

**Berkshire Health Group**

**Board Meeting #06-01**

Lenox Town Hall  
Lenox Massachusetts  
Monday, August 24, 2015 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

Sharon Harrison, Vice-Chair	Berkshire Hills RSD
David Hinkell	Adams Cheshire RSD
Paul Sieloff	Town of Lanesborough
Christopher Ketchen	Town of Lenox
Bruce Turner	Southern Berkshire RSD
Melissa Falkowski	Central Berkshire RSD
Lauren Sartori-Hobgood	Town of Great Barrington
Jorja Marsden	Berkshire County Insurance Group
Geri Porter	Berkshire County Insurance Group
Janet Saddler	Town of Williamstown
Brenda Rondeau	Mount Greylock RSD
Maureen Senecal	Northern Berkshire Vocational RSD

**Guests present:**

James Kelley, CPA	BHG Treasurer
Shannon Ashcroft	BHG Wellness Coordinator
Maureen Daniels	Berkshire Health System
Sandra Stankiewicz	Blue Cross Blue Shield (BCBS)
Jay Swanson	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Vice-Chair Sharon Harrison called the meeting to order at 9:30 a.m.

**Approval of the Minutes of the meeting of June 22, 2015 (Meeting #15-10) and June 30, 2015 (Meeting #15-11):**

Bruce Turner moved to approve the minutes of June 22 and June 30, 2015.

Motion

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

**Treasurer's Report:**

Treasurer, Jim Kelley, reviewed the financial reports for June and July 2015 (unaudited figures). He said the cash position decreased by a net of \$295K in June. He said there was a \$290K profit from investments at year-end. He said there was a one-month profit in June of \$33K. Mr. Kelley said that health plan claims were at 99% of member assessment revenue. He said the year-end loss from the health fund was \$2.66M and noted this was due to planned use of surplus.  
Lauren Sartori-Hobgood joined the meeting.

Mr. Kelley said that in July 2015 the cash position increased by \$1.01M due to advanced member collections. He said there was a one-month profit of \$254K and said it was the result of an increase of operating income and investments. Mr. Kelley said that claims were at 86% of member assessment revenue. He said the trust fund total equity on July 31, 2015 was \$6.54M.

Mr. Kelley reviewed an analysis of retained earnings/surplus. He said the Board voted to apply \$1.0M towards the FY16 health plan rates. He said the uncommitted Surplus reserves was \$1,409,111 at the end of July.

**Review and Approval of the July, August, and September 2015 Warrant Summaries:**

Carol Cormier reviewed the Warrant Summaries and noted that the Affordable Care Act PCORI fees were paid on the July warrant. She also noted that the bond insurance for the Treasurer was paid on the September warrant.

Bruce Turner motioned to approve the Warrant Summaries of July, August and September of 2015.

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

Motion

**Wellness Consultant's report – Shannon Ashcroft:**

Maureen Daniels introduced the new BHG Wellness Consultant, Shannon Ashcroft.

Shannon Ashcroft said that she began working with BHG in early July, and she reviewed the wellness report. Ms. Ashcroft said that 20 members participated in the summer event “Luncheon & Dining Delightfully” held at the Williamstown Town Hall. She distributed the wellness newsletter “Wellness Connection” to the Board for review. She said if the Board approves, the newsletter will be published bi-weekly on the BHG website and also emailed to each member unit for distribution to employees.

Ms. Ashcroft said that she developed a menu of available wellness programs for the wellness champions in an effort to help them to select the programs that will best suit their town or district's needs. She said she re-created the fitness survey in a “Survey Monkey” format for each location. She said the responses will go directly to her *via* the website to aid in improving the fitness offerings. She said the survey is due by October 1<sup>st</sup>. Ms. Ashcroft said there is a new fitness room at the Adams Town Hall.

Ms. Ashcroft said she is looking for a new vendor for the postcard printing and mailing of the FY16 Colonoscopy Incentive Program. She said BCBS is changing the program and will no longer provide the mailings. She said LMR has quoted a cost of approximately \$2,976.83 to print and mail the cards. Ms. Ashcroft said this cost was not included in the original wellness budget and asked the Board to consider approving the additional cost. She noted that in the past, members had to log on to the BCBS website to redeem their cards. Ms. Ashcroft said this step will be eliminated with the new process.

Dave Hinkell made a motion to approve utilizing LMR at the additional cost to print and mail the incentive cards.

Motion

Bruce Turner seconded the motion. The motion passed by a unanimous vote.

Ms. Ashcroft reviewed the FY16 Fall programming to include a *Summer Olympic Challenge*, Flu Clinics, Fitness classes, *Maintain Don't Gain Holiday Challenge* and *Bring a Friend* referral program to the fitness classes.

Shannon Ashcroft asked the Board to consider adding a new Smoking Cessation Program that was not included in the FY16 Wellness Budget. She said the group program is offered at Berkshire Medical Center from September 17<sup>th</sup> through October 15<sup>th</sup> on Thursdays from 5:00 PM to 6:00 PM. She said the cost to the employer is \$125 per participant and space is limited to 12 participants per session.

The Board discussed and asked Ms. Ashcroft to add this program to the FY17 Wellness Budget proposal for consideration.

**GBS Reports:**

*Funding Rate Analysis (FRA) report* - Carol Cormier reviewed the report for the health plans with data through fiscal year-end June 30, 2015. She said that the expense-to-funding ratio across all plans at the end of June was 106.7% with a shortfall of funding from member assessments of \$2.46 million. Ms. Cormier said the Network Blue NE Value Plus (NWBVP) plan has the largest enrollments and accounts for \$2.25M of that funding shortfall.

Ms. Cormier said at the end of July, the first month of FY16, the expense-to-funding ratio for the health plans was 94.7%, and the funding exceeded expenses by \$180,900. Ms. Cormier said the dental plans are experienced a one-month expense-to-funding ratio of 105.2%, with a funding shortfall of \$6,513.

*Level Monthly Deposit (LMD) Reconciliation report* – Carol Cormier said that the LMD was increased to \$3,635,000 in July 2015 and that BHG has a credit balance of \$329,868.

*Stop Loss Reports* – Karen Carpenter reviewed the Excess Claims report for FY15 and said that seven members exceeded the \$200K specific deductible with total claims of \$1,960,222 and excess claims of \$560,222. She said that the \$100,000 Aggregating Specific Deductible has been met, and there have been reimbursements to the Group of \$155,032. She said that there is \$305,190 in outstanding reimbursements due. She said that 15 members had claims between \$100K and \$200K, totaling \$2,489,532. She said that there had been a \$3,841.29 overpayment by the carrier in the prior year, FY14.

*Enrollments:* Carol Cormier reviewed a health plan enrollment exhibit and said the employee active plan individual subscriber count is 830 and the family subscriber count is 1,204 for a total of 2,034. She said the NWBVP plan has 86% of the active employee plan enrollments at 1,753 combined individual and family subscribers. Ms. Cormier said there are 1,517 Medex senior plan subscribers and that BHG has a total of 3,551 subscribers.

There was a discussion about cost savings options.

Ms. Cormier suggested that the employers may want to focus on trying to move the members enrolled on the PPO plan who live in MA to the HMO plans. She said if the member's physicians are part of the BCBS network, which is extensive, the member is paying high premiums when he/she could obtain the same services through the HMO plan. She noted that the provider payments are higher on the PPO, and the care is not managed.

Ms. Cormier said another cost savings option may be to look again at moving the Medex plan to an Employer Group Waiver (EGWP) plan.

*Subscriber Eligibility Audit* – Carol Cormier reviewed a draft Subscriber Eligibility Audit RFP that she said BHG could use but noted that GBS would be unable to send out or receive information regarding the audit. She said Enrollment Audit Solutions (EAS) is now owned by GBS, and there would be a conflict of interest. Ms. Cormier suggested sending, or having an independent auditing company send, a questionnaire with an affidavit with the letters to the subscriber employees. She said another option would be for each unit to complete a full open enrollment. Ms. Cormier said it could be conducted across the BHG over a 2-year time

frame. She said all of the employers should be collecting the proper eligibility documents from all new hires and additions to existing contracts.

The Board discussed its options and agreed not to pursue a subscriber audit and that a periodic dependent eligibility audit would be a more valuable process.

**Possible Plan Design Changes for FY17:**

Carol Cormier clarified which changes would require Ch. 150 E bargaining and which would be eligible for Ch. 32B, Section 21-22 bargaining. Carol Cormier said that, in her opinion and as previously discussed, all employers should adopt Ch. 32B, S. 21-22 even if they do not use these sections to bargain the possible plan design changes. All Board members at the meeting said that their units had adopted these sections of Ch. 32B.

Ms. Cormier suggested options including creating and adding new plan designs that each employer could implement on its own or to move to one plan design as a JPG. She said if no changes are made, the group would not be financially competitive with the GIC. Ms. Cormier reviewed the plan designs that BHG has been looking at that would bring the plans in line with the GIC's benchmark plan. She said the Board also spoke about changing the plan name from "Deductible Plan" to something more favorable like "Advantage Plan".

Sandra Stankiewicz said that there isn't a large enough difference in rates between the Deductible and Value Plus plans to make it worthwhile for employers and employees to make the change. She said the changes may not be sufficient to bring the PPO and POS monthly rates down to levels that would avoid the Cadillac Tax. She noted that she has had good conversations with PPO subscribers who didn't know that all of their providers were in-network and the HMO would work for them. She said a PCP would need to be designated and the member would have to obtain referrals from the PCP to see specialists.

Carol Cormier said it will be important for employers to have contribution strategies that create incentives for employees to move out of the high cost plans. Ms. Cormier recommended moving the HMO plan design to the Benchmark plan design levels using S. 21 to 22 to bargain the move.

Ms. Cormier asked all of the employers to confirm they have adopted S. 21 to 22.

Sharon Harrison asked the Board members to be prepared to have serious discussions at the September and October Board meetings and to be prepared to vote.

Janet Saddler said she does not favor moving the plans to the GIC level and said she would like the BHG plans to be more attractive than those plans.

Carol Cormier reviewed the exhibit she prepared comparing the Value Plus plans with the GIC benchmark plan and the estimated savings as provided by BCBS that may be realized by moving the BHG plans to that level.

There was a discussion about The Abacus Group's *myMedicationAdvisor*® (MMA) alternative international prescription drug purchasing program.

Janet Saddler made a motion to contract with The Abacus Group, as had previously been proposed, to perform a study of the BHG's prescription utilization and what value would be added, if any, should the group want to purchase the alternative program services.

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

Carol Cormier said the program would be for the self-funded plans. She said the Medex plan could be added separately in case the BHG moves to the EGWP plan.

Sandra Stankiewicz said that she believes she will have the rates by late September and the Board can compare the rates of the current Medex plan with the Medicare Part D plan.

**BCBS Report:**

Sandra Stankiewicz said effective October 1, 2015, in efforts to control costs BCBS will be making a change to how members receive certain medications. She said Botox, IVIG and Remicade will now be filled through specialty pharmacy instead of under medical and will require pre-authorization. She said the impacted members will receive a letter about the change, and she noted that 14 members were affected.

Ms. Stankiewicz said two osteoarthritis drugs, Prolia and Xgeva, are now able to be filled under specialty pharmacy and medical, in some cases eliminating a pharmacy co-pay for members. She said there were two members who are impacted by this change. She noted that BCBS is also working on developing criteria for new cholesterol injectable prescription medications.

Ms. Stankiewicz said in June, the US Supreme Court upheld the right of allowing same-sex couples to marry. She said special open enrollment periods are authorized.

It was noted that Massachusetts already allowed same-sex couple marriage and that a special open enrollment period was offered at the time of the decision.

**Other Business:**

Brenda Rondeau said that claims for services that are performed in MA with referrals from Vermont physicians are not getting paid by BCBS.

Janet Saddler said she is aware of this issue as well.

Sandra Stankiewicz said she would look into the issue.

There was no other business.

Brenda Rondeau moved to adjourn the meeting.

Motion

Janet Saddler seconded the motion.

Vice-Chair Sharon Harrison adjourned the meeting at 11:35 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*