

Berkshire Health Group

Board Meeting #06-07

Lenox Town Hall
Lenox Massachusetts
Tuesday, March 22, 2016 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Mary Beverly, Chair	Town of Adams
Sharon Harrison, Vice Chair	Berkshire Hills RSD
David Hinkell	Adams Cheshire RSD
Christopher Ketchen	Town of Lenox
Melissa Falkowski	Central Berkshire RSD
Lauren Sartori-Hobgood	Town of Great Barrington
Geri Porter	Berkshire County Insurance Group
Rebecca Herzog	Berkshire County Insurance Group
Janet Saddler	Town of Williamstown
Brenda Rondeau	Mount Greylock RSD
Maureen Senecal	Northern Berkshire Vocational RSD
Terri Licata	Southern Berkshire RSD
Steve Presnal	Southwick Tolland Granville RSD
Paul Sieloff	Town of Lanesborough

Guests present:

James Kelley	BHG Treasurer
Jorja Ann Marsden	Berkshire County Insurance Group
Shannon Ashcroft	BHG Wellness Consultant
Erika Snyder	Adams Cheshire RSD
Sandra Stankiewicz	Blue Cross Blue Shield (BCBS)
Jay Swanson	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

The Chair, Mary Beverly, called the meeting to order at 9:32 a.m.

Approval of the Minutes of the meeting of January 25, 2016, (Meeting #16-06):

Janet Saddler moved to approve the minutes of January 25, 2016 as written.

Motion

Sharon Harrison seconded the motion. The motion passed by majority vote with Rebecca Herzog and Brenda Rondeau abstaining.

Treasurer's Report:

Treasurer, Jim Kelley, reviewed the financial reports for January and February 2016 (unaudited figures). He said the cash position decreased by \$700K during January mainly due to decreased member payments. He said there was a one month profit of \$304K. Mr. Kelley said that there was a year-to-date profit of \$968K.

Mr. Kelley, reviewed the financial reports for February 2016 (unaudited figures). He said the cash position increased by \$557K during February. He said \$656K of reinsurance reimbursements were received to date including \$633K received in early March. He said there was a one month loss of \$372K due to planned use of surplus.

Jim Kelley spoke to the Board about the possibility of investing approximately \$700K to \$1M of excess cash into short term investments through Olsen Mobeck since the rate of return would be higher than from the banks. He asked the Board members for their thoughts.

The Board favored obtaining advice from Gene Daponte and investing half the money now and half later. They said they want to stagger the maturity dates of the bonds.

Members leaving the Board:

Mary Beverly said the Board would like to thank Jorja Ann Marsden and Dave Hinkell for their years of service on the BHG Board. She noted that Mr. Hinkell was one of the founding members of the group.

Ms. Marsden said she will be retiring at the end of July and said she learned a lot as a member of the Board. She said she will miss everyone.

Dave Hinkell said that it is time for him to retire and spend more time with his family, travel, fish and golf.

Sharon Harrison presented Mr. Hinkell and Ms. Marsden with gift cards as a token of the Board's appreciation.

February and March 2016 Warrant Summaries:

Carol Cormier noted that the February Warrant Summary included the BCBS settle-up, the fee to Abacus for the myMedicationAdvisor® program feasibility study and the first half of the independent financial audit fee. Ms. Cormier said the Wellness Stipends were paid out to the governmental units in February. She said the March Warrant Summary included the second half of the audit fee.

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

Motion

Brenda Rondeau seconded the motion. The motion passed by a unanimous vote.

Wellness Report:

Shannon Ashcroft, Wellness Consultant, reviewed the Wellness program updates and new programs coming up in the spring. She said there have been 63 on-line Health Assessments completed to date, earning each participant a \$25 gift card. Ms. Ashcroft said 51 participants received a \$10 gift card for completing the "Take Flight Stair Climbing Challenge" and 30 Fitbits were raffled to 30 of those participants. She said Adams Cheshire RSD applied for and was accepted to receive the *Working on Wellness Grant*. She said each entity has to apply on its own and not as a group.

Ms. Ashcroft said she met with Geri Porter to help with communicating the wellness programs to all of the Berkshire County Insurance Group (BCIG) units on a timely basis. She said Ms. Porter gave her contact information for each BCIG unit so that she can contact and work with them directly.

Ms. Ashcroft reviewed the upcoming programs to include the *Spring Screenings*, *Walk with me in the Berkshires*, *Spring Fitness Classes* and attending the Open Enrollment fairs.

Mary Beverly told of a health issue related to the Fitbits.

Ms. Ashcroft said that she bought the pocket Fitbits which do not have those issues.

Southwick-Tolland-Granville (STG) RSD update – Mary Beverly asked Steve Presnal to give an update regarding STG's intentions for FY17.

Mr. Presnal said that the School Committee voted to move to MIIA contingent on not being required to make any changes to the current benefits. He said he expects to have a decision this week and noted that the district is aware of the March 31, 2016 BHG withdrawal notification deadline.

In response to a question about the financial impact to the BHG, Carol Cormier said the BHG will be responsible for the STG run-out of claims, but noted that the district had good claims experience over the past two years.

There was a discussion about reviewing the Joint Purchase Agreement (JPA) and possibly making amendments to the Liability following Withdrawal section of the agreement.

Carol Cormier said she would draft some language options for the Board to consider. She also suggested adding some type of commitment language for new units joining the group and having an earlier withdrawal notification date.

Sharon Harrison said she would favor an earlier withdrawal notification date for budgeting purposes.

Ms. Harrison noted that Berkshire Hills RSD is negotiating a change to move to the Deductible plans. She said the district is going to use the regular bargaining process.

Lauren Sartori-Hobgood said the Town of Great Barrington is looking into doing something similar.

Mary Beverly asked to add the JPA discussion to the next agenda.

GBS Reports:

Financial reports - Carol Cormier reviewed the *FY16 Funding Rate Analysis* report with data through February 2016. She said the expense-to-funding ratio for health plans was 95.6% and that, on a paid claims basis, there was a funding surplus of \$1.18M. She noted that \$1M of that amount was from reinsurance reimbursements. Ms. Cormier said that the expense-to-funding ratio for the dental plans was 93.1% with a funding surplus of about \$68K.

Ms. Cormier said that for the FY16 the *Level Monthly Deposit* payments to BCBS have resulted in a \$390K credit to BHG through February.

Reinsurance Reports - Ms. Carpenter reviewed the FY16 reinsurance report of claims exceeding the \$200K specific deductible. She said the total claims for the two members was \$1,151,216. Ms. Carpenter said that the \$100K aggregating specific deductible has been met, and there are reimbursements due BHG in the amount of \$23,274. She reported reimbursements received totaling \$627,941. She reviewed the claims between 50% and 100% of the deductible. She said there were total claims of \$1.4M.

Plans for meetings with retirees to explain Medex 2 and Blue Medicare Rx:

Sandra Stankiewicz distributed and reviewed the CMS guidelines necessary to implement the change from Medex 3 to Medex 2 with Blue Medicare Rx. She said that a Late Enrollment Penalty (LEP) attestation letter will need to be sent to BCBS from BHG attesting that they have provided credible drug coverage that is at least as good as the Medicare drug benefit for its retirees. She referred to the sample letter she distributed.

Ms. Stankiewicz said that a “21-day letter” needs to be sent to all Medex members between April 2, 2016 and no later than June 9, 2016. She referred to the sample exhibit and said that the letter cannot be changed as it is required by CMS. Ms. Stankiewicz said that a cover letter can be added with the letter to explain to the retiree why they are receiving it. She said she will send a file with addresses to each employer of those enrolled in the current Medex plan. Ms. Stankiewicz said that she will need confirmation from the employers that the letters have been sent. She said BCBS would automatically transfer the current Medex 3 enrollees to the Medex 2 plan and that the group number will not change.

Ms. Stankiewicz said that she will work with the employers to set up meeting dates to hold the retiree meetings. She suggested holding two 2-hour meetings each day for a total of 8 or 9 meetings. She said one of the meetings would be a make-up meeting for those who could not attend other meetings. Ms. Stankiewicz said that she would be unable to attend all of the meetings but said a BCBS representative would be present at each meeting. She said she would email a list of available dates and times to the employers.

Karen Carpenter said that a Benefits Administrators Meeting should be held prior to the retiree meetings to explain the changes to the Benefit Administrators.

Christopher Ketchen offered the Lenox Town Hall auditorium as a location for the Administrators meeting.

The Board agreed to try to organize the Administrators meeting on April 14th if possible, or April 12th as a second choice.

Carol Cormier asked Ms. Stankiewicz to contact Ruth Lynch, GBS Enrollment and Billing Manager, to work out the details of the meetings.

PPO ID cards - Ms. Stankiewicz said that the BCBS PPO members will be receiving new ID cards due to a new prefix number being added to the ID number to identify claims and groups.

Telehealth benefit – Ms. Stankiewicz said she presented this to the Board previously and that BCBS will need to know prior to open enrollment whether or not BHG would like to offer the benefit to their members.

The Board agreed to table the discussion until fiscal year 2018.

eKits – Jay Swanson distributed a one page exhibit of the BCBS eKits and said that BCBS is going “green”, i.e. going paperless. He said the one page eKit is an interactive page that contains the SBC, benefits, formulary, physician look-up, and more for each of the active health plans. He said the eKits are not yet available for the Medicare plans. Mr. Swanson said that he is working on the new SBCs for FY17 and would be sending them out soon.

Update on RDS re-openings:

Carol Cormier said that the RFP was sent out and that three proposals were received. She referred to the Bid Response Summary in the packet and compared responses from each of the companies, Part D Advisors, In-Tech Health Ventures, and RDS Services responses. Ms. Cormier said that GBS has worked with Part D Advisors previously without issues. She said that GBS was very pleased with the references for In-Tech Health Ventures, which will receive the lowest percentage, i.e. 23% of any recoveries. She said after reviewing the data, if they find the possible recovery is too low, there is no charge to the client if they do not move forward with the reopening. Ms. Cormier said it will take about seven to thirteen months to complete the process.

There was a discussion.

Sharon Harrison made a motion to contract with In-Tech Health Ventures for a re-opening of two years of RDS applications.

Motion

Melissa Falkowski seconded the motion. The motion passed by a unanimous vote.

Proposed myMedicationAdvisor® program update: Carol Cormier said in response to the Board putting the MMA program on hold due to the initial low utilization expected during the start up, Sean Follick offered to provide the program at \$0 cost to BHG for the first 3-months in exchange for a two-year agreement with a 2-year rate guarantee. Ms. Cormier said that it is a good benefit for the employees and saves money for the BHG.

The Board agreed to discuss it in the Fall and noted that they do not want to implement anything new during the Medex transition.

Other Business:

The next scheduled meeting is April 25, 2016, at 9:30 a.m. at the Lenox Town Hall, Lenox, MA. The Board also scheduled a June 1, 2016 meeting to be held at the same time and location.

There was no other business.

Janet Saddler moved to adjourn the meeting.

Motion

Dave Hinkell seconded the motion. The motion passed by unanimous vote.

Mary Beverly ajourned the meeting at 11:25 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*