

Berkshire Health Group

Board Meeting #13-05

Lenox Town Hall
Lenox Massachusetts
Monday, December 3, 2012 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Greg Federspiel, Chair	Town of Lenox
Mary Beverly, Vice-Chair	Town of Adams
Stephen Presnal	Southwick-Tolland-Granville RSD
Kevin O'Donnell	Town of Great Barrington
Bruce Turner	Southern Berkshire RSD
Brenda Rondeau	Mount Greylock RSD
Sharon Harrison	Berkshire Hills RSD
Maureen Senecal	Northern Berkshire Voc.-Tech School
Jorja-Ann Marsden	Berkshire County Insurance Group
Janet Saddler	Town of Williamstown
Dave Hinkell	Adams Cheshire RSD

Guests present:

James Kelley	Treasurer, Berkshire Health Group
Maureen Daniels	BHG Wellness Coordinator
Paul Sieloff	Town of Lanesborough
Pamela Walsh	Central Berkshire RSD
Linda Loiselle	The Abacus Group
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Greg Federspiel opened the meeting at 9:30 a.m.

Approval of the Minutes of the meeting of October 22, 2012 (Meeting #13-04):

Brenda Rondeau made a motion to approve the minutes of the October 22, 2012 meeting.

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

Motion

Treasurers Report -

Treasurer Jim Kelley reviewed the financial statements of October 30, 2012 (unaudited figures). Mr. Kelley said that the overall cash position decreased by a net of \$380K at the end of October, mainly due to decreased advance member assessment revenue. He said the Cash-Schwab portfolio increased by \$103K and said there was an unrealized loss of approximately \$887K for the month ended October 31, 2012.

Jim Kelley said that the health claims are running at 91% of member assessment revenue, and the dental claims are running at 92% of member assessment revenue.

Mr. Kelley said that there is a year-to-date profit of \$273K and total equity (fund balance) was \$11,124,079.

Mr. Kelley said that he is expecting to receive the draft FY12 Financial Audit from the auditor next week and said that the auditor made a credit adjustment of approximately \$700K to the IBNR. He said that he noted this on the balance sheet. Mr. Kelley said that the audit is reflecting a \$1.9M loss, but said that is due to the FY12 premium holiday. He said that BHG is close to breaking even for the year.

Approval of November and December 2012 Warrant Summaries:

Carol Cormier reviewed the November and December 2012 Warrant Summaries and said that November was a BCBS settle-up month. She said that there are no unusual expenses on the December warrant.

Kevin O'Donnell made a motion to approve the November and December 2012 warrants as presented.

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

Motion

GBS Reports:

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through October 2012 and said the expense-to-funding ratio for health plans was 100.6% and for dental was 107.5%. She said the dental plans were underfunded by \$20,544.

BCBS Level Monthly Deposit (LMD)- Carol Cormier reviewed the LMD reconciliation and said that the claims expenses were lower than the deposits by \$19.3K through October, first month of the second quarter.

Stop Loss Report - Karen Carpenter reviewed the FY12 stop loss reports with data through October 2012. She said that four members had exceeded the policy deductible with total claims of \$986,545. Ms. Carpenter said that the \$100K Aggregating Specific Deductible has been satisfied and that BHG has received claims reimbursements of \$35,317. She said that there are outstanding reimbursements of \$51,228 due.

GBS Reinsurance Workshop – December 5, 2012 - Carol Cormier said that GBS sent invitations to the Joint Purchase Group's (JPG) Steering Committee members. She said that due to a decline in the number of reinsurance quotes received over the last couple of years, GBS has been working on possible solutions to assure clients protection for high cost claims risk. She said that GBS is working with Gallagher Benefit Services, a nationwide brokerage firm. She said that the meeting will include a suggestion to create a reinsurance pooling arrangement across joint purchase groups. She said that the arrangement is complex and would require fund management. She urged attendance at the meeting.

Diabetes Rewards Program – Linda Loiselle – The Abacus Group:

Linda Loiselle distributed and reviewed the Diabetes Program report for September 1, 2012 through November 30, 2012 and said that there are a total of 383 BHG members eligible to utilize the program. She said that 129 are currently participating, which is 34% of those eligible. She said the target for participation is 50%. Ms. Cormier said that 40% of those participating are meeting all of the requirements and are obtaining free medications and supplies.

Ms. Loiselle said that she received information from Carol Cormier that there were some concerns about members having difficulty complying with the program. She reviewed the form that the physician is required to fill out. She said that physicians usually require quarterly HbA1c lab tests, while the rewards program only requires it to be done bi-annually. She said that the record keeping may be the issue or the member is forgetting to bring the form to the appointment.

Maureen Daniels said that she received additional feedback and said that the eye exam requirement may be the issue.

Ms. Loiselle reviewed the various program communications that The Abacus Group sends to members and said that members who authorize Abacus to send reminders can receive them by text messages on their cell phones. She said that they are working on a "Tips to Help You Succeed" flyer that will help members to keep in compliance. Ms. Loiselle said that if the physician requests payment for filling out the form, the Abacus Group would reimburse the member.

Carol Cormier asked Suzanne Donahue if she would run a report of the average out-of-pocket costs of the BHG diabetic population.

Suzanne Donahue said that she can run the report but it would not include the prescription and supplies costs that are supplied through the diabetes program. She said that BCBS reaches out to members with diabetes if the member's records do not show that they are taking medication. She said that some of those members may be on the diabetes program and receiving their supplies through that program.

Linda Loiselle said that she can run a quarterly report on the types of medications that the BHG diabetic members are utilizing. She said that The Abacus Group can send BCBS medication data on the members enrolled in the program.

Ms. Loiselle said that The Abacus Group could hold on-line support group sessions too.

Sharon Harrison said that people with diabetes are really taking advantage of social networking right now.

Maureen Daniels said she has a concern about the cost of the program and wants to be sure that the program is worth the cost. She said that \$22K was paid in the month of December alone.

Ms. Loiselle said that the \$22K is the pharmacy cost, which would still be a cost to the Group through the health plans. She said that the Group saved \$50K last year and that was net the cost of the plan. Ms. Loiselle said that she will run a report to show the average spend for supplies and medications prior to the diabetes program.

The Board thanked Ms. Loiselle and she left the meeting.

Wellness/Healthy Behaviors Update:

Maureen Daniels said a total of 526 flu vaccines were given out at the free flu clinics held at the various BHG locations. She said that 106 members participated in the colonoscopy incentive program and said a total of \$5,300 in gift cards was awarded. She said that 109 vaccines were given at the Berkshire Hills RSD. Ms. Daniels distributed the schedule of free fitness classes and the typical number of participants at each class.

Sharon Harrison suggested sending communications to let employees know that they can attend the fitness classes at any of the locations, not just their own.

Ms. Daniels said that she is promoting the yearly \$300 fitness reimbursement benefit available through BCBS.

Suzanne Donahue said that the turnaround to receive the reimbursement is generally two weeks. She said that members can see the progress of the reimbursement on the BCBS Member Central website. She asked Ms. Daniels if she would add the information about the website on her promotional materials.

Medicare Supplement Plans: RDS vs. EGWP for Rx cost reduction:

Carol Cormier said that the Board discussed Employer Group Waiver Plans (EGWP) at the last meeting. She said that the Board requested a quote from BCBS for a Medex plan with self-funded medical services (Medex 2) and a fully insured Part D prescription drug plan.

Suzanne Donahue explained that EGWP plans build Medicare Part D into the health plan product, and said savings are obtained through lower premiums as opposed to receiving Retiree Drug Subsidy (RDS) monies. Ms. Donahue said that the BHG recently added a 3-tiered prescription structure to the current Medex plan with a closed formulary, so the member's transition to the EGWP product would be easier than if these changes had not already been made. Ms. Donahue said that BCBS's pharmacy vendor for this product is CVS Caremark, not Express Scripts. Ms. Donahue said that the mail order is double Rx co-pay for a 90-day supply and said that members currently utilizing mail order will need information on making the switch to CVS Caremark. Ms. Donahue said that members on EGWP plans receive one ID card for medical services and one for prescriptions.

Ms. Donahue said that the current BHG Medex rate is \$390 and said that only \$155.25 of that cost is for medical coverage. She said that the Medex 2 EGWP product cost for FY12 would be \$300.03 of which \$155.52 would be for medical coverage. Ms. Donahue said that some members with low income may receive subsidized rates.

Carol Cormier said that she would ask Ruth Lynch, GBS Manager of Enrollment and Billing, how the employers would be billed for subsidized members.

Ms. Donahue said that the CMS formulary differs slightly from the BCBS formulary. She said that the CMS PDP formulary is called Blue Medicare Rx and the BCBS vendor is CVS Caremark. She said there may be some members who are disrupted due to the change and said BCBS would work with those members through the transition. Ms. Donahue said that CMS requires that the EGWP plans renew on January 1 and have strict regulations regarding member communications.

Sharon Harrison asked Ms. Donahue if she would run a report comparing the Medex plan formulary with the Medex 2 formulary to see what drugs would not be covered should the Board decide to make the change.

Carol Cormier said that moving to a January renewal for the senior plans would allow the employers to give special attention to the retirees. She said that other groups that have done it are happy with the decision.

Ms. Cormier reviewed a comparison chart that showed the average savings of the Retiree Drug Subsidy (RDS) vs. the estimated savings from switching to Medex with a PDP. She said savings were better with EGWP. She said that EGWP plans help to lower the OPEB liability.

Greg Federspiel asked to add this item to the next agenda for further discussion.

Brenda Rondeau asked Suzanne Donahue about members that received lab services from a lab that was not affiliated with BCBS. She said that some of her employees have received checks from BCBS.

Ms. Donahue said that BCBS participating providers receive payment of their services in full. She said that the labs that are not affiliated with BCBS are paid by sending a check to the member and the member is responsible to pay the lab, but said that an explanation of benefits (EOB) should have also been received. She recommended that the employer refer those members to the BCBS member services department. Ms. Donahue said that she will check on the timing of the EOB mailings to the member.

BCBS Report:

Susanne Donahue said that BCBS is making changes to improve their Blue Care Connection disease management (DM) program. She said that their DM services will now be provided in-house at BCBS rather

than through Healthways. Ms. Donahue said that the enhanced program will offer more personalized services that will help as members recover or manage an ongoing medical condition. She said that the 113 BHG members who are receiving services will receive the letter that she distributed to the Board and may be contacted by a BCBS nurse or case manager.

Ms. Donahue said that BCBS had an opportunity to submit a bid to the Group Insurance Commission (GIC), but declined. She said that there was too much risk, would require systems changes and there were network tiering methodology differences.

There was a discussion about the differences between the dental plans of the units and the possibility of consolidating the plans.

Other Business:

OPEB- Steve Presnal asked if there was any interest by BHG employers to hire someone to complete an actuarial analysis for OPEB.

Greg Federspiel said that he would touch base with Group Purchasing and report back at the next meeting.

Shingles Vaccine for Medex – continued discussion:

Carol Cormier said that the Medex plan does not currently cover the shingles vaccine but said that Suzanne Donahue received approval to add a rider to cover it.

Suzanne Donahue said that the rider will cover the cost of the vaccine at no cost to the member. Ms. Donahue said that physicians do not prescribe this vaccine for all of their patients, and BCBS will cover the vaccine only if it is administered in a doctor's office. She noted that the vaccine is covered on all of the active employee plans. She said that the Board can decide if it would like to add the policy rider.

Maureen Senecal questioned the added cost.

Brenda Rondeau made a motion to approve adding the shingles vaccine rider to the Medex plan effective January 1, 2013.

Motion

Sharon Harrison seconded the motion.

There was a discussion.

The motion passed by a majority vote. Maureen Senecal was opposed.

The next BHG Board meeting was scheduled for January 28, 2012 at 9:30 a.m. to be held at the Lenox Town Hall, Lenox, MA. The main agenda item will be review of rate projections for FY14.

There was no other business.

Motion

Bruce Turner moved to adjourn.

Sharon Harrison seconded the motion.

Greg Federspiel adjourned the meeting at 11:15 AM