

**Berkshire Health Group**

**Board Meeting #13-09**

Lenox Town Hall  
Lenox Massachusetts  
Monday, April 29, 2013 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

Greg Federspiel, Chair	Town of Lenox
Mary Beverly, Vice-Chair	Town of Adams
Sharon Harrison	Berkshire Hills RSD
Maureen Senecal	Northern Berkshire Voc.-Tech School
Jorja Ann Marsden	Berkshire County Insurance Group
Geri Porter	Berkshire County Insurance Group
Melissa Falkowski	Central Berkshire RSD
Bruce Turner	Southern Berkshire RSD
Dave Hinkell	Adams Cheshire RSD
Stephen Presnal	Southwick Tolland Granville RSD

**Guests present:**

James Kelley	Treasurer, Berkshire Health Group
Maureen Daniels	BHG Wellness Coordinator
Paul Sieloff	Town of Lanesborough
Rose Ellis	Superintendent, Mt. Greylock RSD
JoAnne Magee	Town of Lenox School Committee
Corban von Ouhl	Town of Lanesborough - intern
John Baglini	Town of Lanesborough – intern
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies
Ginger Hastings	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Greg Federspiel opened the meeting at 9:30 a.m.

**Approval of the Minutes of the meeting of March 25, 2013 (Meeting #13-08):**

Maureen Senecal made a motion to approve the minutes of the March 25, 2013 meeting.

Mary Beverly seconded the motion. The motion passed by unanimous vote.

Motion

**Treasurers Report -**

Treasurer Jim Kelley reviewed the financial statements of March 2013 (unaudited figures). Mr. Kelley said that the overall cash position increased by a net of \$38K at the end of March. He said that the operating cash increased by approximately \$158K mainly due to advanced member assessment revenue. Mr. Kelley said there was a one-month loss of approximately \$355K for the month ended March 31, 2013.

Jim Kelley said that the health claims are running at 98% of member assessment revenue and the dental claims are running at 88% of member assessment revenue.

Mr. Kelley said that there is a year-to-date profit of \$524K and total equity (fund balance) was \$11,361,000.

Mr. Kelley said there was an unrealized gain of \$143K on the Schwab investment account for month ending March 31, 2013.

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.

**Approval of May 2013 Warrant Summary:**

Karen Carpenter said she inadvertently put the wrong warrant in the packet.

Carol Cormier said that she will send the May warrant to the Board and apologized for the mix up.

Greg Federspiel introduced Rose Ellis, Superintendent of Mt. Greylock RSD, Town of Williamstown and Town of Lanesborough and Melissa Falkowski, Business Administrator, Central Berkshire RSD.

**GBS Reports:**

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through March 2013 and said the expense-to-funding ratio for health plans was 101.3% and for dental was 96.4%. She said the Network Blue Value Plus plan is underfunded on a paid basis by \$1.13M, but noted that overall the plans are underfunded by \$326K.

BCBS Level Monthly Deposit (LMD) - Carol Cormier reviewed the LMD quarterly reconciliation and said that the claims expenses exceeded the deposits by \$182K through March.

Diabetes Rewards Program Report- Carol Cormier reviewed the diabetes rewards program report prepared by the Abacus Group for September 2012 to February 2013. She said that the program is exceeding its enrollment and compliance goals. She said that \$8,107 member co-payments were waived and the estimated net employer savings is \$34,481. Ms. Cormier noted the program promotions that the Abacus Group conducted and listed on the report.

Stop Loss Report - Karen Carpenter reviewed the FY12 stop loss reports with data through March 2013. She said that four members had exceeded the policy deductible with total claims of \$993,983. Ms. Carpenter said that the \$100K Aggregating Specific Deductible has been satisfied and that BHG has received claims reimbursements of \$93,729. She said that there are outstanding reimbursements of \$253.70 due. Ms. Carpenter reviewed the FY13 stop loss reports and said that there are two members that had exceeded the policy deductible with total claims of \$423,791. Ms. Carpenter said the \$100K Aggregating Specific Deductible has not been met. She said there are 9 claimants on the report of 50% with a total of paid claims of \$1,28M.

**Wellness/Healthy Behaviors Update:**

Maureen Daniels said that the Biometric Screenings are being conducted in the Lenox Town Hall today and she encouraged the Board members to participate following the meeting. Ms. Daniels said to contact her if anyone would like to offer the screenings in their lunch or break rooms for the staff members.

Ms. Daniels reviewed the current wellness programs including the colonoscopy incentive program and Saturday morning yoga classes. She said that that the Town of Lenox participated in a weight loss program and 20 participants had a combined weight loss of 900 lbs. Ms. Daniels said that the BCBS fitness

reimbursement program participation increased from 294 in 2011 to 315 in 2012. She said that the reimbursement amount increased from \$150 to \$300 this year.

Ms. Daniels distributed and reviewed the proposed wellness program and budget for FY14. She said that after reviewing the Abacus Diabetes Rewards Program cost data on the warrant, she said that she may be able to do something similar at a cost savings to BHG. She said that the cost of \$18K a month sounds very high. She said that she would like to explore options with BCBS.

Carol Cormier said that the charge she is speaking about on the warrant is for the medications and supplies and not for program fees. She said that there are two line items on the warrant for the diabetes program, one for the medications and one for the administrative services. Ms. Cormier said that the smaller charge is for the administrative services.

Ms. Daniels said that it also appears that there are some Medex members on the diabetes program. She said that Medex covers diabetes medications and said there may be a way to save there.

Greg Federspiel asked to add the wellness program and budget proposal to the next agenda.

Ms. Daniels said that her contract will be ending on August 31, 2013 and asked the Board to consider renewing it.

Geri Porter noted that the GIC now offers a \$100 fitness and weight loss benefit for its retirees. She said that BHG does not currently offer this benefit to its retirees.

Suzanne Donahue said that the Managed Blue for Seniors does offer this benefit, but said that the Medex plan does not.

Greg Federspiel said that adding this benefit is something for the Board to consider offering in the future.

**Reinsurance Procurement for FY14:**

Carol Cormier briefly reviewed the concept and details of the proposed MA Municipal Multi-Level Reinsurance Pooling Arrangement (3MLRPA), which was presented to the Board on March 25, 2013. She said that GBS received a legal opinion stating that it is within the Joint Purchase Group's authority to participate in reinsurance pooling arrangement with other groups including formation of a captive domiciled in Vermont. Ms. Cormier said that she received the preliminary numbers from Gallagher and AIG. She said that she is not sure that there will be enough time to review and approve the documents in time to put the arrangement in place for FY14. She recommended procuring rates from the BHG's incumbent broker and from Gallagher Benefits Services.

Mary Beverly suggested asking for rates for a one-year and also a three-year policy.

Ms. Cormier said that she can ask for a three-year rate, but she said she is skeptical about receiving responses.

Ginger Hastings suggesting asking BCBS for quotes as well.

Carol Cormier said that BCBS did not submit quotes last year and said she was surprised by that since BHG is an all-BCBS account.

Suzanne Donahue said that the in-force reinsurance rates were so low that BCBS knew that they would not be able to offer competitive pricing.

Sharon Harrison made a motion to authorize GBS to send the reinsurance RFQ to BCBS, Gallagher and the incumbent broker, Stop Loss Insurance Brokers (SLIB).

Motion

Mary Beverly seconded the motion. The motion passed by a unanimous vote.

Greg Federspiel asked to continue the discussion at the next meeting.

**Oral Cancer Medication Mandate:**

Carol Cormier said a new state mandate is requiring that oral cancer medications be provided to health insurance members with no co-pay. Ms. Cormier said infused chemotherapies are provided without co-pays and the mandate has been put in place as to not financially differentiate between the two treatments. She said that BCBS will add the mandate as it requires self-funded municipalities to adopt all mandates.

Suzanne Donahue confirmed Ms. Cormier's statements.

**Information about a BCBS mandatory mail order program:**

Suzanne Donahue said that BCBS has two mail order cost savings options. She said that both the Exclusive Home Delivery (EHD) and Select Home Delivery (SHD) are available for certain maintenance medications and save money for both the member and BHG. She said that the difference between the programs is that the member can opt out of the mail order on the Select Home Delivery. Ms. Donahue said that the savings based on the BHG 2012 medication data shows that the group had the potential to save members and BHG \$100K. She said that the member savings would be \$41K, while the group would have saved \$55K. Ms. Donahue said that 62% of members would be impacted by the change.

Carol Cormier read an email from Janet Saddler who did not favor mandatory mail order because of possible issues with delivery.

There was a discussion about the delivery issues with Express Scripts with the current mail order process.

Sharon Harrison suggested promoting the current mail order option to increase utilization prior to considering a move to make it mandatory.

Melissa Falkowski asked if there is a BCBS flyer or poster to promote utilization of the current mail order program.

Suzanne Donahue said that she would check to see what was available and will distribute it to the Board.

Paul Sieloff said that ordering prescriptions by mail is a simple process and once the member is used to it, they will like it. He said he did not understand why the BHG would not move in this direction.

Paul Sieloff made a motion to approve adopting the Exclusive Home Delivery option to be effective September 1, 2013.

Carol Cormier said that the EHD option would need to be negotiated, but she thought the SHD would not need to be.

The Board members agreed to take the information back to their Insurance Advisory Groups for feedback.

Paul Sieloff withdrew the motion.

Greg Federspiel asked to add this to the next agenda following the discussions with union councils.

Suzanne Donahue said that she will send sample member letters to Carol Cormier regarding the SHD option.

**PPO – payments to out-of-network, out-of-state providers, further discussion:**

This discussion was tabled until the next meeting.

**RDS vs. EGWP for Medex, further discussion:**

Carol Cormier said she did not have new information.

Suzanne Donahue noted that should the Board make this change that the Medex mail order co-pays would increase. She said that currently the co-pay for the mail order prescriptions are the same as the retail pharmacy co-pay.

**BCBS Report:**

Abacus Diabetes Program data – Suzanne Donahue said that the Abacus Group provided the requested data and said that 36 of the 76 eligible for the program were age 65 or older. She said that those members could be eligible for free prescriptions through the Medex plan. Ms. Donahue said 22 members were not identified to have any medical issues. She said that BCBS stratifies its members into different categories and not all of them need an intervention. She said that those with chronic diseases have already been identified for disease management. Ms. Donahue said that the Abacus Group didn't identify all those enrolled, just those that were compliant. She said that she will run a report of all diabetic members.

Update on Vaccines - Ms. Donahue said that there has been a change in how members can obtain certain vaccines and she distributed the update. She said that members may now receive the vaccines listed, including the shingles vaccine for those at age 60 and older at a network pharmacy. Ms. Donahue suggests calling the pharmacies for vaccine availability prior to making a visit.

**Other Business:**

Greg Federspiel announced that he will be stepping down as Chair in approximately eight weeks. He said that he and his family will be moving to Manchester-by-the-Sea. Mr. Federspiel said that the Board will need to take steps to appoint a new Chairperson.

The next BHG Board meeting was scheduled for May 20, 2013 at 9:30 a.m. to be held at the Lenox Town Hall, Lenox, MA.

There was no other business.

Sharon Harrison moved to adjourn.

Motion
--------

Dave Hinkell seconded the motion.

Greg Federspiel adjourned the meeting at 11:35 AM

*Prepared by Karen Carpenter  
Group Benefits Strategies*