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**Berkshire Health Group**

**Board Meeting #11-07**

Lenox Town Hall  
Lenox Massachusetts  
Monday, April 11, 2011 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

Greg Federspiel, Chair	Town of Lenox
Geri Porter	Berkshire County Insurance Group
Sharon Harrison	Berkshire Hills RSD
Kevin O'Donnell	Town of Great Barrington
Maureen Senecal	Northern Berkshire Vocational
David Hinkell	Adams Cheshire RSD
Brenda Rondeau	Mt. Greylock RSD
Marge Foster	Central Berkshire RSD
Janet Saddler	Town of Williamstown
Jay Barry	Southwick Tolland RSD

**Guests present:**

James Kelley, CPA	BHG Treasurer
Pam Walsh	Central Berkshire RSD
Maureen Daniels	BHG Wellness Coordinator
Deb Cartelli	Blue Cross Blue Shield
Stephen Corbin	Blue Cross Blue Shield
Pat Kaplan	Blue Cross Blue Shield
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Greg Federspiel opened the meeting at 9:36 a.m.

**Treasurer's Report:**

Treasurer Jim Kelley reviewed the financial statements of February 28, 2011 (unaudited figures). He said the overall cash position at the end of February increased by a net of \$267K. He said that the operating cash account increased by \$363K and the Cash-Schwab portfolio decreased by \$96K. Mr. Kelley said that the operating cash increase was mainly due to an increase in advance collections of member assessment revenue and a receipt of a payment of approximately \$124K from the Early Retiree Reinsurance Program (ERRP).

Mr. Kelley said that the Prepaid Expenses decreased by a net of approximately \$182K due to the second and third quarter BCBS Level Monthly Deposit exceeding the claims and administrative expenses incurred.

Jim Kelley said that the health claims are running at 87% of member assessment revenue, and the dental claims are running at 73% of member assessment revenue.

Mr. Kelley said that the group experienced a one month loss of \$102K for the month ended February 28, 2011- and said that the fund balance surplus is approximately \$12.2M, with a YTD profit of approximately \$1.8M.

**Distribution of FY07 Retiree Drug Subsidy (RDS) reimbursement:**

Carol Cormier distributed and reviewed the report of RDS eligible retirees by BHG unit and said that the amount that would be distributed to each unit represented on the Board is based on the number of RDS members each unit had in January 2007.

Ms. Cormier said that, as she understands it, each unit would put the distribution into free cash and then it would be subject to appropriation. Ms. Cormier explained how another Joint Purchase Group is handling their distribution.

Sharon Harrison said that the FY12 budgets have already been finalized and asked if the reimbursement can go into a revolving account rather than free cash.

Ms. Cormier asked Ms. Harrison to forward her question in an email to Ms. Cormier and said that she would ask Rich Bienvenue, BHG auditor his opinion.

Jim Kelley said that he would contact Rich Bienvenue to see if the money can be put into a revolving account.

The consensus of the Board was to obtain the auditor's recommendations and then proceed with discussions about a distribution of the RDS to the units. Mr. Federspiel said that a vote may be taken at the next meeting.

In response to a question about distribution RDS monies from other years, Ms. Cormier said that if claims continue to run well, the Board may want to consider doing another distribution next year.

**Approval of the Minutes of the meeting of March 1, 2011 (Meeting #11-06):**

Jim Kelley said that page two of the minutes of March 1, 2011 should state that the Schwab investment account increased, not decreased for month ended January 31, 2011 .

Sharon Harrison made a motion to approve the minutes of the March 1, 2011 meeting as amended.

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

Motion

**Warrants for April 2011:**

Carol Cormier reviewed the April 2011 Warrant Summary.

Sharon Harrison made a motion to accept the April 2011 Warrant Summary.

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

Motion

**GBS Reports:**

*FY11 Funding Rate Analysis by Plan* – Carol Cormier reviewed the Funding Rate Analysis report for FY11 with data through February 2011. Ms. Cormier said that the expense-to-funding ratio was 92.7%. She said that the Blue Choice plan was under-funded, but said that the enrollments were low and not credible.

Carol Cormier said that the Retiree Drug Subsidy (RDS) received to date for FY09 is \$526,265.

Level Monthly Quarterly Accounting Reconciliation for BCBS, 2nd quarter– Ms. Cormier said that with two months of payment information in, BHG has a debit balance with BCBS of \$69,708. Ms. Cormier said that the Level Monthly Deposit (LMD) has been lowered from \$3M to \$2.85M as requested by BHG.

*Stop Loss Reports* – Karen Carpenter reported that for the FY10 policy period with claims paid through December, ten (10) members had claims exceeding the specific deductible of \$150K with claims totaling

\$3.13M and excess claims totaling \$1.5M. She said that the aggregating specific deductible of \$100K has been met and said that there are outstanding reimbursements of \$15,759 due the Group. Ms. Carpenter said that there were 29 claimants with claims between 50% and 100% of the deductible with claims totaling \$3.04 million. Ms. Carpenter said that for the FY11 policy period with claims paid through February, 3 members had claims exceeding the specific deductible of \$175K with claims totaling \$678K. She said that the aggregating specific deductible of \$100K has been met and said that there were 10 claimants with claims at or higher than 50% of the deductible with claims totaling \$1.2M.

*Diabetes Care Rewards Program – Quarterly Report through February 28, 2011* - Carol Cormier reviewed the report from The Abacus Group and said there 54 participants, or 15% of the total diabetics eligible to participate registered in the program. She said 38.9% of the participants have met all five requirements and are receiving their medications and supplies at no cost to them. She said that to date 207 scripts have been filled through the program and the plan costs for those scripts total \$29,000.78.

Maureen Daniels said that the number of participants has risen to 61 since the February report was issued. Ms. Daniels said that representatives from The Abacus Group are very willing to attend the health fairs.

**Wellness/Healthy Behaviors:**

Maureen Daniels said that 162 members have completed their Health Assessments and said that the end of May is the deadline for the schools to participate. She said that monthly raffle prizes will be delivered to the work sites and will help to encourage others to want to participate.

Ms. Daniels distributed a flyer called “Color your Plate” emphasizing eating 5 or more servings of colorful fruits and vegetables every day. She said that it is a nutritional challenge with a points tracking sheet on the back. Ms. Daniels said that a \$35 gift basket will be raffled and won by up to 10 members who complete the challenge.

Ms. Daniels said that the Biometric screenings and lunch will be provided in the Town Hall today. She encouraged the Board members to complete their screenings and said that it is easier to explain the process to the employees when you have completed the screenings yourself.

Geri Porter asked Ms. Daniels to provide a calendar of events to the Board.

**Proposed State Legislation Discussion:**

Greg Federspiel said thanked Carol Cormier and GBS for pulling together the Coalition of Joint Purchase Groups (JPG) meeting in Marlboro. He said that Pam Kocher, Director of Local Policy for the Exec. Office of Administration & Finance, attended along with Daniel Fox and Patrick Charles, staffers to Representative Sciback, Chair of the Joint Committee on Public Services. Mr. Federspiel said that Carol Cormier sent health plan comparisons, contribution rates and plan rate information for the JPGs to Ms. Kocher and Ms. Fox. He said that something is going to happen this year and now they will have the JPG input. Mr. Federspiel said that the Group Insurance Commission (GIC) is one option, but they do not do a good job with wellness which should be recognized. Mr. Federspiel said that JPGs may be able to present plans equivalent to the GIC, and not replaced by those plans. He said that he would like to see them set a ceiling of how rich the plans can be and said that Wellness programs will work to lower costs in the long term.

Carol Cormier said that there were approximately 30 participants at the meeting. She said that Pam Kocher said that the proposed legislation is still a work in progress and open for comments. Ms. Cormier said that all those in attendance at the meeting were in favor of making Section 18 mandatory.

**BCBS Report:**

Steve Corbin said that he is hearing that October may be the timing of the upcoming changes. He said that Dolores Mitchell is talking of a rolling open enrollment to avoid a flood of enrollments into the GIC.

Sharon Harrison said that the District is looking at the general costs of the GIC and plans, but said that the GIC is not looking at or offering anything for the employers in the Berkshires.

Steve Corbin asked the Board what they would be drafting to use at open enrollment to notify the retirees about the change to a formulary and 3-tiered prescription benefit. Mr. Corbin said that BCBS would be sending a letter to those retirees impacted by the prescription change during the second week in May.

Pat Kaplan said that she has a list of all of the BHG Health Fairs and suggested including something in the employer's open enrollment letter to notify members that their adult children under age 26 can re-enroll. Ms. Kaplan said that the health care reform does not include those on dental plans, only the health plans.

Carol Cormier said that she had recently sent information about the required 30-day open enrollment for adult children and information for the employees regarding the Open Enrollment for Adult Children. She explained that there may be members on Medicare plans with adult children. She said in those cases, the adult child would be covered at the same contribution rate as the retiree.

Brenda Rondeau asked about the MA Autism Mandate.

Steve Corbin said it would be added by BCBS effective July 1, 2011.

Pat Kaplan said that she would send the BCBS Autism rider to Carol Cormier for distribution to the Board.

**Other Business:**

The next meeting was scheduled on Monday, May 23, 2011 at 9:30 a.m. Board members expressed interest in scheduling the Board meetings on the same day of each month beginning with September of 2011.

There was no other business.

Greg Federspiel adjourned the meeting at 11:08 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*