics and said that blood pressure monitors and follow-ups are provided to the members enrolled. Ms. Daniels said she is seeing members working on making lifestyle changes and noted that the monitors are provided through a grant at no cost to members or BHG. Ms. Daniels said that she requested last year's Health Behavior data from BCBS to be able to track the progress.

Ms. Daniels said that the Abacus Diabetes Program participation has leveled out, and they will be working on ways to increase participation.

Ms. Daniels said that she is also looking into immediate reward incentives, such as gift cards for taking the Health Assessment and Biometric Screenings, rather than accumulating rewards points. She said that the points system does not seem to be increasing participation as expected.

**GBS Reports:**

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through January and said the expense-to-funding ratio for health plans was 88.1% and for dental was 83.79%.

Stop Loss Report - Karen Carpenter reviewed the stop loss reports with data through January 2012. She said that close to \$7.6K was owed to the BHG on the FY11 policy. She said that no members had exceeded the policy deductible for FY12. Ms. Carpenter said that a reimbursement of approximately \$15K for FY10 was denied due to timing of receiving requested information and said that the reinsurance broker will be submitting an appeal to the carrier.

ERRP Update – Ms. Carpenter said that an ERRP email notification was received stating that no determination may be made on the reimbursement request, because funds are currently unavailable. She said that if funds become available, ERRP will continue to process reimbursements on a first come first served basis, but said that there are at least 1,000 requests ahead of the BHG request.

**Retiree Drug Subsidy (RDS) actuarial attestations – proposal from Milliman:**

Carol Cormier said that Milliman has been completing the BHG RDS attestations for several years for a fee. Ms. Cormier asked the Board if they would like to continue with Milliman for FY13 attestations. She said the fee proposed is \$2,900.

Brenda Rondeau made a motion to approve continuing with Milliman at the fee of \$2,900 for the FY13 RDS attestations.

Motion

Sharon Harrison seconded the motion. The motion passed by unanimous vote.

**Use of Fund Balance:**

Greg Federspiel said that the Board has already approved a full month premium holiday in FY12 to all members utilizing approximately \$3M of fund balance monies. Mr. Federspiel said the Board discussed another RDS distribution of plan years 2006, 2008, 2009 and 2010, utilizing a total of approximately \$1.749M for the four years subsidy.

Maureen Senecal asked if the Fund Balance could be used towards the mitigation plans for the units.

Carol Cormier said that the Chapter 32B, S.21 says the mitigation money comes from gross savings resulting from plan design savings at the employer level and suggested that the individual units could utilize their portion of the RDS distribution to fund their mitigation if they wish to do so. She said that she does not think it's appropriate for the BHG to specifically designate the RDS returned money for Section 21 mitigation. She said she thinks that should be up to each governmental unit.

Janet Saddler said that each unit will receive a different distribution based on their enrollments into the eligible Medicare plans and said that it would not be equitable to do as a group.

There was a discussion about a possible RDS distribution.

Jim Kelley said that it was his understanding that the Board was only going to utilize \$3M of the surplus towards a premium holiday or RDS distribution.

Greg Federspiel said that he would like to plan for subsidizing rates in FY14 and using the money strategically.

Janet Saddler and Kevin O'Donnell agreed with Mr. Federspiel.

Dave Hinkell said that he would support a distribution of the 2006 and 2008 RDS monies due to the amount of the trust fund balance surplus.

Carol Cormier said that she asked the Segal Company to consider lowering their proposed fee of \$7,500 to complete an actuarial review of the BHG trust fund balance. She said that Segal will not lower the fee.

The Board asked Ms. Cormier to obtain informal quotes from other actuarial companies.

Dave Hinkell made a motion to approve an RDS distribution of the 2006 and 2008 RDS totaling approximately \$655K.

Motion

Maureen Senecal seconded the motion.

Greg Federspiel said that the sub-committee also suggested setting aside some of the money for use for wellness, targeting disease management.

Sharon Harrison said that there is a return-on-investment of 2% when targeting diseases such as diabetes, cardiovascular and high blood pressure.

Kevin O'Donnell said that he favors a strategic plan that would earmark disease management programs and subsidizing the future rates.

Carol Cormier asked if BCBS would discuss the programs that are already available to its members at the next meeting. She said that another wellness program that the Abacus Group is working on is Hypertension.

A vote was taken on Mr. Hinkell's motion and was defeated by a majority vote of 6 against and 4 in favor. Jorja-Ann Marsden abstained.

Motion

Marge Foster asked the Board to revisit this topic again next year.

Kevin O'Donnell made a motion to add long term use of Fund Balance to the September Board agenda.

Marge Foster seconded the motion. The motion passed by unanimous vote.

Motion

**Dependent Eligibility Update:**

Carol Cormier reviewed the results of the dependent eligibility audit completed by Enrollment Audit Solutions (EAS).

The Board members said that some employees were unhappy with the tone of the communications that they received from EAS.

The Board members asked for a list of the employees that have not responded to the audit by governmental unit.

Greg Federspiel said that the new legislation requires that the municipalities conduct an audit once every two years.

**Update on adoption of plan design changes at the local level:**

The Board members gave an update on their progress in the Section 21 process and which plan design(s) they are planning to offer. All but two Board members stated that they will offer both the Value Plus and Benchmark plans. Two Board members said they would be offering only the Benchmark plans.

**Health Plan Reports:**

Steve Corbin said that he accepted another position within BCBS and introduced Suzanne Donahue, who will be taking over his responsibilities as Account Executive for the Berkshire Health Group.

The Board wished Mr. Corbin well in his new position and welcomed Ms. Donahue.

**Other Business:**

Jorja-Ann Marsden asked Ms. Donahue when the new summary of benefits would be ready for the new plans.

Suzanne Donahue said that the summaries are underway and will be emailed to Carol Cormier for distribution to the Board when they are ready. She said that Pat Kaplan will be coordinating the BHG Health Fairs and asked the Board to contact Ms. Kaplan with their intended fair dates. Ms. Donahue suggested holding separate employee informational meetings during the month of April, especially to those units that will be offering the Benchmark plans exclusively.

The next Board meeting was scheduled on March 20<sup>th</sup>, at the Lenox Town Hall at 9:30 a.m.

Jim Kelley distributed hard copies of the FY11 BHG Audit Report.

Carol Cormier said that she will request an electronic copy from the auditor and will email it to the Board.

There was no other business.

Janet Saddler moved to adjourn.

Motion
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Sharon Harrison seconded the motion. The motion passed by unanimous vote.

Greg Federspiel adjourned the meeting at 11:50 AM

*Prepared by Karen Carpenter  
Group Benefits Strategies*