

Berkshire Health Group

Board Meeting #06-04

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

Meeting Minutes

Board and Alternates Present:

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| 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 |
| Geri Porter | Berkshire County Insurance Group |
| Janet Saddler | Town of Williamstown |
| Brenda Rondeau | Mount Greylock RSD |
| Jim Brosnan | Northern Berkshire Vocational RSD |
| Bruce Turner | Southern Berkshire RSD |
| Steve Presnal | Southwick Tolland Granville RSD |
| Paul Sieloff | Town of Lanesborough |

Guests present:

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| James Kelley | BHG Treasurer |
| Shannon Ashcroft | BHG Wellness Coordinator |
| Rebecca Herzog | Berkshire County Insurance Group |
| Alex Lomaglio | MA Teachers Association |
| Sandra Stankiewicz | Blue Cross Blue Shield (BCBS) |
| Maura McNamara | Blue Cross Blue Shield (BCBS) |
| Carol Cormier | Group Benefits Strategies (GBS) |
| Karen Carpenter | Group Benefits Strategies (GBS) |

Chair, Mary Beverly called the meeting to order at 9:35 a.m.

Approval of the Minutes of the meeting of October 26, 2015, (Meeting #16-03):

Brenda Rondeau moved to approve the minutes of October 26, 2015.

Motion

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

Treasurer's Report:

Treasurer, Jim Kelley, reviewed the financial reports for October 2015 (unaudited figures). He said the cash position increased by \$173K during October mainly due to advanced collections of member assessments. He said there was a one month profit of \$106K. He said that claims were 90% of member assessments. Mr. Kelley said that as of 10/31/15 the Group's total equity was \$6,754,724 with uncommitted surplus reserves of \$1,649,324. Mr. Kelley said there was a year-to-date investment loss of \$8K.

Steve Presnal joined the meeting.

Mr. Kelley said the auditor should be ready to present a draft copy 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.

December 2015 Warrant Summary:

Carol Cormier reviewed the Warrant Summary with invoices totalling \$3.73 million.

Janet Saddler moved to accept the December 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 the 2014/2015 *Colonoscopy Incentive* deadline for participants to request their gift cards has been extended through December 31, 2015. She said letters went out to all of the members who submitted their information but didn't receive their gift cards.

Ms. Ashcroft said a total of 206 participants signed up for the *Maintain Don't Gain Holiday Challenge* and said the count per unit is listed on the Wellness exhibit. Ms. Ashcroft said over 30 members attended the *Healthy Holidays luncheon* in the Town of Great Barrington. Ms. Ashcroft reviewed the upcoming programs including the *Online Health Risk Assessment (HRA)*, *Take Flight Climbing Challenge* and Winter fitness classes.

Ms. Ashcroft said letters were sent to local gyms to participate in an "Open House Week" during the third week of January when BHG members can try their facilities for free. She said she will be contacting local gyms in December about possible 2016 corporate membership discounts for BHG.

Mary Beverly asked Ms. Ashcroft to begin including participation and progress information about the *Diabetes Program* in her wellness report going forward.

Ms. Ashcroft said that she would and said she promotes the *Diabetes Program* at all location events.

Ms. Cormier said she would send Ms. Ashcroft the BHG enrollment counts to include the senior plan members.

GBS Reports:

Carol Cormier reviewed the *FY16 Funding Rate Analysis* report with data through October 2015. She said the expense-to-funding ratio for health plans was 96.1% and that there was a funding surplus of \$529K. Ms. Cormier said that the expense-to-funding ratio for the dental plans was 91.9% with a funding surplus of about \$40K.

Carol Cormier said that according to BCBS, the transition of transferring from the medical ICD9 codes to ICD10 codes does not seem to be slowing down the payment of claims.

Ms. Cormier said that she spoke to the Board a while back about GBS looking into the re-opening and auditing of the Retiree Drug Subsidy applications. She said that RDS auditors work on a contingency basis if it is found that additional payments are due. Ms. Cormier spoke about the results of the City of Boston's RDS audit.

In response to a question, Ms. Cormier described the RDS filing process to the Board.

Mary Beverly asked to add this item to the next meeting agenda.

Ms. Cormier said that for the FY16 the *Level Monthly Deposit* payments to BCBS have resulted in a \$18K credit to BHG through October.

Karen Carpenter reviewed the *FY15 reinsurance report* with eight claimants exceeding the \$200K specific deductible. She said total claims for the eight members was \$2.15 million, and the Excess Claims totaled \$566K. 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 \$470,285. She said there is an overpayment of reimbursements to BHG of \$3,553.

Ms. Carpenter reviewed the FY16 report of claims between 50% and 100% of the deductible. She said there were total claims of \$268,301. She said one member has exceeded the \$200K specific deductible with excess claims of \$59,192.46. Ms. Carpenter said that the \$100K aggregating specific deductible has not been met.

Vote on BCBS member month report for CY15 for ACA reporting – Carol Cormier said that GBS received notification from BCBS that it can provide employers with member reporting back to January to assist with the ACA employer reporting. Ms. Cormier said BCBS will charge \$5,000 for the report for a single employer or \$5,000 total for a Joint Purchase Group like BHG. She said all the employer data would be in one file for BHG. Ms. Cormier said BCBS sent GBS a mock data/text file, and GBS's IT consultant asked for a small sample account-specific file for one of our JPG clients to make sure that he could separate and sort by group number. She said BCBS would not provide that file, so she said GBS cannot guarantee that it will be able to produce employer-specific reports from the BCBS file although, she said she expects GBS will be able to do it.

There was a discussion about the report and the date it would become available to the employers.

Sandra Stankiewicz said that the report will be sent in a text file and when asked if the report could be run at the end of November, Ms. Stankiewicz said she did not think so. She sent an email to someone at BCBS to find out.

Update on prescription drug (Rx) claims analysis by The Abacus Group – Carol Cormier said that the results of the analysis should be ready in January.

Vote on plan design and other changes for FY17:

Mary Beverly said that the Board has been discussing possible plan design changes and discussing re-naming the Benchmark plans for months.

Carol Cormier noted that if the Benchmark plans were the only plans offered that they would not need to be named Benchmark, that they could simply be named Network Blue HMO, for example.

Mary Beverly said that moving the Value Plus plans to the Benchmark plans' plan design would result in a rate savings of approximately 5.5% for FY17. She asked each member of the Board to state where his or her entity stood on making this move.

The members of the Board that were not in favor of the move stated that there did not seem to be enough of a savings to offset the bargaining process and were in favor of looking at incentivizing members to move to the Benchmark plans.

Those in favor stated that there were significant savings and said that each year that the Board puts off making changes will impact the future of the group.

Carol Cormier said that when the Board began to look at making changes, she suggested making changes to the plans up to the GIC Benchmark plan. She said the estimated savings was 7% to make that move but the Board favored making a more modest change. She noted that the private sector plans have considerably higher deductibles than that of the GIC. Ms. Cormier said health care costs and prescription costs are escalating. She said she recommends a rebalancing of the plan designs every few years to keep up with the rising costs of health care. Ms. Cormier said she is also concerned about the Cadillac Tax impact on the employers. Additionally, Ms. Cormier recommended that the employers look at their contribution rates. She said employers can do that individually.

Lauren Sartori-Hobgood made a motion to move the plan designs to that of the Benchmark plans for FY17.

Sharon Harrison seconded the motion. Mary Beverly asked for a roll call vote.

Motion

Those who voted in favor were Lauren Sartori-Hobgood, Sharon Harrison, Bruce Turner and Mary Beverly. Those who voted against were Janet Saddler, Brenda Rondeau, Melissa Falkowski, Christopher Ketchen, Dave Hinkell, Steve Presnal, Geri Porter, and James Brosnan.

The motion failed by a 8 to 4 vote against the motion.

BCBS ACA Employer Reporting vote:

Bruce Turner made a motion to approve paying BCBS a fee of \$5,000 to provide BHG with the report of subscribers and dependents by month as discussed earlier in the meeting.

Motion

James Brosnan seconded the motion. The motion passed by a unanimous vote.

Medex plan – consideration of a fitness benefit:

Mary Beverly said that it was brought to the Board's attention that a vote had not been taken following the discussion of adding a fitness benefit to the Medex plan several months ago.

Janet Saddler made a motion to add a \$300 fitness benefit to the Medex plan effective January 1, 2016.

Sharon Harrison seconded the motion.

Motion

Sandra Stankiewicz said the addition of the benefit may add 1% to the rate but noted that the benefit is an underutilized benefit on the active plans. She said she will send the employers new materials for the members.

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

Lauren Sartori-Hobgood suggested looking at the EGWP plan option again in January.

Blue Cross Blue Shield Report:

Sandra Stankiewicz said effective January 1, 2016 BCBS is changing the way that it pays claims for its PPO plan providers. She said they will now be paying fees based on quality measures rather than fee for service.

She said BCBS is already paying its HMO providers in this manner. She said this will help to lower costs and members will receive more appropriate care at the proper locations.

Ms. Stankiewicz said BCBS is adding a Telehealth benefit as an option to consider. She said no action is necessary today but wanted to let BHG know about the benefit. She said the vendor is *American Well*, and she said most folks would utilize the services through the *American Well* portal to have a telehealth visit. Ms. Stankiewicz said this benefit is another way to discourage unnecessary ER use and said the charge would be \$0.50 per subscriber per month.

In response to a question, Ms. Stankiewicz said that the visit would be similar to how the medi-clinics work. She said she believed that the visit would be billed at a rate of \$40 to \$60. She said she would check on the exact amount that would be billed and what the normal bill for an office visit generally is. Ms. Stankiewicz noted that the average cost of this type of service if contacting the vendor individually would be much higher at \$1 to \$1.50 per subscriber.

Other Business:

The next meetings were previously scheduled for January 11, 2016 and January 25, 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.

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

Mary Beverly ajourned the meeting at 11:17 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*