

## **Berkshire Health Group**

### **Board Meeting #12-08**

Lenox Town Hall  
Lenox Massachusetts  
Tuesday, March 20, 2012 at 9:30 a.m.

### **Meeting Minutes**

#### **Board and Alternates Present:**

Greg Federspiel, Chair	Town of Lenox
Geri Porter	Berkshire County Insurance Group
Janet Saddler	Town of Williamstown
Stephen Presnal	Southwick Tolland RSD
Marge Foster	Central Berkshire RSD
Kevin O'Donnell	Town of Great Barrington
Bruce Turner	Southern Berkshire RSD

#### **Guests present:**

James Kelley	Treasurer, Berkshire Health Group
Maureen Daniels	BHG Wellness Coordinator
Cindy Polinsky	MA Teachers Association
Joe Kellogg	Town of Lanesborough
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Pat Kaplan	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Greg Federspiel opened the meeting at 9:37 a.m.

#### **Approval of the Minutes of the meeting of February 28, 2012 (Meeting #12-07):**

Kevin O'Donnell made a motion to approve the minutes of the February 28, 2012 meeting.

Janet Saddler seconded the motion. The motion passed by unanimous vote.

Motion
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#### **Treasurers Report -**

Treasurer Jim Kelley reviewed the financial statements of February 29, 2012 (unaudited figures). Mr. Kelley said that the overall cash position increased by a net of \$284K at the end of February and said the operating cash account accounted for the increase. He said the Cash-Schwab portfolio increased by \$53K, of which \$32K was cash proceeds in the Schwab money market account being redeployed into stocks or bonds..

Jim Kelley said that the health claims are running at 82% of member assessment revenue, and the dental claims are running at 78% of member assessment revenue.

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 the auditor recommended using the proposed internal audit control process for a 6-month time period. He said that he will bring the transactions and back-up to each meeting for review by the

designated person following the meeting. He said that he will schedule a meeting with Mary Beverly to work on finalizing the internal controls documents.

**Approval of April 2012 Warrant Summaries:**

The acceptance of the April 2012 warrant was postponed because it was not available.

**GBS Reports:**

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through February and said the expense-to-funding ratio for health plans was 90.3% and for dental was 86.4%.

Retiree Drug Subsidy Memorandum of Understanding (MOU) for FY13 - Ms. Cormier said that the Board recently approved the FY12 RDS MOU. She said that the proposed FY13 RDS MOU is now due and said that fee has been reduced to \$7,500 since the two active employee plans will be dropped due to the Ch.32B, Section 18a requirement. She said that the applications will be filed in April 2012 and the fee will be due in three payments of \$2,500 as requested by the treasurer.

Janet Saddler made a motion to approve the GBS FY13 RDS MOU as proposed.

Motion

Bruce Turner seconded the motion. The motion passed by unanimous vote.

Stop Loss Report - Karen Carpenter reviewed the stop loss reports with data through January 2012. She said that close to \$7K was owed to the BHG on the FY11 policy. For FY12 she said that one member had exceeded the policy deductible with total claims of \$229,594. Ms. Carpenter said that the Aggregating Specific Deductible has not been met and no reimbursements are due for this policy period.

ERRP Update – Ms. Carpenter said that an ERRP email notification was received stating that the ERRP reimbursements need to be used to lower plan costs by December 2014.

Kevin O’Donnell made a motion to confirm that of a portion of the \$1.5M trust fund subsidy applied to the FY13 funding rates was the utilization of the ERRP reimbursement of \$112,263.98.

Motion

Janet Saddler seconded the motion. The motion passed by unanimous vote.

RFP for the FY13 Reinsurance – Carol Cormier said that she plans to send out the BHG RFP for reinsurance in May. Ms. Cormier said that she expects to receive the quotes by the June Board meeting. She recommended that the Board request quotes on the current specific and aggregating specific deductible levels.

The Board agreed with Ms. Cormier’s recommendation.

**Wellness/Health Behaviors Update:**

Maureen Daniels said that the Wellness Nurse is conducting the Blood Pressure Clinics and said that a table is set up providing information about the Colonoscopy incentive program. Ms. Daniels said that Pat Kaplan from BCBS has been attending the wellness meetings and holding mini health fairs.

Ms. Daniels said that a total of 44 Colonoscopy cards have been received and said that she has been getting calls requesting cards. She said that Central Berkshire is currently in the lead regarding the number of members participating. Ms. Daniels said that there was a discussion at the wellness meetings about the possibility of adding spouses to be eligible for the colonoscopy incentive and maybe adding an incentive to members who complete a preventative exam.

Ms. Daniels said that the *Walk with Me* incentive program will begin in the spring with free pedometers for those who participate.

Cindy Polinski asked Ms. Daniels to provide a list of dates for each wellness program.

Pat Kaplan said that the BCBS plan summaries have been approved and should be ready to distribute soon.

**Request for consideration for membership from Town of Lanesborough:**

Greg Federspiel said that the BHG received a request for membership from the Town of Lanesborough. Mr. Federspiel introduced Joe Kellogg, Acting Town Administrator.

Mr. Kellogg thanked the Board for considering the request for membership and said that the Town has already started the Section 21 process with its unions and has met with its IAC. He said that the town is currently getting its health insurance through MIIA and said that the town had once been members of the BHG through the Berkshire County Insurance Group.

Carol Cormier said that she has received the town's data and said that their health plans are all BCBS, and would therefore make the transition easier. She said that there are 75 active plan members and 25 Medex members. Ms. Cormier said that the town offers the Blue Care Elect Preferred PPO, Blue Choice and Network Blue plans. She said that the plans are similar to the BHG deductible plans, with the exception of the In-Patient copay. Ms. Cormier said that the preliminary data indicates that the town would be a good fit. She noted that in the past, new members did not receive the subsidized rates for a time period of time specified by the Board.

Following the meeting Mr. Kellogg informed Ms. Cormier that he had in error sent the plan summaries for the plans the Town was proposing rather than the plans that are currently offered. The current plans are more similar to the BHG's Value Plus plans

Kevin O'Donnell made a motion to accept the Town of Lanesborough on July 1, 2012, with rates unsubsidized for a two-year time period, to be reviewed after two years, and contingent on further review of claims data by Group Benefits Strategies.

Motion

Geri Porter seconded the motion. The motion passed by unanimous vote.

Joe Kellogg thanked the Board.

Jim Kelley recommended that the agreement should state that if the Berkshire Health Group dissolves within five years, that the Town of Lanesborough would receive a proportionate share of the trust fund balance based on what they have contributed.

Carol Cormier said that she will draft a proposal to the town.

**BCBS risk reduction programs:**

Greg Federspiel said that the wellness of members is what ultimately impacts the trust fund balance. He said that the Board asked BCBS to present what wellness programs or incentives it currently offers for its members.

Suzanne Donahue, BCBS, distributed and reviewed the handout listing the current programs. She said that now BCBS offers programs through Healthways, which addresses the total population of the group. She said that they provide wellness programs and resources, a medication adherence program, disease management and coaching, case management, and they look for gaps in care of members. Ms. Donahue said that BCBS also provides on-line tools which try to influence the behavioral health of members. She said that some of the goals of BCBS include targeting avoidable ER utilization, avoidable and repeated hospital admissions, compliance with recommended care, healthy behaviors and quality of life outcomes.

Ms. Donahue said that effective January 1, 2013, BCBS will be taking the wellness programs in-house. She said that there will be support for members across the entire health system and BCBS will own 100% of the data. Ms. Cormier said that the return on investment will pay for the program in the long term and there will be no additional costs to its members. She said that the Blue Care Line will continue to be outsourced.

Ms. Donahue said that BCBS is willing to work with the BHG to coordinate programs with the wellness coordinators.

Carol Cormier said that she spoke to The Abacus Group in response to the request by the Board about other targeted wellness programs that they offer. She said that they offer a hypertension program and asked if the Board would like a representative of Abacus to attend the next meeting.

Suzanne Donahue offered to run a report to see the data for the BHG regarding hypertension and also a health risk issue report. She said that she would also provide a location list of the minute clinics, but noted that there are none west of the Springfield area yet.

The Board asked Ms. Cormier to invite The Abacus Group to the next BHG Board meeting.

**Discussion about strategic use of Fund Balance:**

Carol Cormier said that she followed up on her request to Milliman asking them to quote a fee to complete an actuarial review of the BHG trust fund balance. She said that she will call them this afternoon.

**Dependent Eligibility Audit Update:**

Carol Cormier said Kate Sharry sent Greg Federspiel a list of the employees that have not responded to the audit by governmental unit. She said that she will ask Ms. Sharry what the next steps will be. Ms. Cormier said that the Board agreed to terminate dependents that were found to be ineligible on April 1, 2012. Ms. Cormier said that there is a 60-day retroactivity period for enrollment changes should the employee provide documents to support eligibility following termination.

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

The Board members gave an update on the progress of their governmental units in the Section 21 process and which plan design(s) they intend offer effective July 1, 2012. Ms. Cormier asked the Board members to send her copies of their agreements with the Public Employee Committees (PECs) and to let her know definitively which plans they will be offering.

**Other Business:**

The next Board meeting was scheduled for April 24th, at the Lenox Town Hall at 9:30 a.m.

There was a discussion about developing a website for the Berkshire Health Group which would be more comprehensive than the current site which is primarily devoted to wellness. Maureen Daniels offered to research web designers and to present her findings at the next meeting.

There was no other business.

Janet Saddler moved to adjourn.

Motion

Geri Porter seconded the motion. The motion passed by unanimous vote.

Greg Federspiel adjourned the meeting at 11:15 AM

*Group Benefits Strategies*