

Berkshire Health Group

Board Meeting #17-08

Lenox Town Hall
Lenox Massachusetts
Tuesday, May 2, 2017 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Christopher Ketchen	Town of Lenox
Rebecca Herzog	Berkshire County Insurance Group
Geri Porter	Berkshire County Insurance Group
Paul Sieloff	Town of Lanesborough
Janet Saddler	Town of Williamstown
Melissa Falkowski	Central Berkshire RSD
Chris Regan	Southern Berkshire RSD
Brenda Rondeau	Mt. Greylock RSD
Karen Fink	Town of Great Barrington
Maureen Senecal	No. Berkshire RSD

Guests present:

James Kelley, CPA	BHG Treasurer
Shannon Ashcroft	BHG Wellness Consultant
Gene Daponte	Olson Mobeck Investment Advisors
Sandra Stankiewicz	Blue Cross Blue Shield of MA
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Janet Saddler, Acting Chair, called the meeting to order at 9:30 AM.

Approval of the Minutes of the meeting of May 2, 2017, (Meeting #17-07):

Brenda Rondeau moved to approve the minutes of May 2, 2017.

Motion

Chris Regan seconded the motion. The motion passed by majority vote with Maureen Senecal abstaining.

Investment Manager's Report – Gene Daponte, Olson Mobeck:

Gene Daponte distributed and reviewed the investment report with data through March 31, 2017. Mr. Deponte reported an investment gain for the 2016 year of \$354,655, a Gross Return of 5.8%. He reported a gain of \$342,640 for FY17, Gross Return of 5.3%, through March 31, 2017. He said these are excellent results. Mr. Daponte reviewed the maturity dates of the bonds and said attempting to create a bond maturity ladder wherein \$500,000 matures each year. He noted recently he is seeing more value in the overseas stocks, rather than the U.S. stocks.

Janet Saddler said Jim Kelley requested tabling the votes regarding the investment options until the next meeting when Mary Beverly and Sharon Harrison are in attendance.

Paul Sieloff asked Mr. Daponte if he would be available to attend the next meeting on June 12, 2017 and Mr. Daponte responded that he would attend. Mr. Sieloff noted that the bond ladder was established to create a cash flow availability. Mr. Sieloff read an email sent by Sharon Harrison to the Treasurer summarizing the Investment Committee meeting results.

Mr. Deponte said stocks are at an all time high and are overdue for a correction. The Board thanked Mr. Daponte, and he left the meeting.

Treasurer's Report:

Financial Statements for March 2017 - Jim Kelley, Treasurer, reviewed the financial reports for the period ending March 31, 2017 (unaudited figures). He said there was a one month overall loss of \$146K and a one month Investment increase of \$26K; whereas, the health and dental funds had a one-month combined loss of approximately \$172,000. He reported the Group's total equity at \$8,711,674.

Review and Approval of the May 2017 Warrant Summary:

Carol Cormier reviewed the Warrant Summary for May and said that the total amount was \$3,119,835. She noted that May was a settle-up month for the BCBS Level Monthly Deposit (LMD). She said the settlement was in BHG's favor by about \$300K reducing the May LMD to \$2,809,362.

Brenda Rondeau moved to approve the May 2017 Warrant Summary.

Motion

Maureen Senecal seconded the motion. The motion passed by unanimous vote.

Wellness Program Report:

Shannon Ashcroft distributed the proposed FY18 BHG Wellness Budget and suggested waiting until Mary Beverly and Sharon Harrison are in attendance before reviewing it.

Ms. Ashcroft reviewed the status of the current programs to include the *Walk with Me* program. She said the T-shirt incentive was very well received. Ms. Ashcroft said following the quarterly mailing, six new members joined the diabetes program. She said she intends on continuing the quarterly mailings.

Ms. Ashcroft introduced a new coaching program she would like to propose to the Board. She said the program focuses on behavior changes and preventable conditions. She said there are 3 options to choose from, a 3-month intensive coaching program with email support and member follow-up at 6 and 12 months; and two quarterly coaching programs. Ms. Ashcroft said all three programs include email support, biometric screenings and incentive rewards of \$200. She noted that the intensive program, in her experience with the programs, produces the best results. Ms. Ashcroft said the cost for the programs is \$58,500, \$48,000, or \$34,000 depending on which level is chosen, and said the BCBS wellness dollars may be used towards the cost. She said Sandra Stankiewicz is inquiring about the wellness dollar amount that BCBS will contribute and should have the information for the next meeting. Ms. Ashcroft asked the Board to review the program information prior to the next meeting.

It was noted that the Medex subscribers would not be eligible for the program, and a pilot program usually does not include spouses or dependents.

Janet Saddler asked to add the wellness budget and proposed programs to the next agenda.

GBS reports and Contract proposal:

GBS Contract proposal – Carol Cormier said GBS is proposing to extend its contract with BHG for one year with no changes to the terms and fees.

There was a brief discussion.

Karen Fink made a motion to approve extending the GBS contract for one year.

Motion

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

Funding Rate Analysis (FRA) report - Carol Cormier reviewed the Funding Rate Analysis report with data through March 2017. She said that on a paid claims basis the expense-to-funding ratio was 93.4%, with a funding surplus of \$1.78 million. She said the expense-to-funding ratio for dental plans was 94.3%.

Reinsurance reports – Karen Carpenter said there were 13 claimants in FY16 who had claims over the \$200K specific deductible with claims totaling \$4,235,604 and excess claims of \$1,636,982. She said that of that amount all but \$3,922 has been reimbursed to BHG. She said that members with claims between 50% and 100% of the deductible had claims totaling just short of \$3 million.

Ms. Carpenter reviewed the FY17 report of excess claims and said there was one claimant with claims exceeding the \$200K deductible with claims totaling \$416,442. She said the \$100,000 Aggregating Specific Deductible has not been met. Ms. Carpenter said there were 13 members with claims between 50% and 100% of the deductible. She said these claims totaled \$1,800,939.

Carol Cormier said she will be sending out the BHG FY18 reinsurance RFQ soon and suggested asking for quotes at Specific Deductible levels of \$200,000, \$225,000 and \$250,000 all with the current Aggregating Specific Deductible of \$100,000. She said she is requesting the quotes be due the first week in June.

The Board agreed with Ms. Cormier's recommendations for the RFQ.

Legal opinion on mitigation agreement language:

Carol Cormier referred to Attorney Kevin Feeley's opinion regarding the fiduciary responsibility of the BHG Board members. She said the type of mitigation agreement that Mount Greylock RSD (MGRSD) signed with its unions, impedes MGRSD from fulfilling its duty as a BHG Board member. She suggested going back to the union to explain and propose a reversal of that part of the agreement. Ms. Cormier said Attorney Feeley said he would be happy to speak with the unit.

There was a discussion about the fundamental reason agreements cannot restrict members of the Board from locking up votes.

Ms. Cormier suggested asking for legal advise about adding language to the JPA or to have BHG approve a separate policy.

Christopher Ketchen said the Board does its best for the good of the employees and the Board's finances.

The Board asked Ms. Cormier to verify that no other unit has signed a similar agreement.

Call for a vote on acceptance of proposed alternative prescription drug program:

Carol Cormier said in addition to the legal opinion provided by CanaRx's attorney, she requested on behalf of BHG and received a legal opinion from from Attorney Kevin Feeley. She read from the opinion letter that was included in the meeting packet in which Atty. Feeley stated that after review of all of the CanaRx materials, he was satisfied that no contractual relationship will exist between CanaRx and BHG.

There was a discussion about indemnification of BHG by the member ordering medications through the CanaRx program and that CanaRx is not subject to the FDA regulations but is subject to Health Canada regulations for medications which are as strict as or stricter than the FDA .

Melissa Falkowski made a motion to approve and move forward with promoting the CanaRx program to members.

Motion

Christopher Ketchen seconded the motion. The motion passed by a majority vote with Maureen Senecal abstaining.

Carol Cormier noted that most of the brandname medications currently sold in the US are imported abroad. She said the CanaRx program is a voluntary plan for members.

Sandra Stankiewicz said BCBS will not send the enrollment data directly to CanaRx, but would send the information on a monthly basis to GBS.

HSA-qualified HDHPs:

Carol Cormier said the GIC is going to put out a full RFP, probably in September, for FY18 and said it will be interesting to see what changes they plan to make. Ms. Cormier said the HDHPs with HSAs are a good cost savings option and if BHG wants to add them to the list of plan options for FY19, the Board will need to make its decision by October 2017. She said the plans are very attractive to a lot of people once they are well-informed about them. She reviewed a sample benefit structure exhibit. She asked the Board for direction.

There was a discussion.

Melissa Falkowski said the Board should be looking forward, and the employees should be made aware of what they are looking at. Ms. Falkowski said traditional bargaining methods will be necessary to add new plan designs.

The Board agreed the BCBS HDHPs names should be “Saver” plans, which is the term BCBS uses.

BCBS reports:

Ms. Stankiewicz distributed information about the BCBS Telehealth program and Blue Care Nurse line and said there is a phone app that can be downloaded with a list of urgent care centers. Ms. Stankiewicz said per surveys of some of the unions, it was found that they do not read employer mailings but read mailings from their union.

Ms. Stankiewicz described her experience when utilizing the Telehealth program as a user for the first time and said it took about 12 minutes, was easy and noted she found it to be a lot easier than scheduled time with a physician and taking time off from work to go. Ms. Stankiewicz said BHG can designate the copay, and the cost of the televisit is \$39 minus the copay. She said the average cost for a PCP visit is \$95. Ms. Stankiewicz said the cost per subscriber per month is \$0.50.

Ms. Stankiewicz said the informational meetings for the FY18 plan changes have been going well, and all the materials are available on the BHG website.

Janet Saddler asked to add Telehealth to the next agenda for a vote to be taken.

The Board agreed to take HSA plans off of the agenda for now and to add Investment Analysis/decisions to the agenda.

Other Business:

There was no other business.

Brenda Rondeau moved to adjourn.

Motion

Karen Fink seconded the motion. The motion passed by unanimous vote.

Acting Chair, Janet Saddler adjourned the meeting at 11:45 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*