

Berkshire Health Group

Board Meeting #06-03

Lenox Town Hall
Lenox Massachusetts
Monday, October 26, 2015 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Mary Beverly, Chair	Town of Adams
Sharon Harrison, Vice Chair	Berkshire Hills RSD
David Hinkell	Adams Cheshire RSD
Christopher Ketchen	Town of Lenox
Melissa Falkowski	Central Berkshire RSD
Lauren Sartori-Hobgood	Town of Great Barrington
Gerri Porter	Berkshire County Insurance Group
Janet Saddler	Town of Williamstown
Brenda Rondeau	Mount Greylock RSD
Maureen Senecal	Northern Berkshire Vocational RSD
Bruce Turner	Southern Berkshire RSD
Steve Presnal	Southwich Tolland Granby RSD

Guests present:

James Kelley	BHG Treasurer
Shannon Ashcroft	BHG Wellness Coordinator
Rebecca Herzog	Berkshire County Insurance Group
Sandra Stankiewicz	Blue Cross Blue Shield (BCBS)
Jay Swanson	Blue Cross Blue Shield (BCBS)
Kate Sharry	Group Benefits Strategies (GBS)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

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

Approval of the Minutes of the meeting of September 28, 2015, (Meeting #16-02):

Brenda Rondeau moved to approve the minutes of September 28, 2015.

Motion

Sharon Harrison seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

The Treasurer, Jim Kelley, reviewed the financial reports for September 2015 (unaudited figures). He said the cash position increased by \$164K during September mainly due to the maturity of a bond that was not reinvested. He said there was a one month profit of \$55K. He said that claims were 87% of member assessments. Mr. Kelley said that as of 09/30/15 the Group's total equity was \$6,648,868. Mr. Kelley said there was a year-to-date investment loss of \$202K.

Steve Presnal joined the meeting.

Mr. Kelley said the auditor should be ready to present the FY15 financial statements at the January Board meeting.

Mr. Kelley asked the Board to consider approving a \$25 per month raise to his fee.

There was a discussion.

Janet Saddler made a motion to approve a \$40 per month raise to the Treasurer's fee.

Motion

Sharon Harrison seconded the motion. The motion passed by a unanimous vote.

November 2015 Warrant Summary:

Carol Cormier reviewed the Warrant Summary.

Janet Saddler moved to accept the November Warrant Summary.

Motion

Sharon Harrison seconded the motion. The motion passed by unanimous vote.

Wellness Coordinator's report:

Shannon Ashcroft reviewed her report. She said that 16 flu clinics have been held and 3 more are scheduled. She said there was good participation with over 350 shots given.

Ms. Ashcroft said 6 of the clinics offered biometric screenings in addition to the shots. She said 48 employees participated in the screenings to date. She said there were not as many nurse hours paid since she helped with administering the screenings. Ms. Ashcroft reviewed the Fall Fitness program and Fitness Survey results. She said a majority of the respondents did not participate in the fitness classes, while 60% to 70% were interested in nutrition and weight loss programming. She said many were interested in exercising on their own time and would like to receive discounts at local gyms. Ms. Ashcroft said she would look into the possibility of gym discounts and how the BHG employees would be identified for the discounts. It was mentioned that a paycheck stub may be used.

Ms. Ashcroft said she is promoting a *Bring a Friend to the Fitness Class* by offering a \$10 gift card to those who bring a friend to class. She said she is making visits to the classes to let the employees know about the BCBS fitness reimbursement program and the free fitness classes.

Ms. Ashcroft said the participants of the *Colonoscopy Incentive program* have until October 31, 2015 to request their gifts cards from BCBS. She said there still seems to be a disconnect with redeeming the cards on-line since there were 89 forms submitted and only 39 cards redeemed.

Ms. Ashcroft reviewed the upcoming programs to include the *Maintain Don't Gain* holiday challenge and the *Healthy Holidays Luncheon*. She noted that Sharon Alibozek from Adams Cheshire RSD was featured in the November newsletter for going above and beyond promoting her fitness programs. Ms. Ashcroft said she is looking into expanding the wellness communications through social media such as adding a Facebook page.

Karen Carpenter said once the page is ready that she could add the link to the BHG Wellness page on the BHG website.

Ms. Ashcroft asked the Board to consider approving a Health Risk Assessment (HRA) Incentive program to be run similar to that of the *Colonoscopy Incentive program*. She said a postcard would be sent to members

to promote completing an HRA and combining it with a wellness visit to their primary care provider. She said there would be a small mailing fee and the program would be set up before November.

The Board approved moving forward with the new incentive program.

GBS Reports:

Carol Cormier reviewed the *FY16 Funding Rate Analysis* report with data through September 2015. She said the expense-to-funding ratio for health plans was 93% and that there was a three-month funding surplus of \$709.5K. Ms. Cormier said that the expense-to-funding ratio for the dental plans was 97.9% with a funding surplus of about \$7.7K.

Ms. Cormier said that for the first quarter of FY16 the *Level Monthly Deposit* payments to BCBS have resulted in a \$902K credit to BHG.

Karen Carpenter reviewed the *FY15 reinsurance report* with seven claimants exceeding the \$200K specific deductible. She said total claims for the seven members was almost \$2.1 million, and the Excess Claims totaled \$565K. She noted that there was a \$40K credit adjustment made to the claims of one member which resulted in that member's claims falling below the specific deductible. She said that the BHG has met the \$100K aggregating specific deductible and has been reimbursed \$450,792. She said there are \$15,002 in outstanding reimbursements due to BHG.

Ms. Carpenter said that there were 19 claimants on the FY15 report of claims between 50% and 100% of the deductible for total claims of \$2.49 million.

Ms. Carpenter reviewed the FY16 report of claims between 50% and 100% of the deductible. She said there were total claims of \$301,952.

Transitional Reinsurance Program (TRP) – Carol Cormier said that the BHG fee for the TRP for 2015 is \$165,093. She said the fee for this year is \$44 per member and noted that last year's fee was \$63 per member. Ms. Cormier said the fee calculation and instructions were sent to the Treasurer to use when scheduling the payment to the government.

Update on prescription drug (Rx) claims analysis by The Abacus Group – Carol Cormier said that all the required paperwork has been signed and Abacus has made the request for the claims data from BCBS. She said the results of the analysis should be ready in approximately 3 weeks.

Vote on plan design and other changes for FY17:

Mary Beverly said that she asked that "Vote" be added to the agenda item in case all of the Board members were ready to take a vote.

Carol Cormier said the deadline date to take the vote to have time to implement any changes for FY17 is November. She reviewed Article 11 from the BHG Joint Purchase Agreement and said two thirds of all Board members are required for a vote to make changes to the level of health plan coverage. She noted that all 13 members were in attendance.

Ms. Cormier reviewed the actuarial savings estimates as provided by BCBS. She said that according to BCBSMA the estimated savings of moving the BHG Value Plus plans to the current BHG Deductible plans is 5.50%. She said the estimated savings of moving the BHG Value Plus plans to the current GIC benchmark plan design is 6.73%. Ms. Cormier said the estimated savings between the BHG Deductible plan designs to the current GIC benchmark plan design is 3.17%.

Carol Cormier said that the current BHG Value Plus plans now have Out-of-Pocket Maximums, so the savings on the exhibit would be 0.4% less than shown.

There was a discussion as to whether or not the Board was prepared to take a vote at today's meeting.

Bruce Turner made a motion to postpone the vote to the next Board meeting on November 30, 2015.

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

Motion

Carol Cormier said that she reviewed new information about how the Cadillac Tax will be calculated. She said the tax probably will not be based on the health plan rates, but rather on either past costs or actuarial value..

Ms. Cormier said that if the Board votes to make plan design changes, she will send the employers a cost savings analysis template spreadsheet for the purpose of calculating expected savings for the mitigation plan required by Ch. 32B, S. 21-22. She said that each employer will enter its own health plan enrollment counts and its contribution percentages by plan into the spreadsheet to calculate estimated savings.

Blue Cross Blue Shield Report:

Sandra Stankiewicz said that there are four BHG members that were impacted by the Excellus data breach. She said each member will be contacted and offered free credit protection.

Ms. Stankiewicz said that the protection of members' private information is a top priority for BCBS. She said BCBS is now offering Identity Protection Services to its clients to include credit monitoring, fraud detection and credit and identity repair. She said the service may be a taxable benefit to the employee when the service is offered without a breach. She said BCBS is waiting for US Treasury guidance about the tax implications. Ms. Stankiewicz said that she does not have the information regarding the value of the service, but will provide it as soon as she finds out. She said that the group can opt in now or at a later date. She said she will check to see if each individual employer of the BHG can opt in on its own or not.

Other Business:

In response to a question asked about the GBS Roster Service, Kate Sharry replied that GBS may be able to provide historical data back to January and said a fee may be associated with that service.

Brenda Rondeau said members living in Massachusetts and obtaining services in Vermont are still having a problem with BCBS paying for the services.

Jay Swanson said that this is still an issue but said it is a sporadic one. He said BCBS has not tracked down what is causing the problem.

Sandra Stankiewicz said that she will look into it.

In response to a question, Ms. Stankiewicz said that members are covered for emergencies when traveling outside of the country, but will need to pay for the service and obtain an itemized receipt to submit to BCBS for reimbursement. She advised contacting BCBS prior to leaving the country for specifics.

Meetings were scheduled for January 11, 2016 and January 25, 2016, both at 9:30 a.m. at the Lenox Town Hall, Lenox, MA.

It was noted that the next Board meeting was scheduled for November 30, 2015 at 9:30 a.m. at the Lenox Town Hall, Lenox, MA.

Mary Beverly asked Ms. Cormier to add the EGWP discussion to the next agenda.

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 ajourned the meeting at 10:48 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*