

**Berkshire Health Group**

**Board Meeting #14-04**

Lenox Town Hall  
Lenox Massachusetts  
Monday, December 16, 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
Bruce Turner	Southern Berkshire RSD
Paul Sieloff	Town of Lanesborough
Geri Porter	Berkshire County Insurance Group
Dave Hinkell	Adams Cheshire RSD
Melissa Falkowski	Central Berkshire RSD
Stephen Presnal	Southwick-Tolland-Granville RSD

**Guests present:**

James Kelley	BHG Treasurer
Maureen Daniels	BHG Wellness Coordinator
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Amy Higgins	Blue Cross Blue Shield (BCBS)
Ginger Hastings	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Chair Mary Beverly opened the meeting at 9:30 a.m.

**Approval of the Minutes of the meeting of October 28, 2013 (Meeting #14-03):**

Paul Sieloff said that the “k” after the funding total at the bottom of page 2 needs to be removed.

Sharon Harrison made a motion to approve the minutes of the October 28, 2013 meeting as amended.

Steve Presnal seconded the motion. Geri Porter and Bruce Turner abstained.  
The motion passed by a majority vote.

Motion

**Treasurers Report -**

Treasurer Jim Kelley reviewed the financial statements of October and November 2013 (unaudited figures). Mr. Kelley said that the overall cash position decreased by a net of \$254K at the end of October. Mr. Kelley said there was a one-month profit of approximately \$362K for the month ended October 30, 2013. He said that the year-to-date profit was \$145K. Mr. Kelley said the trust fund surplus was \$10.35M at the end of October.

Mr. Kelley said that the overall cash position decreased by a net of \$690K at the end of November, mainly due to increased cash at Schwab for reinvestment and use of the BCBS settle-up credit. Mr. Kelley said there

was a one-month loss of approximately \$483K for the month ended November 30, 2013. He said that the year-to-date loss was \$337K through November. Mr. Kelley said the trust fund surplus was \$9.86M at the end of November.

Jim Kelley said that the health claims are running at 98% of member assessment revenue and the dental claims are running at 79% of member assessment revenue.

Mr. Kelley said there was an unrealized gain of \$44K on the Schwab investment account for month ending November 30, 2013.

Mr. Kelley said that it is very important that the member units pay their invoices on time and as billed. He said that the BCBS invoice needs to be paid by the 5<sup>th</sup> of each month to avoid a penalty. Mr. Kelley said that some of the members are frequently late in remitting their payments. Mr. Kelley suggested that the Board may want to amend the Joint Purchase Agreement (JPG) payment policy to include a minimum interest amount.

There was a discussion about adding a minimum interest penalty to the JPG.

Sharon Harrison made a motion to amend the JPG payment penalty policy to include a minimum penalty of \$25 or the existing rate; whichever is greater for payments made later than the 21<sup>st</sup> of the month.

Bruce Turner seconded the motion. The motion passed by a unanimous vote.

Motion

Ginger Hastings said that GBS will draft a payment policy notice to include with the member invoices.

**Approval of the December 2013 warrant:**

Ginger Hastings said that the warrant includes the \$2,200 invoice from GBS for the second payment of the Retiree Drug Subsidy administration. She said that the invoice for \$875 for the legal opinion from Paul Mulkern regarding changing the out-of-state, out-of-network provider payments was included.

Sharon Harrison made a motion to approve the December Warrant as presented.

Motion

Bruce Turner seconded the motion.

**GBS Reports:**

Funding Rate Analysis- Ginger Hastings reviewed the Funding Rate Analysis with data through October 2013 and said the expense-to-funding ratio for health plans was 102.0% and for dental was 89.1%. She said on a paid basis the expenses exceeded the health plan funding by \$226,549. Ms. Hastings said that the Network Blue Value Plus plan costs are running high at 109.0% of funding, but noted that the expenses have come down slightly since last month.

Ms. Hastings said that there have not been any changes made to the Retiree Drug Subsidy payment report since the last meeting.

BCBS Level Monthly Deposit (LMD) - Ginger Hastings reviewed the LMD quarterly reconciliation and said that the deposits exceeded the expenses by \$255K for the month ending November 2013.

Stop Loss Report - Karen Carpenter reviewed the FY13 stop loss excess report with data through October 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 no reimbursements due. She said that BHG has received claims reimbursements of \$337,768. She said there are 17 claimants on the report of 50% with a total of paid claims of \$2.17M. Ms. Carpenter said that

there are 2 claimants on the FY14 that had exceeded the policy deductible with total claims of \$410K. She said that the \$100K Aggregating Specific Deductible has not been satisfied. She said that there are no claimants on the report of 50% through November.

Fund Balance History Update - Ginger Hastings reviewed the fund balance history report and said that she will update the report with the FY13 data from the treasurer. Ms. Hastings noted the fluctuation of the stop loss reimbursements from FY06 through FY12.

Jim Kelley said that the auditor will have the FY13 fund surplus number at the next Board meeting. Mr. Kelley suggested adding a column named "Fund Balance Utilized" and take out the "Expected use of fund balance" out. He said that the medical and dental claims columns could be hidden.

The Board members agreed with Mr. Kelley.

Sharon Harrison suggested giving Ms. Hastings some direction regarding the Medex rate for FY15.

Ginger Hastings said that she would recommend holding the Medex rate for FY15.

Mary Beverly said that the Medex rate is high and is in effect subsidizing the other plan rates.

The Board discussed rating the HMO plans based on their own claims experience, but to keep the current rate spread between the HMO and PPO plans. The Board also discussed whether or not to risk applying some of the fund balance surplus to the rates.

Mary Beverly asked Ms. Hastings to prepare rating scenarios utilizing both \$1.5M and \$1M of the fund balance surplus for the Board to consider.

Sharon Harrison said that the Board may want to consider a distribution of the Retiree Drug Subsidy (RDS). She said that she is not supporting the distribution at this time due to the decrease in the fund balance, she said that the topic was brought up at a prior meeting and tabled until the rate setting meeting.

Mary Beverly said that if the Board decides to risk the fund balance surplus to lower the rates, she said she didn't feel it would be fiscally responsible to do both.

Jim Kelley suggested that the maximum risk be no more than \$1.2M.

Suzanne Donahue cautioned the Board about subsidizing the rates to a point of being unrealistic.

Jim Kelley said that that it may be more favorable to distribute the RDS.

Ginger Hastings asked the Board to contact her if they have further suggestions about the rate projections.

**Wellness/Healthy Behaviors Update:**

Maureen Daniels said that approximately 300 flu shots were given at the flu clinics held across the various sites. Ms. Daniels said that the 10 on-site fitness classes went very well and had good attendance. She said that there are 35 participants in the Diabetes Care Program and said that the program is averaging one new participant each week. Ms. Daniels said that the gift cards were sent out to the participants and they have begun to meet with the nurse. Ms. Daniels said that the nurse has provided 10 participants a free blood pressure cuff and will be monitoring their progress. Ms. Daniels said that the Colonoscopy Incentive gift cards were sent out by BCBS and noted that some members received cards that shouldn't have. She said that BCBS is looking into the issue. Ms. Daniels said that communications about the BCBS fitness reimbursement were distributed.

Ms. Daniels said that Amy Higgins, BCBS Wellness Coordinator is here today and will be presenting the BCBS Ahealthyme interactive on-line wellness program. She said that Berkshire Health Systems uses the program and said that it is a great website that will work well with the BHG wellness programs. She said that there is an App available for smart phones too.

**Googledocs update:**

Ginger Hastings said that GBS is not familiar with working with Googledocs.com and would like the Board to consider the possibility of hiring a contractor to create a website for BHG. She said if this is something they are interested in that she could send examples of some of the other JPG's websites to review. Ms. Hastings said another option available would be to utilize the GBS website for accessing documents in a secure setting.

Steve Presnal said that he would favor a BHG website that would contain information for the employers and the employees to utilize.

Suzanne Donahue offered to pull up the CCMHG website following the Ahealthyme presentation for the Board to review.

**BCBS Report – “Ahealthyme” website presentation – Amy Higgins:**

Amy Higgins said that the “Ahealthyme” wellness website will replace the “My Blue Health” website effective January 1, 2014. She said that there will be a notice of the change added to the My Blue Health website. Ms. Higgins said that marketing materials about the new website will be available for distribution to the employers and their employees.

Amy Higgins walked the Board through the pages of the new website projected on the wall of the meeting room. Ms. Higgins said that the homepage can be tailored to be specific to the BHG and said that 5 quick links about the BHG wellness programs can be added. She said that she would work with Maureen Daniels to decide what would work best.

Ms. Higgins said that once a member logs in, their program would begin with taking a health assessment questionnaire. She said that the results of the assessment would trigger a series of action items designed specifically for that member. Ms. Higgins said that action items could include a series of workshops, health tools, and nutrition and fitness challenges to be completed. She said that she would suggest a simple strategy for the first quarter, such as completing the health assessment. Ms. Higgins said that the second quarter could begin to include challenges for the members. Ms. Higgins said that BHG would decide on what they would like to provide as program incentives. She said that a point tracker could be added to the top page to track a member's progress and could be incentivized based on reaching designated levels. Ms. Higgins said that a coaching segment can be added to the program at an additional cost of \$85 per participant.

Maureen Daniels said that there are several different scenarios and strategies that could be applied to the program.

The Board thanked Ms. Higgins for the presentation.

Suzanne Donahue pulled up the CCMHG website on the computer and navigated through the website as Karen Carpenter walked the Board through the various web pages.

The Board members said they liked the website.

Mary Beverly asked Ms. Carpenter to obtain a proposal from the website developer for the Board to consider.

**Other Business:**

Suzanne Donahue suggested revisiting increasing the Medex mail order prescription co-pay to double that of the retail co-pay.

Mary Beverly said that the Board will take it into consideration during the FY15 rate discussions.

Ms. Donahue said that BCBS is going to try negotiating with the PPO out-of-network providers to lower their charges. She said that BCBS would share the savings with BHG on a 25%/75% ratio with BHG receiving 75% of the savings.

Ginger Hastings said that she will email the renewal to the Board about one week prior to the January 27<sup>th</sup> meeting as requested by Mary Beverly.

The Board scheduled the following meetings, February 24, 2014 and March 31, 2014, both at 9:30 a.m. at the Lenox Town Hall, Lenox, MA

There was no other business.

Sharon Harrison moved to adjourn.

Motion
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Mary Beverly adjourned the meeting at 11:00 a.m.

*Prepared by Karen Carpenter  
Group Benefits Strategies*