

**Berkshire Health Group**

**Board Meeting #16-09**

Lenox Town Hall  
Lenox Massachusetts  
Monday, June 20, 2016 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

Mary Beverly, Chair	Town of Adams
Sharon Harrison, Vice Chair	Berkshire Hills RSD
Erika Snyder	Adams Cheshire RSD
Melissa Falkowski	Central Berkshire RSD
Geri Porter	Berkshire County Insurance Group
Rebecca Herzog	Berkshire County Insurance Group
Janet Saddler	Town of Williamstown
Maureen Senecal	Northern Berkshire Vocational RSD
Paul Sieloff	Town of Lanesborough
Chris Regan	Southern Berkshire RSD

**Guests present:**

James Kelley	BHG Treasurer
Shannon Ashcroft	BHG Wellness Consultant
Sandra Stankiewicz	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

The Chair, Mary Beverly, called the meeting to order at 9:36 a.m.

**Approval of the Minutes of the meeting of April 25, 2016, (Meeting #16-08):**

Janet Saddler moved to approve the minutes of April 25, 2016 as written.

Motion

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

**Treasurer's Report:**

Treasurer, Jim Kelley, reviewed the financial reports for month ended April 30, 2016 (unaudited figures). He said the cash position decreased by \$378K as Cash in the the Schwab account was moved to investments. The investment account increased by a net of about \$403,000. He said there was a one month loss of \$912K (planned use of fund balance). Mr. Kelley reported a trust fund balance of \$5.67M.

Mr. Kelley reviewed the financial reports for May 2016 (unaudited figures). He reported a one month loss of \$177K and an unrealized investment gain of approximately \$17K. Mr. Kelley reported a trust fund balance of \$5.49M.

*Iron Mountain storage of old documents* – Mr. Kelley said that he will look into getting permission to view and determine the quantity of documents that can be destroyed. He said he would obtain a cost estimate for that task.

**Review and approval of the April and June 2016 Warrant Summaries:**

Carol Cormier noted that the May Warrant Summary was approved at the last meeting. She said the April and June Warrant Summaries were unremarkable.

Janet Saddler moved to approve the April and June Warrant Summaries.

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

**Wellness Report:**

Shannon Ashcroft, Wellness Consultant, said that the BHG BCBS Innovation Award was left on her desk by an unknown person. She said she will check to see the date of the award and let the Board know. Mary Beverly noted that it may be the award that was given to BHG in a previous year.

Ms. Ashcroft reviewed the Wellness program updates and said the Spring health screening events were completed across half of the BHG units. She said that 58 members completed their biometric screenings and noted that 3 presentations were conducted. Ms. Ashcroft said there is a total of 20 teams signed up for the *Walk with Me in the Berkshires* program.

Ms. Ashcroft said that there are approximately 30 members participating in the Diabetes Care program. She said she doesn't think that the Wellness Grant is difficult to apply for and offered to help any of the units that would like to apply. She said the Adams Cheshire RSD had applied and will receive a grant. Ms. Ashcroft said that each unit needs to apply on its own and BHG as a whole cannot apply.

**GBS Reports:**

*Financial reports* - Carol Cormier reviewed the *FY16 Funding Rate Analysis* report with data through May 2016. She said the expense-to-funding ratio for health plans was 101.8% and that, on a paid claims basis, there was a funding shortfall of \$664K. She said that the Network Blue Value Plus plan is underfunded by 108.8%. Ms. Cormier said that the expense-to-funding ratio for the dental plans was 95.3% with a funding surplus of about \$63K.

*Reinsurance Reports* - Ms. Carpenter reviewed the FY16 reinsurance report of claims exceeding the \$200K specific deductible. She said the total claims for the three members was \$2,646,694. Ms. Carpenter said that the \$100K aggregating specific deductible has been met, \$702,773 has been reimbursed to the Group, and there are reimbursements due BHG in the amount of \$243,921. She reviewed the claims between 50% and 100% of the deductible. She said there were total claims of \$2.79M.

Ms. Carpenter noted that there was an overpayment of FY15 reinsurance reimbursements of \$4,159 which may need to be paid back to the carrier, RMTS National.

*COBRA Fee Proposal*- Carol Cormier said the current three year COBRA administration services agreement ends on June 30, 2016. Ms. Cormier said GBS is proposing a three year renewal with a \$0.02 increase per subscriber for each year.

Sharon Harrison made a motion to approve the GBS COBRA administration renewal as proposed.

Janet Saddler seconded the motion. The motion passed by a unanimous vote.

Motion
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Mary Beverly signed the agreement.

**Reinsurance Proposals for FY17:**

Carol Cormier said that GBS sent the FY17 Reinsurance RFQ out to eight companies and received two quotes. She said BCBS with no broker and HM Insurance company through Stop Loss Insurance Brokers (SLIB), sent in quotes. Ms. Cormier reviewed the quotes and gave BCBS and SLIB an opportunity to revise their quotes. She said SLIB came down 10% with a quote lower than the current rates (-5.0%) for the same policy specifications, while BCBS came down 7% resulting in a 2.6% premium increase.

After discussion about the quotes and policies, Sharon Harrison made a motion to accept the FY17 SLIB/HM Insurance quote at \$15.20 Individual and \$36.82 Family subscriber rates.

Motion

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

**Request from No. Berkshire Regional Technical School:**

Maureen Senecal said that a spouse of an employee is trying to get on a waiting list for a kidney. She said that the member's provider is recommending that a full set of xrays be done. Ms. Senecal said that the spouse, per the BCBS dental contract, is not due for the xrays until November and has requested that the BHG Board allow the xrays to be done early and paid for through the dental plan.

Janet Saddler made a motion to approve the member's request to obtain the xrays prior to November.

Motion

Christine Regan seconded the motion. The motion passed by a unanimous vote.

**Telehealth Program:**

Sandra Stankiewicz said that the Board already discussed this item but said that Carol Cormier asked her to revisit the topic after running a report on emergency room (ER) utilization. Ms. Stankiewicz said that over the past three years, 1,128 visits were made to the ER with a total cost of \$4.3M. She said that the average cost of ER visits is about \$1,100. Ms. Stankiewicz said that 40 of the visits were for asthma or respiratory related issues. She said that 665 of the 1,128 members went to the ER once, while the remainder went more than once.

Carol Cormier said that Telehealth programs are a good tool to help reduce the number of those ER visits that may be unnecessary.

Janet Saddler said that when she figured out the cost of the program during the last discussion, it was about \$24K per year.

Carol Cormier said that other carriers of Telehealth programs administer it differently. She said there are other alternatives, such as offering the program for the first year with a \$0 copay to encourage utilization.

Sandra Stankiewicz said that BCBS contracts with *American Well* and said that the cost of the visits to BHG are lower than the regular PCP visit.

Carol Cormier suggested keeping this on the agenda for future cost control discussions.

Shannon Ashcroft said that Berkshire Health Systems now has an urgent care center that could be promoted.

Carol Cormier said that BCBS has a BlueCare Line that members can call for direction as to what type of medical visit is necessary. She noted that the nurse at the BlueCare Line cannot prescribe medications.

Paul Sieloff suggested sending a postcard or another form of communication to members listing all of the options available to assist them.

Shannon Ashcroft said that BHS has a list and said she would send it to Carol Cormier. Sandra Stankiewicz said that BCBS has something as well.

Sharon Harrison said that when the Board revisits this item, she would like additional statistics and costs of the programs as well as a list of the options available.

Carol Cormier noted that a communication and education plan will also be needed to get the word out.

**Discussion about preparing for FY18 and beyond:**

Carol Cormier said she wanted to let the Board know what other Joint Purchase Groups (JPG's) are currently working on. She said two large JPGs do not see it in their best interest to continue to follow the GIC plan design changes, always being one year behind the GIC due to the timing of their announcement of the rates and plan design changes. Ms. Cormier said that WSHG and CCMHG are looking at adding high deductible plans coupled with Health Savings Accounts (HSAs). She said the design that they are most interested in includes a \$2K individual and \$4K family deductible with an employer contribution to the HSA that is 50% of the deductible amount. She said that the plan design does not have any co-pays except for pharmacy. Ms. Cormier said that the HSA is owned by the employee, and the employee can contribute into the account as well. She said most employees do not reach their deductible and the amount left in the account would build up with continued employer and employee contributions. Ms. Cormier said that CCMHG and WSHG are each having a speaker from an independent HSA administration company come to talk to their Boards. She said these types of plans drive employees to be good purchasers of health care services.

Janet Saddler asked if the HSA will be subject to the Cadillac Tax and noted that the GIC has a new director.

Carol said the GIC is going out to bid for health insurance in FY18, and said she thinks HSAs are not subject to the Cadillac Tax but will confirm this.

Mary Beverly said that after discussions with Mark Meunier at BCBS, she was encouraged to request that the Board consider asking MIIA to quote on BHG as a whole with BCBS and the current plan designs. She said if that happens, BHG would like to keep GBS for run-out purposes. Ms. Beverly said she does not think that BHG is going to be viable in the future and wants to see what MIIA can do. She said she likes the ideas that Carol Cormier has brought to the Board, but said after working on them, they are voted down.

Carol Cormier said other small groups are doing well, but said that they are continuing to adjust and make changes to remain viable. She said MIIA may bid low for the first year, but they will ultimately need to set their rates to cover the costs. She said the claims through MIIA with BCBS and the current plan design should be identical to the claims through BHG. Ms. Cormier suggested that the Board organize a meeting with Superintendents and Managers to speak to them about what the Board is trying to accomplish. She said the BHG costs are their costs and getting a quote on the same plan designs with the same carrier should yield the same costs if the quote is realistic.

Janet Saddler made a motion to obtain a price quote from MIAA for FY18 for fully insured plans.

Melissa Falkowski seconded the motion.

Motion

Jim Kelley said that Mr. Meunier said that if BHG loses a couple more units, that there will be a downward spiral.

Carol Cormier said that the main reason for the high costs for employers are the high employer contribution rates. She said no one seems willing to make changes in that area. She said employees are unwilling to consider changes because they have very little skin in the game. She said the most effective way to contain costs for employers is to contribute a percentage to the lowest cost plan and to contribute the same amount to the other plans, but not less than 50% as required by law. She said that could really make a difference. As

for small groups not being viable, she said that is not necessarily true. She said Scantic Valley Regional Health Trust has only six participating employers and they have been doing exceptionally well financially.

A vote was taken on Ms. Saddler's motion and passed by a unanimous vote.

Sharon Harrison and the Board asked for a chart of the rate increases over the past five years.

**Update on retiree information sessions for Medex changes:**

Sandra Stankiewicz, BCBSMA, said that all of the Blue Medicare Rx ID cards were mailed to Medex members. She said that the Medex cards will be mailed out by the beginning of next week. She said the members can use the old Medex card in July, until they receive their new card. Ms. Stankiewicz said to contact Jay Swanson if someone doesn't receive their cards.

Janet Saddler said that Sandra Stankiewicz received great reviews at the informational sessions. She said that one of her members reported that they received their Rx packet without an ID card.

Sandra Stankiewicz said that all of the packets should include the ID cards and asked Ms. Saddler to contact her if others report the same issue.

**Update on RDS re-openings for audits:**

Carol Cormier said that things are going smoothly with the reopening.

Mary Beverly said that she has already received notifications from the system.

**BCBS Report:**

Sandra Stankiewicz said that retirees will need to get their physicians to send in a new pre-authorization form for prescriptions that require pre-authorization. She also said that for those on drugs that require step therapy, the physician will need to fill out another coverage determination form.

Ms. Stankiewicz said that BCBS is changing the prefix number on the PPO ID numbers. She said the members will have the same ID number, but new cards will be mailed out for use on July 1, 2016. She said members will need to use the new cards.

**Other Business:**

Board meetings were scheduled for August 29, 2016 and October 3, 2016, both at 9:30 a.m. at the Lenox Town Hall, Lenox, MA.

The Board asked to add "Changes to the Joint Purchase Agreement" to the next agenda.

There was no other business.

Janet Saddler moved to adjourn the meeting.

Motion

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

Mary Beverly adjourned the meeting at 11:05 AM.