

**Berkshire Health Group**

**Board Meeting #12-10**

Lenox Town Hall  
Lenox Massachusetts  
Tuesday, June 5, 2012 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

Greg Federspiel, Chair	Town of Lenox
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
Bruce Durwin	Town of Lanesborough
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Pat Kaplan	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Greg Federspiel opened the meeting at 9:40 a.m.

**Approval of the Minutes of the meeting of April 24, 2012 (Meeting #12-09):**

Kevin O'Donnell made a motion to approve the minutes of the April 24, 2012 meeting.

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

Motion

**Treasurers Report -**

Treasurer Jim Kelley reviewed the financial statements of April 30, 2012 (unaudited figures). Mr. Kelley said that the overall cash position increased by a net of \$127K at the end of April mainly due to increased member assessment revenue. He said the Cash-Schwab portfolio increased by \$100K, which was mainly due to increased investments and an unrealized gain of approximately \$35K.

Jim Kelley said that the health claims are running at 95% of member assessment revenue, and the dental claims are running at 90% of member assessment revenue.

Jim Kelley said that there was a year-to-date loss of approximately \$514K.

Mr. Kelley noted that there are 14 claimants on the 50% reinsurance report which account for 26% of the net claims experience for the month of April.

**Approval of June 2012 Warrant Summary:**

Carol Cormier reviewed the June 2012 Warrant Summary and noted a payment of \$5,397.00 to the Great Barrington Veteran's Services.

Jim Kelley said that the payment made to the Great Barrington Veteran's Services was due to an overpayment made by the unit.

Sharon Harrison made a motion to approve the June 2012 warrant as presented.

Motion
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Marge Foster seconded the motion. The motion passed by a unanimous vote.

**GBS Reports:**

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through April and said the expense-to-funding ratio for health plans was 92.4% and for dental was 88.7%.

BCBS Level Monthly Deposit (LMD)- Carol Cormier reviewed the LMD reconciliation and said that the deposits exceeded the amount of claims by \$175K through April. Ms. Cormier noticed that the LMD amount was incorrectly stated and said that she will ask the GBS accountant to correct it. She said that the excess in deposits would be approximately \$71K after the correction is made.

Stop Loss Report - Karen Carpenter reviewed the stop loss reports with data through April 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 \$243,591. Ms. Carpenter said that the Aggregating Specific Deductible has not been met and no reimbursements are due for this policy period.

**Wellness/Health Behaviors Update:**

Greg Federspiel said that there was a discussion at the last wellness meeting about trying a new approach to elicit participation in the wellness programs.

Ms. Daniels said that it has been difficult to reach all of the members through the current wellness communications. Ms. Daniels said that she has found that face to face contact works best. She said that the committee is going to take a new approach by coordinating meetings and screenings with each of the units. She said meetings will begin in the fall and said they estimate that half of all members will be reached.

Ms. Daniels said that the Board spoke at past meetings about lowering health premiums as an incentive to participate in wellness initiatives. She proposed reducing the individual premium by \$250 and \$500 for the family plan. Ms. Daniels said that to be eligible for the premium savings, the member will be required to complete a biometric screening and health coaching session with a wellness clinician at the worksite. She said the reimbursement would take place after the screenings, either in the fall or spring. She said additional requirements could be added, such as completing a physical exam within a three-year period. She also proposed increasing the BCBS fitness reimbursement from \$150 to \$300.

Ms. Daniels reviewed the coordination and goals of the screenings and said that those members found to be high risk could be offered a follow-up nurse coaching session. Ms. Daniels spoke about smoking cessation programs offered by other municipalities and suggested doing something similar with BHG members.

The Board discussed the administration of giving a lower premium as a wellness incentive.

Carol Cormier suggested obtaining a legal opinion about offering lower premiums as an incentive. She said Chapter 32B laws may not allow it. She also said that the incentives are only targeting the subscriber's behavior, not the spouse or dependents.

Suzanne Donahue said that the Board may want to link an incentive to the benchmark plans.

Sharon Harrison had a concern about the timing of the premium reimbursement. She said incentives usually work when they are given after completing the requirement. She said the members respond to instant gratification. Ms. Harrison said that she favors increasing the fitness reimbursement. She said that studies have shown that investing in health programs produces healthier employees, decreases claims and increases productivity.

Greg Federspiel said that he would like the screenings to be mandatory as a condition for enrollment into the BHG health plans.

Sharon Harrison suggested focusing on the top three or four programs and working towards improving the participation and fine tuning those programs before adding new programs.

Most of the Board agreed with Ms. Harrison.

Maureen Daniels said that another option would be to award gift cards as incentives, rather than linking it to the premiums. She said that the health risk issue report received by BCBS indicates that there are several health care issues that can be eliminated by lifestyle changes.

Suzanne Donahue said that she will bring a current health risk issue report and a report on how many members do not have their annual physical exams to the next Board meeting.

Maureen Daniels reviewed the proposed budget items for health risk management for fiscal year 2013.

The Board agreed to continue conducting the Biometric Screenings, screening and colonoscopy incentives, and to increase the fitness reimbursement. They also agreed to continue the Diabetes Rewards Program and to add the Weight Watchers incentive program. The Board asked to revisit the proposed increase to the Wellness Stipend for each town/unit and adding a smoking cessation program. It was agreed that the Coaching reward program would not work at this time.

Sharon Harrison made a motion to approve increasing the BCBS Fitness Reimbursement from \$150 to \$300 for fiscal year 2013, effective July 1, 2012 for all active employee health plans.

Motion
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Kevin O'Donnell seconded the motion. David Hinkell and Maureen Senecal opposed the motion. The motion passed by a majority vote.

**Reinsurance Quotes for FY13:**

Carol Cormier said that two quotes were submitted for the requested policy terms and four additional quotes were received with higher deductible levels. She said that all quotes were submitted by Stop Loss Insurance Brokers (SLIS), the current reinsurance broker. Ms. Cormier reviewed an analysis of the deductible levels based on the FY11 claimants that exceeded the current stop loss deductible of \$200K. She said that if the FY13 high cost claims were the same as they were in FY11, then the group would do better financially if they keep the current deductible level.

There was a discussion.

Dave Hinkell made a motion to approve the quote from HM Insurance Group and SLIB at the current \$200K specific deductible, \$100K aggregating specific deductible and increase of 4.1%, individual rate of \$11.67 and \$28.14 family rate.

Motion

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

Carol Cormier thanked Suzanne Donahue for the quotes received by BCBS.

**Internal Controls document for review and approval:**

Jim Kelley reviewed the proposed Internal Control Policies and Procedures manual that he and Mary Beverly worked on to address the auditor's comments in the Management Letter. He said that Greg Federspiel and Mary Beverly will be reviewing the monthly warrant prior to processing it for payment.

The Board members discussed the manual and suggested making minor edits. Mr. Kelley said that he would make the suggested changes.

Marge Foster made a motion to approve the Internal Control Policies and Procedures as amended.

Motion

Sharon Harrison seconded the motion. The motion passed by unanimous vote.

Mr. Kelley said that a Sub-Committee needs to be set up to review the treasurer's transaction documents prior or after each Board meeting.

In addition to Mary Beverly, David Hinkell and Sharon Harrison volunteered to be part of the sub-committee and decided to review the documents prior to each Board meeting.

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

Greg Federspiel said that Sean Follick and Linda Loiselle from Abacus Health Solutions presented a Hypertension Co-morbid Program proposal to the Board at the last meeting. He said that the focus of the program was for diabetic members who also have hypertension. Mr. Federspiel asked the Board members their thoughts on offering the program.

There was a discussion and the Board decided to hold off on offering a new program at this time and to focus on increasing the participation of and improving the current wellness programs the group offers.

**Southwick-Tolland RSD request for special open enrollment:**

Steve Presnal said that in response to concerns being raised by members of the bargaining units regarding the deductible plans, the Southwick-Tolland-Granville Regional School District (STGRSD) would like to request consideration by the Berkshire Health Group's Board to allow STGRSD to conduct an off-anniversary open enrollment. The purpose of the open enrollment would be to allow employees and eligible retirees the opportunity to transfer to the Value Plus plans from the Deductible plans.

As of this date no decision has been reached by the STGRSD School Committee to make "value-plus" plans available. However, in order for the School Committee to reach a decision about making value-plus plans available at some point during FY2013, we need assurance that an off-anniversary open enrollment is acceptable to the BHG.

The timing of the open enrollment would be dependent upon the Chapter 32B Sec. 21-23 plan design change process and the associated notification periods.

Marge Foster made a motion to approve a special open enrollment as requested.

Motion

Sharon Harrison seconded the motion. The motion passed by unanimous vote.

Marge Foster said that she needed to leave the meeting, but asked that the topic of a possible Retiree Drug Subsidy distribution be added to the next meeting agenda.

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

Carol Cormier said that she expects the Milliman analysis to be available for the next BHG Board meeting on July 24, 2012.

**Dependent Eligibility Audit – final count of dependents found ineligible:**

Carol Cormier said that the final numbers as received by the employers are in the meeting packet. She reviewed the spreadsheet and asked the remaining units to send Karen Carpenter their final counts and said the spreadsheet would be updated and sent to the Board.

**Year-end reporting to Administration & Finance (A&F):**

Carol Cormier said that governmental units that did not use Ch 32B, S.21-23 in FY12 to make plan design changes must file a report with the A&F.. She said she sent information on this topic provided by A&F to the governmental units.

She said that the governmental units without unions would be reporting the changes that they made in FY 2012, even if changes aren't implemented until FY 2013. She said that A&F wants to understand what all governmental units are doing to address the financial challenge of municipal health care costs.

**BCBS Report:**

Suzanne Donahue said that the MA Health Safety Net, also known as the MA Uncompensated Care Pool (UCP) changed the surcharge back to 1.75% effective May 1, 2012. She said that the rate was temporarily increased to 3.65% for a few months due to the MA Pediatric Immunization Program Assessment.

Ms. Donahue said that due to the abuse of prescription opioids, BCBS is introducing a comprehensive opioid management program effective July 1, 2012. She said that the program includes limiting the access to opioid prescriptions to one physician and one pharmacy chain. She said the exception to the program would be members with cancer or end-of-life illnesses.

Ms. Donahue said that effective January 1, 2012, ophthalmic solutions used to treat allergies was excluded from the BCBS pharmacy benefit because they are available over-the-counter without a prescription. She said members affected will be notified of the change by mail.

Ms. Donahue said that effective on July 1, 2013, additional women's preventative services will be covered at \$0 co-pay as required by the Affordable Care Act. She said that the major change is that contraceptives will be covered at no cost to the member. Ms. Donahue said that also effective on July 1, 2013, the health plan summary of benefit coverage will be standardized across all health plan carriers and will be easier to understand. She said that BCBS will prepare the summaries and distribute to the employers for distribution to their employees.

**Other Business:**

There was no other business.

Motion

Brenda Rondeau moved to adjourn.

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

Greg Federspiel adjourned the meeting at 11:50 AM

*Prepared by Karen Carpenter  
Group Benefits Strategies*