

**Berkshire Health Group**

**Board Meeting #12-09**

Lenox Town Hall  
Lenox Massachusetts  
Tuesday, April 24, 2012 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

Greg Federspiel, Chair	Town of Lenox
Mary Beverly, Vice Chair	Town of Adams
Jorja-Ann Marsden	Berkshire County Insurance Group
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
Brenda Rondeau	Mount Greylock RSD
Sharon Harrison	Berkshire Hills RSD
David Hinkell	Adams Cheshire RSD
Maureen Senecal	No. Berkshire Voc.-Tech School

**Guests present:**

James Kelley	Treasurer, Berkshire Health Group
Maureen Daniels	BHG Wellness Coordinator
Joe Kellogg	Town of Lanesborough
Kate Sharry	Enrollment Audit Solutions (EAS)
Sean Follick	The Abacus Group
Linda Loiselle	The Abacus Group
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Greg Federspiel opened the meeting at 9:34 a.m.

**Approval of the Minutes of the meeting of March 20, 2012 (Meeting #12-07):**

Jim Kelley said that on page three, his recommendation should read "if the Berkshire Health Group dissolves within five years, that the Town of Lanesborough", not "if the town leaves the group".

Kevin O'Donnell made a motion to approve the minutes of the March 20, 2012 meeting as amended.

Sharon Harrison seconded the motion. Maureen Senecal and Mary Beverly abstained.  
The motion passed by a majority vote.

Motion

**Treasurers Report -**

Treasurer Jim Kelley reviewed the financial statements of March 31, 2012 (unaudited figures). Mr. Kelley said that the overall cash position decreased by a net of \$1,828,000 at the end of March mainly due to the

one-month premium holiday. He said the Cash-Schwab portfolio increased by \$210K, of which \$6K was a decrease in the unrealized gain for the month, and the remaining increase represented increased investments

Jim Kelley said that the health claims are running at 94% of member assessment revenue, and the dental claims are running at 89% of member assessment revenue.

Jim Kelley said that there was a year-to-date loss of approximately \$394K.

**Approval of April and May 2012 Warrant Summaries:**

Carol Cormier reviewed the April and May 2012 Warrant Summaries and noted the invoice for \$7,000.00 from Enrollment Audit Solutions for the Dependent Audit on the May warrant. She said that the Olson Mobeck invoice for \$5,792.92 and Milliman invoice for \$2,900. were also on the May warrant. Ms. Cormier said that there are two invoices paid monthly to Abacus Management Technologies. She said that one invoice is for the program fee and the other is a monthly deposit that pays the prescription drug costs.

Jorja-Ann Marsden made a motion to approve the April and May 2012 warrants as presented.

Kevin O'Donnell seconded the motion. Sharon Harrison opposed the motion.  
The motion passed by a majority vote.

Motion

**GBS Reports:**

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through March and said the expense-to-funding ratio for health plans was 91.7% and for dental was 86.9%.

BCBS Level Monthly Deposit (LMD)- Carol Cormier reviewed the LMD reconciliation and said that BHG owed BCBS \$166K in the third quarter settle-up.

Stop Loss Report - Karen Carpenter reviewed the stop loss reports with data through March 2012. She said that close to \$6K 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.

**Milliman proposal to analyze appropriate Fund Balance target:**

Greg Federspiel said that the Board has been discussing the BHG Fund Balance Policy and requested Carol Cormier ask for a quote from Milliman to complete an actuarial review of the BHG trust fund balance.

Mary Beverly said that the second paragraph of the Milliman proposal is vague about how many years of fund balance would be analyzed.

The Board asked Ms. Cormier to communicate with Milliman to be sure that they analyze no less than five years of data.

Mary Beverly made a motion to approve the proposal from Milliman at a fee of \$3,000 as amended with five years of data.

Motion

Sharon Harrison seconded the motion.

Kevin O'Donnell said that he favored obtaining the analysis and said that it is a low cost for an independent formal study.

Jim Kelley said that he favors having the analysis done.

A vote was taken, and the motion passed by a majority vote. Marge Foster and Maureen Senecal opposed the motion.

**Wellness/Health Behaviors Update:**

Maureen Daniels said that 50 Colonoscopy cards have been received and said that half of those have completed the screening. Ms. Daniels said that they are continuing to promote the Healthy Behaviors website and said that 139 members have completed the health assessment.

Ms. Daniels said that there are a total of 27 teams participating in the *Walk with Me* incentive program. She said with the participants will receive a free pedometer.

Ms. Daniels said that the Wellness Committee is looking into hiring someone to design a BHG wellness website. She said that they are still discussing options.

There was a discussion about the exclusion of insulin pumps from the Abacus Diabetes Program. It was determined that BCBS covers the pumps through the Durable Medical Equipment benefit portion of the BHG health plans.

**Town of Lanesborough – proposal for membership:**

Greg Federspiel said that the BHG tentatively approved a request for membership from the Town of Lanesborough, pending further review of claims data by Group Benefits Strategies.

Carol Cormier said that the claims data proved to be favorable. She noted that she had sent the Board the spreadsheets of the analysis and a draft letter offering membership to the town.

Ms. Cormier said that a question was posed at the last meeting recommending that the agreement should state that if BHG 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. Ms. Cormier said that the Joint Purchase Group Agreement would need to be amended in that case. She said that there may be an issue because other small towns have joined the group without such an amendment. Ms. Cormier said that the fund balance would be disseminated on a pro-rated basis.

Jorja-Ann Marsden moved to accept the Town of Lanesborough as a BHG member on July 1, 2012 as stated in the offer letter to the Town.

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

Joe Kellogg thanked the Board.

Carol Cormier said that the Town should contact Ruth Lynch at Group Benefits Strategies regarding health and dental enrollment questions.

**Good Health Gateways Hypertension risk reduction program:**

Greg Federspiel introduced Sean Follick and Linda Loiselle from Abacus Health Solutions.

Hypertension Co-morbid Program - Sean Follick distributed and briefly reviewed articles from Health Affairs explaining how controlling blood pressure and cholesterol can improve the health of diabetes patients. Mr. Follick said that providing rewards to those with high risk high cost health conditions who engage in proper chronic condition management leads to healthier members and lower claims costs. He said the focus is to get members to monitor their condition and engage with their PCP on a regular basis. Mr. Follick said that a blood pressure cuff is provided to the member, at a cost to the group of about \$100 each.

He said that the members are required to review results with their physician every 6-months. Mr. Follick said that the physician and patient communicate about lifestyle changes that promote lower blood pressure (BP). Mr. Follick said the member would receive a \$50 registration incentive and \$50 for each 6-month visit to their physician. He said their medications would also be provided at no cost to the member.

In response to a question about exercise, smoking cessation and nutritional counseling, Mr. Follick said that the program could be customized to add these components. He said that the program could be coordinated with the programs Maureen Daniels promotes.

Mr. Follick said that Abacus would provide technical support and member outreach with regular reports to the group. He said that there is a member web portal to provide members with additional feedback, data, tracking and support. Mr. Follick said that Abacus is proposing targeting those with diabetes and hypertension for phase one. He said there is an estimated 75% or 280 BHG members with both conditions. Mr. Follick said that Abacus would charge a discounted fee of \$1.50 per subscriber per month, or \$60K annually and would discount phase 2 by 25%. He said estimating the registration at 84 members in year one, the one-time cost of \$100 per member for the BP monitors would total approximately \$8,400. Mr. Follick said he estimates the first year costs would total \$72,600 with a 1.7 to 1 return on investment (ROI), not including the reduction in absenteeism and increased productivity of the members.

Carol Cormier said that she asked Suzanne Donahue to run a BCBS report on utilization of hypertensives and the report on compliance is high at 88%. She said the full report is included in the meeting packet.

Diabetes Rewards Program – Linda Loiselle reviewed the diabetes program report for the period of September 1, 2011 to February 29, 2012 and said that there is a total of 110 participants, including five new members. She said that this is 30% of the enrollment goal and said that 50% of those are compliant with their diabetes care activities. She thanked Maureen Daniels for her help in communicating to the members about the program.

In response to a question regarding providing the insulin pumps, Ms. Loiselle said that they do not waive the cost of the pumps due to the high cost of \$6K to \$8K each and said that the pumps are usually provided under the DME (Durable Medical Equipment) benefit by the health plans.

Suzanne Donahue said that the pumps usually fall under the prosthetic benefit at no member cost share. She said that supplies are covered, but she wasn't sure of the exact costs.

Sean Follick said that the total member medications and supplies savings is \$7K and said that the group has realized a net claims savings of approximately \$30K.

Greg Federspiel asked about their strategies to increase participation in the program.

Maureen Daniels said that members may not recognize the Abacus name and said there is some talk about holding lectures on diabetes.

Linda Loiselle said that 30% participation is good after one year and said that the financial motivation is not as high in municipalities due to the lower copays. She said that quarterly mailings are sent out and said that she will be happy to coordinate on-site education.

Sean Follick said that they will be adding a phone number and website to speak to members. He said that they will provide any assistance necessary to increase participation.

Carol Cormier suggested sending a letter to all from the Berkshire Health Group to endorse the Abacus Group program and said that they may want to send it on each unit's letterhead.

Linda Loiselle said if each unit provides their letterhead and envelopes, that Abacus would coordinate and mail the letters to all employees. She said that she will also run census report on ages of the participants.

Sean Follick said that other intervention programs are available through The Abacus Group, such as pre-natal and pulmonary programs.

Greg Federspiel thanked Sean Follick and Linda Loiselle for their presentations and said that the Board will continue their discussions about the program at the next meeting.

**Dependent Eligibility Audit Update:**

Kate Sharry said that each unit's results were sent to them by Karen Carpenter. She reviewed the Berkshire Health Group eligibility report and said there was a total of 169 dependents or 6.3% found ineligible. She said 21 of those were voluntarily removed from the plan. Ms. Sharry said that the ineligible population found equates to future annual claim cost reductions of \$676K, which exceeds the guarantee by approximately \$608K. Ms. Sharry said that there is a report broken down by unit included in the report as well as a list of documents required to verify eligibility going forward.

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.

Kate Sharry recommended disclosure to the health plan and reinsurer of any member that is allowed to remain on the plan following a determination of "at risk" during the audit. She said that a notarized spousal affidavit could be used for those who cannot produce the proper documentation in an unusual situation. She said the affidavit may state that the member will be held responsible for claims if found to be ineligible.

Sharon Harrison said she would like to see the final savings totals after each unit contacts the employees who did not respond to the audit.

Greg Federspiel asked each unit to report back at the next meeting with their final counts.

Kate Sharry said that this issue comes up at the end of most audits. She said that the spreadsheet on page 16 of the report which gives a breakdown of each unit could be used to enter the updated counts to calculate the final savings. She said she would send the electronic spreadsheet to Karen Carpenter.

Suzanne Donahue noted that those members found ineligible are also not eligible for COBRA benefits.

Kate Sharry said that she brought all of the documents received during the audit for distribution following the meeting.

The Board members thanked Ms. Sharry for her work.

**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.

**Town of Lanesborough – Dental Plan for FY13:**

Carol Cormier said that the town will continue to offer BCBS Dental plan that they currently offer. She said the proposed FY13 rates will be the FY12 rates rounded to the nearest dollar at \$39 per month per Individual plan and \$82 per month per Family plan.

Sharon Harrison made a motion to approve the dental rates as described above.

Motion

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

**BCBS Report:**

Suzanne Donahue reviewed the BHG report of the percentage of members who utilize the health plan services. She said the percentage of members who did not utilize any health plan services in FY11 was 6.91%. She said 81.73% of members utilized services which account for claims incurred between \$0 and under \$10K.

Ms. Donahue said that beginning on plan anniversary following September 27, 2012, plan sponsors need to provide a Summary of Benefit Coverage to its members. She said that BCBS will provide the summary to the account for distribution to its members.

**Other Business:**

Marge Foster said that it would be helpful to know what the current wellness initiatives are costing the group prior to considering offering a new Abacus program.

Maureen Daniels said she is working on the wellness budget.

The next Board meeting was scheduled for June 5th, at the Lenox Town Hall at 9:30 a.m.

There was no other business.

Motion

Janet Saddler moved to adjourn.

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

Greg Federspiel adjourned the meeting at 11:38 AM

*Prepared by Karen Carpenter  
Group Benefits Strategies*