

Berkshire Health Group

Board Meeting #14-03

Lenox Town Hall
Lenox Massachusetts
Monday, October 28, 2013 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Mary Beverly, Chair	Town of Adams
Sharon Harrison, Vice Chair	Berkshire Hills RSD
Maureen Senecal	Northern Berkshire Voc.-Tech School
Terri Licata	Southern Berkshire RSD
Janet Saddler	Town of Williamstown
Paul Sieloff	Town of Lanesborough
Jorja-Ann Marsden	Berkshire County Insurance Group
Dave Hinkell	Adams Cheshire RSD
Melissa Falkowski	Central Berkshire RSD
Stephen Presnal	Southwick-Tolland-Granville RSD
Jennifer Tabakin	Town of Great Barrington

Guests present:

James Kelley	BHG Treasurer
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 9:32 a.m.

Approval of the Minutes of the meeting of September 30, 2013 (Meeting #14-02):

Sharon Harrison made a motion to approve the minutes of the September 30, 2013 meeting.

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

Motion

Treasurers Report -

Treasurer Jim Kelley reviewed the financial statements of September 2013 (unaudited figures). Mr. Kelley said that the overall cash position decreased by a net of \$780K at the end of September mainly due to decreased payments of member assessments and the BCBS settle-up. Mr. Kelley said there was a one-month loss of approximately \$92K for the month ended September 30, 2013. He said that the year-to-date loss was \$259K on September 30, 2013. Mr. Kelley said the trust fund surplus was 9.9M at the end of September.

Jim Kelley said that the health claims are running at 97% of member assessment revenue and the dental claims are running at 80% of member assessment revenue.

Mr. Kelley said there was an unrealized gain of \$80K on the Schwab investment account for month ending September 30, 2013.

Mr. Kelley reviewed the investment account performance report prepared by Olson Mobeck Investment Advisors. He said the year to date return was 4.7% as of September 30, 2013.

Paul Sieloff said Gene Daponte, Olson Mobeck Investment Portfolio Manager for BHG spoke at the last meeting and said that he believes that stocks will yield much higher than bonds. Mr. Sieloff said that Mr. Daponte said he was going to speak to Jim Kelley about a recommendation to make another increase to the stock percentage of the portfolio. He asked Mr. Kelley if Mr. Daponte had spoken to him yet.

Mr. Kelley said that he had not spoken to Mr. Daponte. He said that he favors keeping the cash account available for now, however he said that he is not opposed to allocating more of the investments to equity accounts.

Melissa Falkowski and Steve Presnal joined the meeting.

Jim Kelley said that one option would be to sell some of the bonds and re-invest into the equity portion of the portfolio.

There was a discussion about how much of the investment portfolio should be in equities.

Paul Sieloff said that he would like to see the portfolio invested 40% into equity based on Mr. Daponte's comments at the last meeting. Mr. Sieloff asked if the Board could discuss this at the January meeting.

Mary Beverly said that the January meeting is scheduled primarily for the FY15 rate discussion and that the investment allocation discussion be added to the February meeting.

Approval of the November 2013 Warrant Summary and revised October 2013 warrant:

Ginger Hastings said that the LMR invoice was included in the October 2013 warrant packet, but wasn't reflected on the cover page when the Board approved it at the last meeting. She reviewed the November warrant.

Sharon Harrison made a motion to approve the revised October Warrant and the November Summaries as presented and asked that the word "Revised" be added to the warrant summary page.

Motion

Dave Hinkell seconded the motion.

Jim Kelley asked why there was a difference between the Abacus Group fees on the warrant and that of the report he received on Friday.

Ms. Hastings said that the warrant was put together prior to the report Mr. Kelley received on Friday and said that the new reports would be reflected on the next warrant.

A vote was taken and the motion passed by unanimous vote.

GBS Reports:

Funding Rate Analysis- Ginger Hastings reviewed the Funding Rate Analysis with data through September 2013 and said the expense-to-funding ratio for health plans was 102.4% and for dental was 88.7%. She said on a paid basis the expenses exceeded the health plan funding by \$211,708. Ms. Hastings said that the Network Blue Value Plus plan costs are running high at 110.0% of funding, but noted that the expenses have come down slightly since last month.

Ms. Hastings said that she revised the Retiree Drug Subsidy payment report as requested, to include the RDS Distribution(s) to the employers. She reviewed the report.

Jennifer Tabakin joined the meeting.

BCBS Level Monthly Deposit (LMD) - Ginger Hastings reviewed the LMD quarterly reconciliation and said that the deposits exceeded the expenses by \$356K for the month ending September 2013. Ms. Hastings said that she will look at the October report and ask BCBS for an adjustment if necessary. She noted that the LMD was adjusted in July due to expenses exceeding the funding.

Stop Loss Report - Karen Carpenter reviewed the FY13 stop loss excess report with data through September 2013 and said that there are eight members that had exceeded the policy deductible with total claims of \$2.03M. Ms. Carpenter said the \$100K Aggregating Specific Deductible has been satisfied and that there are reimbursements of \$14,588 due. She said that BHG has received claims reimbursements of \$322,811. She said there are 17 claimants on the report of 50% with a total of paid claims of \$2.1M. Ms. Carpenter said that there are 2 claimants on the FY14 50% report with a total of paid claims of \$352,792.

Wellness/Healthy Behaviors Update:

Maureen Daniels said that the flu clinics are winding down and said there are 5 flu clinics remaining to be held. Ms. Daniels said that the 6-week No Diet Diet challenge, an awareness program to be mindful about eating habits is going well. She said that the fitness classes have good attendance and she said she has received positive feedback from the participants.

Ms. Daniels said that the Wellness Consultant Contract has been amended with new dates and is ready for the Chair's signature.

Sharon Harrison asked Ms. Daniels about the new diabetes program and asked if most of those participating came from the Abacus program or if they were new enrollees.

Ms. Daniels said that most of the participants transferred from the Abacus program, but she said new enrollees are now contacting her.

PPO – payments to out-of-network, out-of-state providers:

Ms. Hastings said that she obtained a legal opinion from Attorney Paul Mulkern regarding changing senior plan designs and union requirements as requested by the Board. She said that it is his opinion that to change the way that BCBS currently pays providers would create a collective bargaining obligation. She said that the reason is that subscribers may end up paying additional charges that they would otherwise not be required to pay. Ms. Hastings said that she will send the written opinion to the Board when she receives it.

Health Care Reform Updates:

GBS Seminar – Ginger Hastings said that GBS ACA seminar at which Attorney Joseph Bartulis presented went very well and was well attended. She said that the presentation was emailed to the Board.

Sharon Harrison said that she has heard Attorney Joseph Bartulis speak and said he is a very good speaker.

Ms. Hastings said that the Mosaic Health Exchange is on hold per an email from the Dept. of Administration and Finance (ANF). She said everyone is waiting to hear the final decision regarding the Section 125 plan requirement for benefit ineligible employees.

In response to a question, Ginger Hastings said that the 60% minimum value standard states that the plans offered need to cover at least 60% of the total allowed costs of the health plan. She said entities do not have to contribute 60% to meet the minimum standard value. She said that all of the BHG health plans pass this requirement.

BCBS Report:

Suzanne Donahue said that BCBS is extending the Colonoscopy Incentive Program for another year and said that Maureen Daniels will work with BCBS to secure and distribute the incentive cards to the participants.

Ms. Donahue noted that the health plan renewal should be ready to send to GBS in December. Ms. Donahue said that the ACA requires removal of dollar limits on all services they deem to be essential health benefits. She said that maximum dollar limits will need to be removed from the following; Wigs, Durable Medical Equipment, Low Protein formulas, the out-of-pocket OOP maximum on the deductible plans for office visits, emergency visits and high tech radiology. She said the safe harbor will be absorbed. Ms. Donahue said that she will present examples at the December Board meeting.

Other Business:

Sharon Harrison asked the Board to consider setting up a google.docs account to upload the Board Meeting documents, such as minutes, audits, etc.

Ginger Hastings said that GBS has a website and said that the documents could be uploaded there for the Board to access. She said that another option may be to create a BHG Website. She said that some of GBS's clients have websites that can be accessed by the employees as well as the employers.

The Board favored looking into setting up a google.docs account.

Ginger Hastings said that she would look into what setting up and maintaining an account would include.

There was no other business.

Dave Hinkell moved to adjourn.

Motion

Mary Beverly adjourned the meeting at 10:20 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*