

Berkshire Health Group

Board Meeting #11-09

Lenox Town Hall
Lenox Massachusetts
Tuesday, August 2, 2011 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Greg Federspiel, Chair	Town of Lenox
Mary Beverly, Vice-Chair	Town of Adams
Jorja-Ann Marsden	Berkshire County Insurance Group
Kevin O'Donnell	Town of Great Barrington
Brenda Rondeau	Mt. Greylock RSD
Janet Saddler	Town of Williamstown
Stephen Presnal	Southwick Tolland RSD
Sharon Harrison	Berkshire Hills RSD
Bruce Turner	Southern Berkshire RSD
Maureen Senecal	Northern Berkshire Vocational
Marge Foster	Central Berkshire RSD

Guests present:

James Kelley	Treasurer, Berkshire Health Group
Sharon Alibozek	Adams Cheshire RSD
Karen O'Brien	Central Berkshire EA
Maureen Daniels	BHG Wellness Coordinator
Timothy Korte	Berkshire Health Systems
Steve Corbin	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 9:35 a.m.

Approval of the Minutes of the meeting of June 9, 2011 (Meeting #12-01):

Kevin O'Donnell made a motion to approve the minutes of the June 9, 2011 meeting as written.

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

Motion

Treasurer's Report:

Treasurer Jim Kelley reviewed the financial statements of May 31, 2011 and June 30, 2011 (unaudited figures). He said that there was a loss of \$71K for the month ended May 31, 2011.

Mr. Kelley said that the overall cash position decreased by \$1.431M at the end of June, mainly due to reduced advance collections of member assessment revenue and cash converted to investment securities. He said the Cash-Schwab portfolio increased by \$265K. Mr. Kelley said that the reinsurance receivable increased by \$155K.

Jim Kelley said that the health claims are running at 88% of member assessment revenue, and the dental claims are running at 82% of member assessment revenue.

Mr. Kelley said that he has proceeded with developing an internal audit process and will bring a draft to the next meeting for finalization.

Greg Federspiel asked Mr. Kelley to send the draft to Carol Cormier for distribution to the Board prior to the next meeting.

Mr. Federspiel asked Mr. Kelley if he received an audit proposal from Rich Bienvenue.

Carol Cormier said that she would contact Mr. Bienvenue.

Warrant for July and August 2011:

Carol Cormier reviewed the July 2011 Warrant Summary and said that BCBS reduced the level monthly deposit to \$2.85M. Ms. Cormier also noted that the remaining Retiree Drug Subsidy distribution of \$192K is on the warrant.

Ms. Cormier reviewed the August 2011 Warrant Summary and said that the BCBS quarterly settle-up of \$492,000 was included with the Level Monthly Deposit amount for a total of \$3.34M. Ms. Cormier said that the Olsen Mobeck Investment Advisors fee of \$5,907 is also on the warrant. Ms. Cormier asked if she should invite Mr. Daponte of Olson Mobeck to the September Board Meeting.

It was agreed that Mr. Daponte should give the investment report at the next meeting.

Sharon Harrison made a motion to accept the July and August 2011 Warrant Summaries.

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

Motion

GBS Reports:

FY11 Funding Rate Analysis by Plan – Carol Cormier reviewed the Funding Rate Analysis report for FY11 with data through June 2011. Ms. Cormier said that the expense-to-funding ratio was 93.5%. She said that all of the plans were sufficiently funded.

Level Monthly Quarterly Accounting Reconciliation for BCBS, 4th quarter– Ms. Cormier said that BHG owed BCBS \$492K at the end of June 2011 as she had noted in reviewing the August Warrant Summary.

Diabetes Care Rewards Program YTD through May 31, 2011- Carol Cormier said that there is a total of 23.4% of the BHG diabetic population or 83 total participants enrolled in the program. She said that 33 of those participating have met all of the requirements. She said that 392 prescriptions have been provided at \$0 copay for a total of \$4,815 in waived copays. Ms. Cormier said that the Abacus Group can also provide a type of clinical intervention by a nurse.

Maureen Daniels said that she would discuss this at the next meeting following a discussion with Linda Loiselle.

Sharon Harrison asked if the Abacus Group offered other wellness programs that may be beneficial to the Group.

Carol Cormier said that she will review the Good Health Gateway programs and report back.

Steve Corbin said that it may be a good idea to check with BCBS prior to adding wellness programs to see what is available to BHG from BCBS at a lower or no cost. Mr. Corbin also said that he would like to ask if the Abacus Group would be able to return feedback to BCBS about the diabetes program participants so that

BCBS would be able to coordinate the member's care. He said that BCBS now is not able to know which members need additional outreach due to the lack of data.

Ms. Cormier said that she would contact the Abacus Group about sharing the program data with BCBSMA.

GBS BHG Contract Renewal- Carol Cormier said that the GBS Contract with BHG expired on June 30, 2011. She said that the proposed contract includes a 2% increase for each of the 3 years of the contract. Ms. Cormier said that Exhibit A has been changed to standardize the reports and said that all services are listed except those that are ad hoc.

Stop Loss Reports – Karen Carpenter said that for the FY11 policy period with claims paid through June, six (6) members had claims exceeding the specific deductible of \$175K with claims totaling \$1.44M. She said that the aggregating specific deductible of \$100K has been met and said that reimbursement due the Group is \$94,755. She said that the total reimbursements received for this plan year is \$203,939. Ms. Carpenter said that there were 15 claimants with claims at or higher than 50% of the deductible with claims totaling \$1.89M. Ms. Carpenter said that there is an outstanding reimbursement of \$15,188 due BHG for FY10. She said that the reinsurance carrier is in the process of obtaining an authorization from the member claimant to receive the claims detail from the provider.

Wellness/Health Behaviors Update:

Maureen Daniels introduced Tim Korte, Worksite Project Manager, Occupational Health and Wellness. Ms. Daniels said that Mr. Korte manages the Community Wellness Contracts for Berkshire Health Systems.

Maureen Daniels proposed hiring a BHG Wellness Nurse that will work 4 hours each week at different sites offering individualized health coaching & education sessions as well as participating in targeted programs such as blood pressure clinics. She said that the cost would be \$1,200 plus travel expenses.

Kevin O'Donnell made a motion to approve hiring a nurse to conduct health screenings, offer individualized health coaching and education sessions at a cost of \$1,200 plus travel expenses.

Motion

Sharon Harrison seconded the motion. The motion was approved by unanimous vote.

Ms. Daniels provided an update of the September and October health screenings that will be conducted at each entity. She said that the Abacus Group has offered to attend those screenings.

Ms. Daniels said that the "Know Your Numbers" workshop is coming up and said that more information will be sent soon. Ms. Daniels said that BCBS will be providing flu shots at the worksite in November. Ms. Daniels said that "Healthy, Happy Birthday Reminder" phone calls from BCBS, are scheduled to go out this month to members that are 50 years or older or earlier if required by their physician. She said that postcards will be mailed out prior to the phone calls and said members who complete their colonoscopy after September 1st will be eligible for a \$50 gift card.

Dependent Eligibility Audit – RFP Results:

Carol Cormier said that she requested quotes from three companies and received only one response, from Enrollment Audit Solutions (EAS). Ms. Cormier said that the proposed fee is \$22K with a guarantee of three times the fee in savings. Ms. Cormier suggested inviting Ms. Sharry to the next Board meeting to define the audit timetable and specifics. She said that Ms. Sharry will also meet with the Benefit Administrators prior to the audit.

Greg Federspiel noted that eligibility audits are required by the new legislation and need to be conducted once every two years.

Sharon Harrison made a motion to approve hiring Enrollment Audit Solutions to conduct a dependent eligibility audit at a fee of \$22K, with a guaranteed savings of \$66K.

Motion

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

There was a discussion and the Board agreed to conduct the audit between the months of January through March of 2012.

Proposed State Legislation Discussion:

Ms. Cormier gave an overview of the new legislation, i.e. amendments to Chapter 32B that give municipalities an expedited bargaining process outside of Ch. 150E to make plan design changes to the level of the Group Insurance Commission's (GIC's) benchmark plan. She also said that the legislation outlines the process to move to the GIC if a municipality can prove savings greater than 5% over what the municipality would save by making plan design changes on its own or, in this case, through the BHG.

Carol Cormier said that she prepared a first draft comparison of benefits of the BHG health plans with the Tufts Navigator plan, the GIC benchmark plan and said that she asked BCBS to determine the savings. She said that the legislation is requiring the GIC to announce the benchmark plans each year.

Ms. Cormier said that she mailed a letter with comments to the Secretary, Executive Office of Administration and Finance (A&F) about the proposed regulations. She said that A&F is reviewing all comments received, and the emergency regulations should be out soon. Ms. Cormier said that she asked A&F to address two areas of concern that will affect municipal joint purchase groups. Ms. Cormier said that in the case of an employer for which a tiered network plan is not appropriate, such as BHG, she asked for clarification of which co-pay tier of the benchmark plan the group may replicate while using the expedited bargaining process. She said that the BHG plans do not have tiers and the Berkshire hospitals are in the highest co-pay tier of the benchmark plan. Ms. Cormier said that the legislation instructs those with tiered plans to use tier 2 of the benchmark plan for calculating savings so she said she thinks that this may be determined to be the level to which employers can adjust their benefits. She said that another area of concern is what to do if some of an employer's or Group's co-pays exceed some of those of the GIC's benchmark plan while others do not.

Carol Cormier said that an overview of the state legislation is included in the meeting packet. Ms. Cormier said that any increases in co-pays and deductibles cannot exceed those of the GIC benchmark plan.

Ms. Cormier said that the legislation also deleted Ch.32B, S. 18 and S.18A and added a New Section 18A. She said that Medicare eligible retirees, spouses and dependents are now required to enroll in Medicare Part B and transfer to a Medicare health plan offered by the governmental unit. Ms. Cormier said that the Medicare Part B late enrollment surcharge still applies and said that the governmental unit is responsible for paying the surcharge. Ms. Cormier said that she will send a retiree letter template to the Board to use when notifying retirees. She said that each retiree is required to provide the governmental unit with proof of eligibility as certified by the Social Security. Ms. Cormier said January 1 to March 31 is the Medicare Part B late enrollment period each year. She said that new Section 18A still requires that the group Senior plans be actuarially comparable to the active employee plans.

Carol Cormier said that it will be up to the Board to decide on the timeline for making plan design changes and said that the legislation does not require that changes be made. She said that employers must calculate their cost savings for the first year and create a mitigation plan that will give the employees up to 25% of the calculated gross savings. Ms. Cormier said that if there are bargaining agreements in place that specify language about dollar amounts of deductibles and co-pays, that the current plans will need to be kept in place until the agreements have expired. Ms. Cormier said that if plan design changes are made that the retiree and surviving spouse contribution rates cannot be changed until the year 2014.

Greg Federspiel asked Steve Corbin about the BCBS timeline should the Board consider making changes to the plan designs.

Steve Corbin said that he would put a package together within the next couple of weeks for the Board to review.

Sharon Harrison said that it will be important to add the benefits that the law and BHG already provides that is separate from the health insurance benefits.

Greg Federspiel asked the Board members to review their union contracts to see if there is any co-pay and/or deductible language specifying dollar amounts.

Sharon Harrison said that the Board will need to review the trust fund surplus when considering modifying the benefits and setting rates.

Greg Federspiel said that a premium holiday is a consideration for December.

Karen O'Brien asked if dollars could be used to mitigate for those that are most impacted.

Carol Cormier said that was an option. She said that she would send out the Town of Wellesley's HRA to the Board as an example but that there were other ways to mitigate that would be simpler.

Other Business:

The following Board meetings were scheduled: September 27, October 25, November 22 and December 20, all to be held at the Lenox Town Hall at 9:30 a.m.

There was no other business.

Greg Federspiel adjourned the meeting at 11:50 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*