

**Berkshire Health Group**

**Board Meeting #13-01**

Lenox Town Hall  
Lenox Massachusetts  
Tuesday, July 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
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
Jorja-Ann Marsden	Berkshire County Insurance Group
Geri Porter	Berkshire County Insurance Group
Bruce Durwin	Town of Lanesborough

**Guests present:**

James Kelley	Treasurer, Berkshire Health Group
Maureen Daniels	BHG Wellness Coordinator
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Greg Federspiel opened the meeting at 9:35 a.m.

**Approval of the Minutes of the meeting of June 5, 2012 (Meeting #13-01):**

Kevin O'Donnell made a motion to approve the minutes of the June 5, 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 May 31, 2012 and June 30, 2012 (unaudited figures). Mr. Kelley said that the overall cash position decreased by a net of \$209K at the end of May. He said the Cash-Schwab portfolio increased by \$133K, which was mainly due to security sales exceeding reinvested amounts for the month of May.

Mr. Kelley said that the overall cash position decreased by a net of \$172K at the end of June. He said the Cash-Schwab portfolio decreased by \$43K, which was mainly due to increased investments and an unrealized gain of approximately \$68K.

Jim Kelley said that the health claims are running at 97% 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 \$1.19M.

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.

Greg Federspiel said that Jim Kelley has requested that the Board consider increasing his fee by \$75 per month. He said that it has been four years since his last increase, and there is additional work due to the new warrant approval process.

Mary Beverly made a motion to approve increasing the Treasurer's monthly fee from \$1,485 per month, to \$1,560.

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

Motion

**Approval of July 2012 Warrant Summary:**

Carol Cormier reviewed the July 2012 Warrant Summary.

There was a question about a payment of \$1,065.80 to Lifestyle Management Resources.

Maureen Daniels said that payment is for the colonoscopy incentive program.

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

Motion

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

Carol Cormier said that she prepared an exhibit of the Berkshire Health Group's FY12 annual expenses. She said she took the data from the monthly warrants. She said that the expenses totaled approximately \$39 million and said that 96% of the expenses were attributed to the health plan claims and administrative expenses paid to BCBS. Ms. Cormier said that she would email the spreadsheet to the Board.

**GBS Reports:**

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through June 2012 and said the expense-to-funding ratio for health plans was 96% and for dental was 89.1%.

BCBS Level Monthly Deposit (LMD)- Carol Cormier reviewed the LMD reconciliation and said that the claims expenses exceeded the deposits by \$651K through June.

Diabetes Rewards Program- Carol Cormier said that the program enrollments have almost met the goal of 30% of those eligible, with 47% of those enrolled meeting the care requirements. She said that the compliance goal is 50%. Ms. Cormier said that there were \$10,408 in member copays waived and the projected savings, net of the Abacus fees, was \$47,752.

BHG Health Plan Enrollments- Carol Cormier reviewed the July 2012 health plan enrollments by plan and noted that Southwick-Tolland RSD members may be moving back to the Value Plus plans from the Deductible plans in the fall.

Stop Loss Report - Karen Carpenter reviewed the stop loss reports with data through June 2012. She said that close to \$6K was owed to the BHG on the FY11 policy. For FY12 she said that three members had

exceeded the policy deductible with total claims of \$723,538. Ms. Carpenter said that the Aggregating Specific Deductible has not been applied yet, but said that \$23,538 is expected to be eligible for reimbursement to BHG for this policy period to date.

**Wellness/Health Behaviors Update:**

Ms. Daniels said that she revised the BHG Annual Wellness Plan for September 2012 to August 2013 based on the Board members' recommendations at the last Board meeting. Ms. Daniels reviewed the wellness plan and said that the activities include the Colonoscopy Incentive, Diabetes Rewards Program, Increasing on-site fitness opportunities, Smoking Cessation, Biometric Screenings, Flu Vaccine Clinics, Health Coaching, Internet networking and Health Challenges. Ms. Daniels said that she is also working on a BHG website and Facebook presence. Ms. Daniels said that the \$50 colonoscopy incentives will now extend to spouses of BHG health plan subscribers.

The Board members all agreed with the revised BHG Annual Wellness Plan as presented by Ms. Daniels.

**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 August 21, 2012.

**Possible distribution of RDS monies – discussion:**

Marge Foster requested postponing this discussion until the Milliman Fund Balance analysis is available and asked that the discussion be added to the next meeting agenda.

The Board agreed to postpone the discussion.

**Southwick-Tolland RSD special open enrollment update:**

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) reconsidered its agreement with Labor and added back the Value Plus plans as health plan options in addition to the Deductible plans. Mr. Presnal said that a special open enrollment will be held from August 14 to September 15, 2012, with an effective date of October 1, 2012 for those subscribers who want to switch from the Deductible plans to the Value Plus plans. He said that the employees agreed to give up the savings that would have been generated by moving all to the Deductible plans. Mr. Presnal thanked the Board for allowing the off-anniversary open enrollment.

**BCBS Report:**

Suzanne Donahue said that effective September 15, 2012, Walgreens will be part of the BCBS pharmacy network once again. She said that Express Scripts Inc, the BCBS pharmacy manager and Walgreen's Pharmacy have reached agreement and renewed their contract.

PPO Out-of-network providers – Ms. Donahue said that as discussed at a previous Board meeting, BCBS will be making changes for its insured business regarding the payment of out-of-state out-of-network providers. She said that these providers will be paid 150% of Medicare charges, and members may be balance billed. She said that prior to the change, BCBS paid out-of-state out-of network providers as billed, with no discount. Ms. Donahue said that notices were sent to impacted members.

Sharon Harrison said that due to the BHG locations, some members may reside out of state.

Greg Federspiel said that BHG did not vote to make that change. He said that the change makes sense, and said that the Board should re-visit implementing it for next open enrollment to allow for a longer member notice period.

**Other Business:**

Carol Cormier said that the Board packet includes information about a proposed rule that the Internal Revenue Service drafted creating procedures for assessing and collecting the fees that the Affordable Care Act established to fund Patient-Centered Outcomes Research Institute (PCORI). She said that the fees are based on the number of lives covered by health insurance issuers and self-funded group health plans. She said that the fee applies to policy and plan years that end on or after October 1, 2012 and before October 1, 2019. Ms. Cormier said that the fee is \$1 per average covered life and increases to \$2 in 2013, then to an amount indexed to national health expenditures until 2019.

The next BHG Board meeting was scheduled for August 21, 2012 at 9:30 a.m. to be held at the Lenox Town Hall, Lenox, MA. The Warrant Sub-Committee agreed to meet at 9:00 a.m., prior to the Board meeting.

The Board instructed Carol Cormier to invite Gene Daponte from Olson Mobeck to the next meeting to give the annual investment report.

There was no other business.

Mary Beverly moved to adjourn.

Motion

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

Greg Federspiel adjourned the meeting at 10:40 AM

*Prepared by Karen Carpenter  
Group Benefits Strategies*