

Berkshire Health Group

Board Meeting #12-04

Lenox Town Hall
Lenox Massachusetts
Tuesday, November 22, 2011 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Greg Federspiel, Chair	Town of Lenox
Mary Beverly, Vice-Chair	Town of Adams
Jorja-Ann Marsden	Berkshire County Insurance Group
Geri Porter	Berkshire County Insurance Group
Kevin O'Donnell	Town of Great Barrington
Brenda Rondeau	Mt. Greylock RSD
Janet Saddler	Town of Williamstown
Stephen Presnal	Southwick Tolland RSD
Sharon Harrison	Berkshire Hills RSD
Marge Foster	Central Berkshire RSD
David Hinkell	Adams Cheshire RSD
Bruce Turner	Southern Berkshire TSD

Guests present:

James Kelley	Treasurer, Berkshire Health Group
Maureen Daniels	BHG Wellness Coordinator
William Cameron	Central Berkshire RSD
Brian Poopor	Central Berkshire RSD
Alex Lomaglio	MA Teachers Association (MTA)
Cindy Polinsky	MA Teachers Association (MTA)
Jay Johnson	Town of Williamstown
Tracey Ann Spencer	Williamstown Elementary School
Sheila Tatso	Berkshire County Insurance Group
Kenneth Morris Jr.	Berkshire County Insurance Group
Brad Furlon	Berkshire County Insurance Group
Martha Gurney	Town of Williamstown
Shelly Grogan	Central Berkshire RSD
Margaret Kelleher	Central Berkshire RSD
Peter Dillan	Berkshire Hills RSD
Rose Ellis	Town of Williamstown
Steve Estelle	Berkshire Hills RSD
Aaron Dean	MA Teachers Association (MTA)
Coralie M. Ingraham	Central Berkshire RSD
Mary Shipp	Central Berkshire RSD
Marilyn Gattuso	Central Berkshire RSD
Amy Gelinias	Central Berkshire RSD
Phil Tierney	Central Berkshire RSD
Kathy Martin	Town of Granville
A. Pagitaruci	Retiree Representative
Holland Gage	Northern Berkshire RSD

Karen O'Brien	Central Berkshire RSD
Todd Clark	Central Berkshire RSD
T.J. Webb	Central Berkshire RSD
Daniel Wilk	Berkshire County Insurance Group
Mike Singleton	Southern Berkshire RSD
Steve Corbin	Blue Cross Blue Shield (BCBS)
Patricia Kaplan	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Greg Federspiel opened the meeting at 9:40 a.m. Mr. Federspiel welcomed everyone to the meeting and said that he would like to change the order of the agenda to move up the municipal health reform legislation discussion and Wellness items.

Approval of the Minutes of the meeting of October 25, 2011 (Meeting #12-03):

Karen Carpenter said that on page three, the first paragraph, second to last sentence should read "She said that the wellness nurse, Lisa Laramy, RN conducted screenings at one unit in November".

Brenda Rondeau made a motion to approve the minutes of the October 25, 2011 meeting as amended.

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

Motion

Wellness/Health Behaviors Update:

Maureen Daniels reviewed the future ideas for wellness programs and said that she would like to increase participation by gaining management and supervisor support. She said that the current colonoscopy incentive program with the \$50 gift card incentive is going well. Ms. Daniels said the first step in programming is creating awareness and the next step is giving the employees skills.

Ms. Daniels distributed the costs spreadsheets and reviewed current expenditures and proposed budget items.

Greg Federspiel asked how the Group could reach those who are at high risk.

Maureen Daniels said that the approach is screenings followed by one-on-one coaching.

There was a discussion about coaching in the diabetes program administered by Abacus Group.

Carol Cormier said that Abacus has recently hired an RN coach for the program for telephonic coaching.

Marge Foster said she'd like more data on the program participants.

Ms. Daniels said she would send employer-specific information.

Plan Design Changes:

Greg Federspiel reviewed the background on this topic. He said that currently the Group offers two menus of health plans: Legacy plans and Value Plus plans that have higher co-pays, more co-pays, and lower monthly rates than Legacy plans. He said that previous discussions revealed interest in replacing the current two plan types with plans that have features similar to those of the GIC plans. He said at the last meeting there was interest expressed in continuing the Value Plus plans and changing the features of the Legacy plans to be similar to those of the GIC benchmark plan. He said that today the Board will vote on its FY13 health plan offerings.

Brenda Rondeau moved to table the discussion.

Motion to table

James Brosnan seconded the motion.

Greg Federspiel said that a motion to table is not debatable and called for a vote on the motion.

The motion failed.

Jim Brosnan said he'd like to look at more options within the plans.

Carol Cormier said that there are limits if the employers in the group want to use Ch.32B, S.21 to bring about the plan design changes. She said that employers may not use S.21 to go beyond the GIC benchmark plan features and that some of the proposed changes have low actuarial impact. Carol Cormier said that the biggest impact in costs is achieved through the plan year deductible and that the impact of the co-pays is small compared to the deductible's impact. Ms. Cormier said the features BHG has been looking at are not as severe as those of the GIC benchmark plan, such as the decision not to do network tiering because of BHG's geographic isolation and addition of out-of-pocket maximums. She said that BHG's risk pool is not all that large and having multiple plan offerings fractures the group into smaller risk pools. She said this can create challenges in setting rates.

Steve Corbin said that small groups cannot be rated actuarially.

Jim Brosnan said he would like to ease in the deductible more gradually.

Carol Cormier said that the change from Legacy to Value Plus is a gradual change.

Greg Federspiel said the Group could use the Fund Balance in lowering the rates to make the shift more palatable. He said one idea would be to fully reimburse the deductible in the first year, for example and then reimburse a part in the second year, etc.

Janet Saddler said that this would not be fair to the units that already offer Value Plus plans. She said the Fund Balance belongs to all.

Dave Hinkell talked about the district's financial situation and said that the Legacy plans are great, but they are not sustainable because of the costs. He said health benefits makes up 18% of his school district's entire budget. He said he favors having the group maintain the Value Plus plans and adding the GIC-like plans. Mr. Hinkell said he'd like to have some mitigation from the BHG's fund balance for the first three years. He mentioned that schools have some low-paid employees who are doing the jobs solely to get health insurance. He said he favors promoting the wellness programs and thinks BHG is doing all that it can for wellness but that he's disappointed with the level of participation in the programs.

Steve Presnal asked how predictable the estimated savings were.

Carol Cormier said the estimates are actuarially based and developed on very large populations. She said that they may or may not apply to BHG. She said the estimates were based on all employers in the group moving to the new GIC-like plans. She said if that's not the case, it will be difficult to predict migration to plans. She said the cleanest approach is to move to one type of plan design and deal with the impact through mitigation and help from the Fund Balance.

Kevin O'Donnell said in any case the Legacy plan designs need to be taken off the table. He said he favors offering only the GIC-like plans and offering good mitigation proposals.

Mary Beverly moved to change the Legacy plan design features to the proposed features that are similar to those of the GIC benchmark plan and to maintain the current Value Plus plans.

Motion

Marge Foster seconded the motion.

Kevin O'Donnell said that the Board members are all employees and insurance is funded through tax dollars. He urged using the Fund Balance to mitigate GIC-like changes.

Greg Federspiel said that if both plans are offered, each employer should have the option of offering both menus or just one menu of plans.

Alex Lomaglio urged that early retirees be allowed to stay on the Legacy plans until they move to Medicare.

Aaron Dean asked if the deductible could be lowered.

Steve Corbin said to do so lessens the impact, so savings would be less. He said all preventive care has zero co-pay.

Carol Cormier said that the GIC benchmark plan deductibles are very low compared to typical plans in the private sector.

Cindy Polinsky thanked the Board for the work they did on this issue.

Tony Pagliarulo, Central Berkshire RSD, asked how the changes would affect Medex members.

Carol Cormier said that there would be no impact on Medex.

Greg Federspiel called for a vote on the motion.

The motion passed by majority vote with Kevin O'Donnell voting "no".

Greg Federspiel called for a 10 minute break.

Marge Foster asked for definitions of EPOs versus HMOs.

Steve Corbin responded that EPOs have smaller networks than HMOs, although, he said that is not the case with the BHG's plans. Steve Corbin said that BCBS considers the BHG plans to be HMOs.

Carol Cormier said that GBS was informed by counsel that in Mass. self-funded "HMOs" are not permitted to be called HMOs.

Treasurer's Report:

Treasurer Jim Kelley said that claims have been running exceptionally low. He said the BHG's year-to-date "profit" was \$1.17 million. He said the Fund Balance on October 31, 2011 was \$13.22 million (unaudited figures).

Approval of November 2011 Warrant Summary:

Kevin O'Donnell moved to approve the November Warrant Summary.

Motion

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

GBS Reports:

Carol Cormier reviewed the Funding Rate Analysis with data through October and said the expense-to-funding ratio for health plans was 90.8% and for dental was 81.9%.

Karen Carpenter reviewed the stop loss reports with data through September 2011. She said that close to \$78K was owed to the BHG on the FY11 policy. She said that no members had exceeded the policy deductible for FY12.

BCBS Report:

Steve Corbin explained how BCBS has been paying non-participating providers for the PPO and how it plans to pay these providers going forward. He explained that there could be balance billing to members but that the out-of-network utilization is extremely low, and he referred to a report on this matter.

Mr. Corbin explained that the Durable Medical Equipment (DME) benefit will change to 20% with no maximum; whereas, currently it is 100% coverage to an annual maximum of \$1,500. He said actuarially there is no difference in value between these two plan designs.

Carol Cormier said that the GIC benchmark plan has the 20% DME coinsurance with no maximum.

Other Business:

Greg Federspiel asked that the subcommittee on strategic uses of the fund balance report at the next Board meeting, distributing recommendations prior to the meeting.

Greg Federspiel set the next meeting date for Dec. 20, 2011 at 9:30 AM at Lenox Town Hall.

There was no other business.

Motion

Sharon Harrison moved to adjourn.

Jorja- Ann Marsden seconded the motion. The motion passed by unanimous vote.

Greg Federspiel adjourned the meeting at 11:20 AM

*Prepared by Carol Cormier
Group Benefits Strategies*