

**Berkshire Health Group**

**Board Meeting #17-01**

Lenox Town Hall  
Lenox Massachusetts  
Monday, August 29, 2016 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

Mary Beverly, Chair	Town of Adams
Sharon Harrison, Vice Chair	Berkshire Hills RSD
Erika Snyder	Adams Cheshire RSD
Rebecca Herzog	Berkshire County Insurance Group
Janet Saddler	Town of Williamstown
Maureen Senecal	Northern Berkshire Vocational RSD
Paul Sieloff	Town of Lanesborough
Lauren Sartori-Hobgood	Town of Great Barrington
Christopher Ketchen	Town of Lenox
Brenda Rondeau	Mt. Greylock RSD

**Guests present:**

James Kelley	BHG Treasurer
Shannon Ashcroft	BHG Wellness Consultant
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)

The Chair, Mary Beverly, called the meeting to order at 9:30 a.m.

**Approval of the Minutes of the meeting of June 20, 2016, (Meeting #16-09):**

Janet Saddler moved to approve the minutes of June 20, 2016 as written.

Motion

Rebecca Herzog seconded the motion. Christopher Ketchen and Lauren Sartori-Hobgood abstained.  
The motion passed by majority vote.

**Treasurer's Report:**

Treasurer, Jim Kelley, reviewed the financial reports for year ending June 30, 2016 and July 31, 2016 (unaudited figures). He said the cash position decreased by \$752K during June, mainly due to a decrease in advanced member collections. He said approximately \$70K reinsurance reimbursements were received in June. The investment account increased by a net of about \$32K in June. He said there was a one month profit of \$884K. For the twelve months ended June 30, 2016 Mr. Kelley said that investments yielded a \$114K profit, the Health Fund experienced a loss of \$352K, and the Dental Fund experienced a profit of \$18K.

Mr. Kelley reviewed the financial reports for July 2016 (unaudited figures). He reported a one month profit of \$445K, mainly due to advanced member payments. Mr. Kelley reported an unrealized investment gain of approximately \$100K. Mr. Kelley reported a trust fund balance of \$6.82M.

**Review and approval of the July, August and September 2016 Warrant Summies:**

Carol Cormier reviewed the July, August and September Warrant Summaries and noted that August was a BCBS settle-up month.

Motion

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

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

**Wellness Report & Proposed FY17 Budget:**

*FY17 Wellness Budget* – Shannon Ashcroft reviewed the proposed wellness budget to include the Wellness Challenge Incentives, Flu Clinics and Health Fairs, Fitness programs, Colonoscopy Incentive and Diabetes programs. She also reviewed the On-line health assessment incentive and biometric screening programs and the Health Coach services, and School Stipends and Wellness Coordinator fee. Ms. Ashcroft said she is proposing fewer large incentives for the Wellness Challenge Incentive program. She said BHG has been given a \$20,000 wellness credit from BCBS for FY17

In response to a question asked about the Diabetes Rewards Program, Ms. Ashcroft said she does not have access to know what members are eligible to participate, so she cannot target those members to receive information about the program.

Sandra Stankeiwicz said she would look into what statistics can be provided and noted that a release form would need to be filled out to comply with HIPAA regulations.

Sharon Harrison suggested adding flyers to the employee’s paychecks for a few weeks. She said it takes about 3 times of seeing a flyer to actually read it.

Shannon Ashcroft said that she will design a new flyer this week and send it out for approval.

Sharon Harrison made a motion to approve the proposed FY17 wellness budget of \$139,946, which is lower than the FY16 budget of \$141,453 to include the \$2,000 per unit wellness stipends.

Motion

Ms. Harrison asked that the stipends be added to the next Warrant.

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

Ms. Ashcroft encouraged the Board members to apply for the MA Council of Wellness Grant. She said the applications are due by September 16<sup>th</sup>, 2016 and she offered to help with the applications.

**GBS Reports:**

*GBS RDS Memo of Understanding*- Carol Cormier said the GBS RDS MOU for fiscal year 2016 was not signed, and noted that GBS has done the necessary work. Ms. Cormier said that the proposed fee of \$6,600 represents a zero increase. She noted that BHG will not be eligible for the RDS subsidy now that they have voted to move their senior plan to an EGWP plan.

*GBS Website Maintenance Agreement*- Carol Cormier reviewed the proposed Website Maintenance agreement and noted that there is no increase to the annual fee \$3,500. She also reviewed the Retiree Drug

Subsidy account Management Memorandum of Understanding to cover the FY16 policy year. She apologized for having overlooked this last year.

Sharon Harrison made a motion to approve the GBS RDS MOU and Website Agreements as presented.

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

Motion
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Mary Beverly signed the agreements.

*Financial reports* - Carol Cormier reviewed the *FY16 Funding Rate Analysis* report with data through July 2016. She said the expense-to-funding ratio for health plans was 104.2% and that, on a paid claims basis, there was a funding shortfall of \$125,074. She said that the Network Blue Value Plus plan is underfunded by 13.2%. Ms. Cormier said that the expense-to-funding ratio for the dental plans was 99.7%.

*Enrollments* – Carol Cormier referred to the enrollment exhibit in the packet and said that the BHG has a total of 3,238 subscribers. She said there are 1,796 active plan subscribers and 1,442 senior plan subscribers.

*Reinsurance Reports* - Ms. Carpenter reviewed the FY16 reinsurance report of claims exceeding the \$200K specific deductible. She said the total claims for the three members was \$3,735,714. Ms. Carpenter said that the \$100K aggregating specific deductible has been met, \$1,245,833 has been reimbursed to the Group, and there are reimbursements due BHG in the amount of \$189,881. She reviewed the claims between 50% and 100% of the deductible. She said there were total claims of \$2.94M.

Ms. Carpenter noted that there was an overpayment of FY15 reinsurance reimbursements of \$2,505 which may need to be paid back to the carrier, RMTS National.

**Proposed changes to the Joint Purchase Agreement:**

Carol Cormier said that the proposed amendments were reviewed by the Board at a previous meeting, and said she would like to speak about Article 12, Liability following withdrawal or termination of participation. Ms. Cormier gave a brief description of the WSHG’s amendment regarding liability of a proportionate share of the run-out claims.

Ms. Cormier said that the major change to the BHG agreement is to Article 4, the notification date of withdrawal is currently 90 days. She suggested changing the notification date to December 31<sup>st</sup> to give a heads up when preparing the rate projections and also allows time if the unit wants to withdraw.

Ms. Cormier said she is also suggesting adding “participating governmental units agree to pay as billed, adjustments, if any, will be made retroactively” to Article 8, Section B.

Ms. Cormier said that Article 11, on page 5, the word “forward” should be removed. She said this article was written before Ch. 32B, Sections 21-23 were added to the MA General Laws. She said she thinks that should be revised to limit the ability of a participating governmental unit to delay its implementation of plan design changes that the Board approves. She gave an example of a limitation. Ms. Cormier also suggested changing the language “level of coverage” to “plan design”.

Sharon Harrison suggested adding “until bargaining agreement expires, but not more than one year”.

Carol Cormier said that she would work on a few possibilities. She suggested that perhaps union contracts could be negotiated with language allowing the employer such as keep up with the GIC benchmark plan design change.

Sharon Harrison said that the BHG Board has not succeeded with making plan changes with utilizing Ch. 32B, Sections 21-22, as shown in the votes earlier this year. She said Berkshire Hills RSD has implemented

a 3-year mitigation plan, paying a percentage of the plan's deductibles for 2017, 2018 and 2019 in return for moving members to the BHG deductible plans.

Carol Cormier said a first reading and a 60-day review period is required by the JPA when amending the agreement. She said a second reading and a vote would take place following the 60-day review.

The Board discussed the withdrawal notification date and agreed that it should be December 1 rather than December 31.

Carol Cormier reviewed Article 12 regarding proportionate share should the group dissolve. She suggested basing the share on premiums paid the prior year or some prior period. She said that proportionate share is only based on self-funding plans and so only the medical portion of Medex should be counted. Ms. Cormier reviewed the proportionate share exhibit and noted that it was done before implementing the Medex 2 EGWP plan. She said she will redo the exhibit before the next meeting to include only medical.

**Discussion regarding MIIA quotes:**

Mary Beverly said that she, Sharon Harrison and Janet Saddler met with Chris Bailey and Joe Callahan about obtaining a quote for health insurance through MIIA. She said that MIIA is looking at BHG as a peer group. She said she has a concern for BHG's future if other BHG units were to withdraw from the group. Ms. Beverly said that MIIA will need a commitment from BHG to move to a deductible-type plan. She noted that MIIA declined to give a quote on the current BHG plans.

Sharon Harrison said that a Board vote is needed to approve BHG claims data to be sent to MIIA. She said if BHG moves to MIIA that it will be on a fully insured basis, and that the goal is to keep BHG as a "sub-group" of MIIA. Ms. Harrison said MIIA will need 24 months of claims data and a report of high cost claims over \$25K.

Sharon Harrison made a motion to approve providing historical claims data and enrollment by product, and claims over \$25K, and other data as necessary to MIIA.

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

A BHG Sub-Committee was formed to work with Sandra Stankiewicz to gather and review the data. The Sub-Committee included Mary Beverly, Sharon Harrison, and Janet Saddler and it was noted that no motions or votes would be made at those meetings.

**Discussion about options for FY18 and beyond:**

Carol Cormier said two options were discussed at the last meeting. Ms. Cormier said the first option would be changing the existing BHG deductible plan design to the level of the current GIC benchmark plan design. She noted that Berkshire Hills would not be able to make this change since they just moved their employees to the Deductible plans which were based on the GIC benchmark plan as it was in FY11. Ms. Cormier said the second option would be to eliminate the Rate Saver plans July 1, 2018 and introduce an HSA-qualified high deductible to the deductible plan offerings referred to in Option 1. Ms. Cormier said that the high deductible plan design that other JPGs are interested in includes a \$2K individual and \$4K family deductible with an employer contribution to the HSA that is 50% of the deductible amount. She said that the plan design does not have any co-pays except for pharmacy. Ms. Cormier said that the HSA is owned by the employee, and the employee can contribute into the HSA as well. She said the HSA administrators that the health plans use will allow for real-time information and offers advantages that an independent administrator would be unable to do.

Sharon Harrison said she would like to see a study of the costs and benefits of these types of plans.

The Board members said they would send a list of all of their union contract end dates.

**Update on RDS re-openings for audits:**

Carol Cormier said that things are going smoothly with the reopening and that the process will take some time.

**Update on retiree information sessions for Medex changes:**

Sandra Stankiewicz, BCBSMA, said that all of the Blue Medicare Rx ID cards were mailed to Medex members. She said that the Medex cards will be mailed out by the beginning of next week. She said the members can use the old Medex card in July, until they receive their new card. Ms. Stankiewicz said to contact Jay Swanson if someone doesn't receive their cards.

Janet Saddler said that Sandra Stankiewicz received great reviews at the informational sessions. She said that one of her members reported that they received their Rx packet without an ID card.

Sandra Stankiewicz said that all of the packets should include the ID cards and asked Ms. Saddler to contact her if others report the same issue.

**BCBS Report and update on Medex change to an EGWP:**

Sandra Stankiewicz said that the Medex 2 plan renews on January 1, 2017 and said she is waiting for the prescription piece pricing. She said she expected to receive the renewal information by mid-September and will send it to Carol Cormier. Ms. Stankiewicz said she is hearing that there will be significant increases because of rising pharmacy costs.

**Other Business:**

The next Board meetings were scheduled for October 3, 2016, and November 7, 2016, both at 9:30 a.m. at the Lenox Town Hall, Lenox, MA.

There was no other business.

Janet Saddler moved to adjourn the meeting.

Motion

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

Mary Beverly adjourned the meeting at 11:35 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*