

**Berkshire Health Group**

**Board Meeting #18-01**

Lenox Town Hall  
Lenox Massachusetts  
Monday, August 21, 2017 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

Sharon Harrison	Berkshire Hills RSD
Rebecca Herzog	Berkshire County Insurance Group
Paul Sieloff	Town of Lanesborough
Janet Saddler	Town of Williamstown
Melissa Falkowski	Central Berkshire RSD
Terri Licata	Southern Berkshire RSD
Karen Fink	Town of Great Barrington
Maureen Senecal	Northern Berkshire RSD (McCann Technical School)
Christopher Ketchen	Town of Lenox

**Guests present:**

James Kelley, CPA	BHG Treasurer
Maureen Daniels	Berkshire Health Systems
Lyndsay Broom	Town of Lenox
Sandra Stankiewicz	Blue Cross Blue Shield of MA
Jonathan Payson	Blue Cross Blue Shield of MA
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Sharon Harrison, Vice-Chair, called the meeting to order at 9:30 AM.

**Approval of the minutes of June 12, 2017 (meeting #17-09):**

Janet Saddler motioned to approve the Board meeting minutes of June 12th as written.

Motion
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Christopher Ketchen seconded the motion. The motion passed by unanimous vote.

**Treasurer's Report:**

*Financial Statements for March 2017* - Jim Kelley, Treasurer, distributed and reviewed the financial reports for the periods ending May 31, June 30 and July 31, 2017 (unaudited figures).

*May 31, 2017* – Mr. Kelley reported a one month profit at the end of May of \$251K with claims at 88%.

Paul Sieloff asked that the Treasurer refer to the increase as an “increase to the fund balance” rather than “profit” going forward.

The Board members agreed with Mr. Sieloff.

June 30, 2017 – Mr. Kelley reported a decrease of \$706K at the end of June with claims running at 88% of member assessments. He noted there was an increase to the BCBS Level Monthly Deposit (LMD). Mr. Kelley reported an increase of \$47K to the Schwab account and said there was a realized gain of approximately \$164 on equities sold. He said the FY17 fiscal year ended with a surplus of \$9,565,019 on June 30, 2017.

July 31, 2017 – Mr. Kelley said there was an increase to the fund balance of \$531K for the month of July and said the health fund claims are running at 80% of member assessments.

Carol Cormier said Jim Kelley announced his departure as Treasurer of BHG.

Mr. Kelley said he would perform his duties through the end of December, or longer if a new Treasurer is not found by then.

**Investment Sub-committee Report –**

The Board re-affirmed the vote below made at the June 21<sup>st</sup> meeting to clarify the vote was to reduce what Gene Daponte holds to 35%, not reduce the total investments in equities to 35%.

*“Paul Sieloff made a motion to reduce the investment in equities in the Charles Schwab account managed by Gene Daponte from 50% to 35%.*

Motion

*Brenda Rondeau seconded the motion. The motion passed by majority vote with Sharon Harrison voting against the motion.”*

**Review and Approval of the July and August 2017 Warrant Summaries:**

Carol Cormier reviewed the Warrant Summary for July and August. Ms. Cormier said that the total amount for the July Warrant was \$3,341,691. She said the August Warrant total was \$2,371,454, and noted the ACA PCORI fee of \$11,369 was paid.

Janet Saddler moved to approve the July and August 2017 Warrant Summaries.

Motion

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

**Wellness Report – Maureen Daniels:**

Maureen Daniels said Shannon Ashcroft resigned from Berkshire Health Systems (BHS) a few weeks ago. Ms. Daniels distributed the resume of Elizabeth Piantoni, whom BHS has chosen as her replacement as the BHG Wellness Consultant. Ms. Daniels said Ms. Piantoni will begin working at BHS on Monday, August 28<sup>th</sup> and said she is excited to work with the Berkshire Health Group. She said her email address will be [bpiantoni@bhs1.org](mailto:bpiantoni@bhs1.org).

Ms. Daniels said Ms. Piantoni has over 10 years of experience helping to improve the health of the community through lifestyle behavior changes as the Community Care Coordinator at Neighborhood for Health. She noted that Ms. Piantoni received Community Recognition Awards for her wellness contributions to the community.

**GBS reports and Roster/Invoice Service Agreement renewal:**

*Roster Service Agreement* – Carol Cormier said the agreement for GBS to provide monthly invoices and rosters through a secure web portal expired on June 30, 2017. Ms. Cormier said the renewal proposed is an extension of the contract for one year at the current fee, no changes.

Christopher Ketchen made a motion to approve extending the Roster/Invoice Service Agreement with GBS for another year.

Motion

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

*Funding Rate Analysis* - Carol Cormier reviewed the FY17 Funding Rate Analysis (FRA) report for health plans with data through year-end, June 30, 2017. She said the expense-to-funding ratio on a paid claims basis was 93.3% and there was a funding surplus of about \$2.375 million. She said that the funding was sufficient for all active employee health plans, but that Medex 2 was underfunded by about 2.7%. She said that there was almost \$595K in reinsurance reimbursements received for Network Blue Value Plus.

Ms. Cormier reviewed the FY17 FRA for the dental plans and said the expense to funding ratio was 93.3%.

Ms. Cormier reviewed the FY18 FRA with one month of data through July and said the expense-to-funding ratio was 77.0%.

*Stop Loss Reports* - Karen Carpenter reviewed the reinsurance reports for FY17 with data through July 2017. She said that there are seven members with claims exceeding the \$200K specific deductible with total claims of \$1,611,976 and excess claims of \$211,976. She said the policy has a \$100,000 Aggregating Specific Deductible (ASD) has been met and there is reimbursements of \$52,163 due BHG. She reviewed the report of claims between 50% and 100% of the specific deductible with 15 members having total claims of \$1.98 million.

Karen Carpenter reviewed the reinsurance reports for FY16 with year-end data through June 2017. She said that there were 12 members with claims exceeding the \$200K specific deductible with total excess claims of \$1,537,029. She said that the Group has been reimbursed \$1,541,866. She said that there is a credit of \$4,837 in overpayments owed to BCBS.

*GIC update* – Carol Cormier said the GIC sent out their RFR on July 16, 2017 and noted it was very long and complicated. Ms. Cormier gave an overview of the content and said there were no plans for adding high deductible plans noted for this year, but will consider them for next year. Ms. Cormier said she didn't see any plan design changes yet. She said the RFR included moving all of the active plans to self-funding and all retiree plans to a fully-insured basis. Ms. Cormier said they are also looking to reduce the number of carriers and want to carve out prescriptions on the self-funded plans.

Sandra Stankiewicz said the RFR was sent to BCBS, but she didn't know if they would respond or not.

**Alternative Prescription Drug Purchasing program update:**

Carol Cormier said the initial letter went out to members, but was slightly delayed to be sure the Medicare eligible retirees were not included in the mailing. Ms. Cormier said a link to the CanaRx website was added to the BHG website.

Maureen Senecal said their district is moving forward to allow its members to enroll in the program, even though they voted against the program. She said they are leaving it up to their members to decide if they want to enroll or not.

It was recommended to add the CanaRx and Telehealth flyers to the new hire employee packets.

Carol Cormier said to contact Chris Collins at CanaRx and Sandra Stankiewicz at BCBS if any unit would like to hold employee informational meetings.

**Telehealth:**

Sandra Stankiewicz, BCBSMA, said the Telehealth program is all set to be launched on September 1, 2017. She said she has posters and flyers to post in common areas at each location. Ms. Stankiewicz said she would send electronic copies and if anyone wanted printed copies to contact her. She said will support any idea for communicating the materials.

**Cost saving measures and possible next steps:**

Carol Cormier reviewed the ongoing list of cost savings measures and said BHG has already implemented several of them. Ms. Cormier said Carving out the prescription drugs from the health plans would require a consultant to calculate what the savings would be, which she noted could be significant.

There was a discussion about the CanaRx Alternative prescription drug program and how to promote it. Ms. Cormier said CanaRx will be able to targeted mailings to members taking certain prescriptions to let them know about the program. It was also suggested to include the program materials in the new hire packets.

Ms. Cormier said lowering the employer contribution level to the employees health plans could be considered by those units with a high contribution percentage.

There was a discussion about the BCBS plan available for retirees age 65 or older that are not eligible for Medicare. Ms. Stankiewicz explained how the plan works and the Board agreed that it wouldn't be a good option for BHG.

Carol Cormier said the Board decided to hold a Manager's Meeting on October 17, 2017 at 9:30 AM in the Lenox Town Hall Auditorium.

The Board agreed that the Agenda should include CanaRx, sharing the cost savings measures that BHG has implemented and those that are still on the table.

Ms. Cormier suggested inviting Stephanie Burke from BCBS to speak about Health Equity and the HSA qualified High Deductible Health Plans and how they work.

Sharon Harrison said it may be easier to speak about a plan that has already been added.

Carol Cormier spoke about another JPG that added the HDHP's and only one employer offering them. She said if BHG adds the plans, it would be up to each employer to decide if they want to offer them or not. Ms. Cormier said BHG will need to decide on the benefit design of the plan. She spoke about the Cape Cod Municipal Health Group's benefit design.

Sharon Harrison asked Ms. Cormier to distribute the plan design of CCMHG to the Board for review and consideration. She also asked that this be added to the next meeting agenda.

Sandra Stankiewicz said she and Berkshire Health Systems will look at vaccines that may be beneficial to give member incentives for getting. She said similar to that of the Colonoscopy incentive program.

Sharon Harrison asked to add this to the next meeting agenda.

Sharon Harrison said that Shannon Ashcroft and Mary Beverly worked on the Hero Program and asked to add this item to the next meeting agenda.

**BCBSMA report:**

*Medex 2 Formulary Changes effective January 1, 2018* - Ms. Stankiewicz explained that in efforts to control the Medex 2 premium cost, BCBS is making some changes to its formulary. She said about 71 drugs will

move from a Tier 1 to a Tier 2 and others from a Tier 1 to a Tier 3. Ms. Stankiewicz said there are currently 8 medications that will no longer be offered, but an alternative medication will be covered. Ms. Stankiewicz said the list is still in draft form and is expected to decrease a little. She said she will send the notice to the employers in time to be added to the open enrollment materials. Ms. Stankiewicz said formulary changes are made each year to the active health plans, but noted this was the first change to the senior plan formulary in four years. She said CVS Caremark is increasing their staffing for the beginning of the year to be able to answer questions from the retirees.

Ms. Stankiewicz asked the employers to contact her with dates of their retiree health fairs so she could make up a schedule.

**Other Business:**

Sharon Harrison asked to add the procurement of a new Treasurer to the next agenda.

Mary Beverly said the next Board meeting will be on September 25th at 9:30 AM at Lenox Town Hall.

Janet Saddler moved to adjourn the meeting.

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

Vice-Chair, Sharon Harrison, adjourned the meeting at 11:05 PM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*