

Berkshire Health Group

Board Meeting #14-01

Lenox Town Hall
Lenox Massachusetts
Monday, August 26, 2013 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Mary Beverly, Chair	Town of Adams
Maureen Senecal	Northern Berkshire Voc.-Tech School
Bruce Turner	Southern Berkshire RSD
Janet Saddler	Town of Williamstown
Paul Sieloff	Town of Lanesborough
Jennifer Tabakin	Town of Great Barrington
Lynn Bassett	Mount Greylock RSD
Geri Porter	Berkshire County Insurance Group
Dave Hinkell	Adams Cheshire RSD
Melissa Falkowski	Central Berkshire RSD

Guests present:

James Kelley	BHG Treasurer
Brenda Rondeau	Mount Greylock RSD
JoAnn Magee	Lenox School Committee
Jenifer Young	Berkshire Health Systems
Maureen Daniels	BHG Wellness Coordinator
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Pat Kaplan	Blue Cross Blue Shield (BCBS)
Ginger Hastings	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Chair Mary Beverly opened the meeting at 9:30 a.m.

Approval of the Minutes of the meeting of June 24, 2013 (Meeting #13-11):

Janet Saddler made a motion to approve the minutes of the June 24, 2013 meeting.

Motion

Dave Hinkell seconded the motion.

Lynn Bassett and Geri Porter abstained. The motion passed by majority vote.

Treasurers Report -

Treasurer Jim Kelley reviewed the financial statements of June and July 2013 (unaudited figures). Mr. Kelley said that the overall cash position decreased by a net of \$756K at the end of June mainly due to decreased payments of member assessments. Mr. Kelley said there was a one-month loss of approximately \$340K for the month ended June 30, 2013. He said that the year-to-date loss was \$1.1M on June 30, 2013, but said that reinsurance reimbursements received may bring lower the loss.

Mr. Kelley said that the overall cash position decreased by a net of \$410K at the end of July mainly due to an increase of the BCBS level monthly deposit of \$221K and money market cash of \$171K redeployed to stocks and bonds. Mr. Kelley said there was a one-month profit of approximately \$497K for the month ended July 31, 2013.

Jim Kelley said that the health claims are running at 85% of member assessment revenue and the dental claims are running at 97% of member assessment revenue.

Mr. Kelley said there was an unrealized gain of \$142K on the Schwab investment account for month ending July 31, 2013.

He said that the investment fund count increased from 99 to 135 funds as Mr. Daponte reallocates investments to increase the stock portion of the portfolio as instructed by the Board. Mr. Kelley said that Gene Daponte, Investment Advisor will be attending the September Board meeting.

Approval of August 2013 Warrant Summary:

Ginger Hastings reviewed the August 2013 Warrant Summary and noted that the Wellness Stipends were distributed.

Janet Saddler made a motion to approve the August Warrant Summary as presented.

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

Motion

GBS Reports:

Funding Rate Analysis- Ginger Hastings reviewed the Funding Rate Analysis with data through July 2013 and said the expense-to-funding ratio for health plans was 91.9% and for dental was 99.9%. She said on a paid basis the health plan funding over expenses was \$233K. Ms. Hastings said that the Network Blue Value Plus plan funding is at 95% of expenses for July, but noted that at the end of the previous year it was underfunded by \$1.9M.

BCBS Level Monthly Deposit (LMD) - Ginger Hastings reviewed the LMD quarterly reconciliation and said that the deposits exceeded the expenses by \$405K for the month ending July 2013. Ms. Hastings noted that the BCBS LMD recently increased from \$3,020,400 to \$3,241,600.

Stop Loss Report - Karen Carpenter reviewed the FY12 stop loss reports with data through June 2013. She said that four members had exceeded the policy deductible with total claims of \$994,812. Ms. Carpenter said that the \$100K Aggregating Specific Deductible has been satisfied and that BHG has received claims reimbursements of \$93,729. She said that there are outstanding reimbursements in the amount of \$1,082 due. Ms. Carpenter reviewed the FY13 stop loss reports and said that there are eight members that had exceeded the policy deductible with total claims of \$2.02M. Ms. Carpenter said the \$100K Aggregating Specific Deductible has been satisfied and that there are reimbursements of \$98,001 due. She said that BHG has received claims reimbursements of \$224,694. She said there are 15 claimants on the report of 50% with a total of paid claims of \$1.9M.

BHG Contract & Agreement list – Ginger Hastings reviewed the list of active BHG vendor contracts and agreements with renewal dates prepared by GBS. She said the list was requested by the Board at the last meeting.

Janet Saddler noted that a decision regarding the Diabetes Rewards Program with the Abacus Group needs to be made.

The Board asked to review the contract list on a quarterly basis.

S125 plan for non-benefit eligible employees – State law:

Ginger Hastings said that the MA Health Care Reform required that employers provide a voluntary health plan on a pre-tax basis to their employees who are not eligible to enroll in the employer health plans. Ms. Hastings said that the voluntary plan is no longer going to be offered by the MA Health Connector effective December 31, 2013. She said that the Small Business Service Bureau is offering a voluntary plan called Mosaic. Ms. Hastings said that GBS is unaware of another option at this time. She said that there is a \$200 yearly fee and a \$19.95 monthly maintenance fee for the Mosaic plan. Ms. Hastings said that the monthly maintenance fee will be waived for the first year if the employer signs up before October 1, 2013.

Ms. Hastings said that the employee HIRD form and reporting is no longer a requirement, but said that she is recommending that the employer continue using the HIRD employee form when they choose not to enroll in an employer health plan.

Wellness/Healthy Behaviors Update:

Maureen Daniels introduced guest Jenny Young of Berkshire Health System.

Wellness Coordinator's Contract – Maureen Daniels said that the Wellness Contract is with their lawyer who is making the date changes to reflect the 3-year renewal. She said that the contract expires September 30, 2013 and it will renew with the same terms.

Ms. Daniels said that the Abs and squat 30-day challenge will end in September. She said that the Stressless lecture in Otis went well and said she will be working with the Wellness Champions to present the lecture in other locations. Ms. Daniels said the flu clinics are being scheduled and can be combined with health screenings. Ms. Daniels said that the Town of Lenox is going to offer an 8-week weight loss program. She said beginning September, the on-site nurse will be visiting all locations throughout the year. Ms. Daniels distributed a list of present wellness programs.

Diabetes Rewards Program – follow up:

Ginger Hastings said she met with representatives from the Abacus Group and requested a more detailed diabetes rewards program report. She said that she wanted the Board to be aware of the quantity and frequency of program promotions and member outreach conducted by them. Ms. Hastings said that 35% of the 378 health plan members with diabetes are enrolled in the program. She said 46% of those enrolled are in meeting the compliance requirements. She said that \$16,785 of member co-pays have been waived and the estimated savings net of fees and pharmacy co-pays is \$65,597 this year for the past 11 months. Ms. Hastings said that the program has shown consistent growth and compliance.

Ms. Hastings said that the Abacus Group is willing to report on the historical data, but said that the Board will need to vote to approve obtaining the claims data from BCBS.

Maureen Daniels said that one of her concerns is that 44 of the plan participants are on seniors on the Medex plan.

Ms. Hastings said that after reviewing the data, she found that 30% of the 134 participants are on Medex.

Ms. Daniels said that it seems that the more healthy diabetics are participating and said that diabetes was not shown to be one of the top drivers of the claims per the BCBS Informatics Report. She said that she does not think the program is producing results worth the cost of the program. Ms. Daniels said that under the new program, the on-site nurse can discuss with individuals how to make healthy lifestyle changes that will impact the overall health of the members. Ms. Daniels said that the on-site nurse will be able to address

members with pre-diabetes as well. She said that those enrolled will be required to meet with the nurse twice each year and will receive an incentive of \$180 following each visit.

Suzanne Donahue said that if the Board would like to offer an additional incentive to the new program, they can approve a 3 month mail delivery at the 30-day retail cost through BCBS.

Maureen Daniels said that she has a concern about the September 30th transition date since it is only one month away.

In response to questions asked, Ms. Daniels said that the \$21.6K cost is the expected total cost of the incentives to the members enrolled in the new diabetes program. She said it does not include waiving the two mail order co-pays.

Mary Beverly said that she and Ginger Hastings received the medication costs from BCBS and Abacus and said that BCBS costs are lower.

Ginger Hastings agreed with Ms. Beverly and noted that is in part due to dispensing name brand prescriptions without a step therapy requirement.

Janet Saddler said that BHG has been working with Ms. Daniels for three years now and said that she has proven to be aggressive and enthusiastic about the wellness programs. She said she thinks the Abacus fees are excessive in comparison to the results shown. She said she favors trying the new program for a year.

Mary Beverly asked Ms. Daniels how she is planning to identify the diabetic population.

Ms. Daniels said that BCBS will send a letter to those in their system that have been identified and will direct them to Ms. Daniels should they want to enroll. She said that she could wait one month or start on January 1, 2014 if there is not enough transition time between now and October 1.

Suzanne Donahue said that BCBS can also deliver a Televox message to the diabetic population.

Ms. Hastings asked if BCBS would be sending data to Ms. Daniels on a monthly basis.

There was a discussion and Paul Sieloff asked if the Abacus Group would add Ms. Daniels contact information to the termination letter that they will be sending out to current participants.

Ms. Hastings said that she would ask.

Paul Sieloff made a motion to contract with Berkshire Health Systems effective October 1, 2013 for the diabetes incentive program as presented.

Motion

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

Paul Sieloff made a motion to terminate the contract with the Abacus Group effective September 30, 2013

Motion

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

Janet Saddler made a motion to approve renewing the 3-year contract with the Berkshire Health Systems, with no changes to the contract effective September 30, 2013 through August 31, 2016.

Motion

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

Maureen Daniels continued to review the current wellness programs to include the colonoscopy incentive program, fitness classes, smoking cessation program and a variety of wellness challenges and programs throughout the year. Ms. Daniels said that she will add the BCBS Well Baby program to the list of programs offered.

In response to a question asked, Ms. Daniels said that drug and alcohol cessation programs are historically not well attended but said that she could distribute information about those types of programs.

Melissa Falkowski said that she would like to see education materials distributed about smoking cessation and weight loss programs.

Ms. Daniels said that she would send additional information about smoking and weight loss programs and said that she currently distributes wellness program materials as well as the quarterly newsletters.

RDS versus EGWP for Medex continued discussion:

Ginger Hastings reviewed an exhibit prepared by GBS of the BHG Retiree Drug Subsidy (RDS) payments received to date. She also reviewed the projected FY14 Medex 3 annual funding with the CY13 Medex 2 with PDP rate and said that BHG would save approximately -21.3%. She said that the CY14 Medex 2 with PDP rate will be available in September.

Ms. Hastings reviewed the pros and cons of RDS versus the Medex 2 with PDP plan and said that incorporating Part D into the plan will produce larger prescription discounts. She said that if the Board decides to change to the Medex 2 plan, the renewal date would change to January 1 and double mail order co-pays will be required. She said that the GASB liability will also decrease with the change. Ms. Hastings said that the PBM will be CVS Caremark and the retiree will have a separate Rx card. She said that the full comparison between the RDS and Medex 2 plan was distributed at a past meeting and also included in the meeting packet.

Suzanne Donahue said that there is no prescription “donut hole” with the Medex 2 plan and said that the premium will go down. She said that CVS Caremark has a Fast Start program that will help to reach out to the members to help the retiree through the prescription mail order transition. She said that both the medical and prescription cards will say BCBS on them.

Ginger Hastings said that the Board will be able to review the rates and make their decision at the next meeting.

Suzanne Donahue said that a plan sponsor meeting is recommended prior to open enrollment. She said that Pat Kaplan will verify the availability of the CVS discount program.

Health Care Reform Updates:

Annual and Lifetime Limits removed – Suzanne Donahue said that the annual and lifetime limits on Essential Health Benefits (EHB) need to be removed per the Affordable Care Act (ACA). She said that the limit for Durable Medical Equipment (DME) will be changing to a standard 20% member cost share. She said that BCBS considers the Fitness and Weight Loss benefits to fall into the EHB category and said that BCBS is discussing removing the maximum and adding a 6-month fitness benefit. She said more information will be upcoming.

Health Insurance Marketplace Notice- Ginger Hastings said that the ACA requires the notice to be sent to all employees to notify them of the Health Exchange Marketplace. She said that the MA Health Connector is the MA Health Exchange. She said that employees may be eligible for a subsidy through the Connector plans, but will lose their employer’s contribution. Ms. Hastings said that GBS is reviewing sample notices

with a lawyer for the Marketplace and HIPAA. She suggested combining the mailings and sending them out by October 1, 2013.

The Board members said that they like receiving the GBS Email Blasts.

BCBS Report:

Suzanne Donahue said that LMP, the third party administrator was going to charge an additional \$15 to process each colonoscopy incentive card. She said that she spoke to Maureen Daniels who agreed to distribute the cards, but said that she would need an account set up for her to draw money to obtain the cards. Ms. Donahue said that BCBS is still looking at finding a new vendor.

Other Business:

The next BHG Board meeting was scheduled for September 30, 2013, to be held at 9:30 a.m. at the Lenox Town Hall, Lenox, MA.

There was no other business.

Dave Hinkell moved to adjourn.

Motion

Mary Beverly adjourned the meeting at 11:12 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*