

Berkshire Health Group

Board Meeting #18-05

Lenox Town Hall
Lenox Massachusetts
Monday, December 18, 2017 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Mary Beverly, Chair	Town of Adams
Sharon Harrison, Vice-Chair	Berkshire Hills RSD
Rebecca Herzog	Berkshire County Insurance Group
Paul Sieloff	Town of Lanesborough
Amy Lane	Town of Lanesborough
Maureen Senecal	Northern Berkshire RSD (McCann Technical School)
Janet Saddler	Town of Williamstown
Brenda Rondeau	Mt. Greylock RSD
Chris Regan	Southern Berkshire RSD
Terri Licata	Southern Berkshire RSD
Erika Snyder	Adams Cheshire RSD

Guests present:

James Kelley, CPA	BHG Treasurer
Elizabeth Piantoni	Berkshire Health Systems/Wellness
Brad Furlon	Hoosac Water District
Kristy Berard	Hoosac Water District
Caleb Mitchell	Town of Peru
Lyndsay Broom	Town of Lenox
Heidi Fountain	Blue Cross Blue Shield of MA
Stephanie Burke	Blue Cross Blue Shield of MA
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Mary Beverly, Board Chair, called the meeting to order at 9:35 AM.

Approval of the minutes of November 20, 2017 (meeting #18-04):

Sharon Harrison motioned to approve the Board meeting minutes of November 20, 2017 as written.

Becky Herzog seconded the motion. The motion passed by majority vote with four abstentions.

Motion

Treasurers report:

The Treasurers report was held until later in the meeting.

Recommendation of second signatory on investment account-

Brenda Rondeau made a motion to approve Janet Saddler as the second signatory since she already reviews the Treasurer's reports and records.

Motion

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

Review and Approval of the December 2017 Warrant Summary:

Janet Saddler made a motion to approve the December 2017 Warrant Summary.

Motion

Chris Regan seconded the motion. The motion passed with a unanimous vote.

Revised BCBS Level Monthly Deposit:

Carol Cormier reviewed the warrant and said she asked BCBS for a reduction of the quarterly settlement based on the continued monthly credit balance. She said the proposed BCBS reduction is \$292,100, which said doesn't seem to be enough. Ms. Cormier asked Heidi Fountain for a reduction of \$350,000 and to revisit the amount in 6 months.

Janet Saddler made a motion to approve a \$350,000 reduction to the current LMD.

Motion

Chris Regan seconded the motion. The motion passed with a unanimous vote.

GBS reports:

Funding Rate Analysis - Carol Cormier reviewed the FY18 Funding Rate Analysis (FRA) report for health plans with five months of data through November 30, 2017. She said the expense-to-funding ratio on a paid claims basis was 77.2% and there was a funding surplus of about \$3.36 million. Ms. Cormier said the Dental plans are running well too, with an expense-to-funding ratio of 91.1%.

Stop Loss Reports - Karen Carpenter said there were no updates to the reinsurance reports since the last meeting on November 20th. She said she is waiting for the reinsurance carriers reports to reconcile.

After a request for a claims utilization report of the deductible plan, Heidi Fountain suggested waiting until the fiscal year ends to look at a full year of data.

Wellness Report – Beth Piantoni:

Beth Piantoni reviewed the BHG 2018 Wellness Needs & Assessment Survey and said based on the feedback and results, she came up with a new wellness plan for FY19. She said 82 members participated in the survey, but noted only 6 of the 12 units participated in the survey. Ms. Piantoni said the highest interest was in after work wellness programs, weight loss, mind/body health and healthy eating.

Ms. Piantoni said in response to what members would like to see in their work environment to promote wellness, answers included healthier food options to purchase and fitness and exercise equipment. She said several survey participants said they were unaware of the Health Coaching opportunity. Ms. Piantoni said the most valuable part of the wellness program for those taking the survey included the fitness classes and the incentive programs.

Ms. Piantoni said the BHG 2018 Wellness Program Proposal is included at the end of the survey results. She reviewed the proposed programs for January through December.

Treasurer's Report:

Financial Statements for November 2017 - Jim Kelley, Treasurer, joined the meeting by phone conference. He said a draft of the FY17 financial audit should be ready tomorrow, December 19th. Mr. Kelley said the IBNR was adjusted by \$400,000.

Carol Cormier told Mr. Kelley that BCBS adjusted the LMD down by \$350,000.

Mr. Kelley reviewed the financial reports for the period ending November 30, 2017 (unaudited figures).

Mr. Kelley reported a one-month increase to the fund balance at the end of November of \$866K with claims at 70% of member assessment revenue. He reported a trust fund balance of \$13,536,163 and a \$9.5 million surplus on November 30 2017.

Procurement of a new Treasurer:

Mary Beverly said an exhibit of the Treasurer's duties was posted on the BHG website, and the position was advertised in the *Berkshire Eagle*. She said the advertisement yielded one application, a person who was not qualified.

Carol Cormier said she would ask the Treasurer of another Joint Purchase Group if he would be interested in the position.

Presentation of HSAs and High Deductible Health Plans(HDHPs) – Stephanie Burke, BCBSMA:

Stephanie Burke, BCBS, reviewed a presentation on HSAs and High Deductible Health Plans and said she would send hard copy presentations to be distributed. She explained how HSA plans work with HDHPs and the IRS eligibility criteria. She said all contributions and interest or dividends earned are tax free when they go in and also when they are withdrawn for IRS eligible medical expenses. Ms. Burke said the eligible medical expense list is extensive and said many retirees use the funds to pay for senior health plan premiums.

Ms. Burke said the IRS eligibility criteria include being enrolled in a HDHP and not having Medicare, Medicaid, Tri-Care or other government funded health plans. She said members can be enrolled in a limited purpose FSA account, but not in a medical FSA account. Ms. Burke said only tax dependent children are eligible to be on their parents HSA plan. Ms. Burke explained how to transition from a calendar year FSA account to the plan year HSA account.

Stephanie Burke reviewed the dollar limit an individual or family could contribute to their HSA account in 2017 and said the IRS updates the amount each year. Ms. Burke explained how a medical visit and prescription drug purchase transactions would work. She reviewed examples of scenarios depicting the yearly cost of low and high utilizers of medical services.

Ms. Burke said if BHG chooses to add the HSA-qualified HDHPs to its offerings, she offered to speak at each of the school's member and employer meetings. Ms. Burke demonstrated the navigation of the Health Equity website and how members would be able to complete on-line transactions. She noted members do not need to use the website and could manually send in their provider payments.

Carol Cormier said the HSA qualified health plan rates will be about 15-19% lower than the regular plan rates. She said educational meetings could be run during April and May.

The Board members thanked Ms. Burke for her presentation.

Mt. Greylock RSD/Lanesborough/Williamstown Merger:

Paul Sieloff said he mispoke at an earlier meeting about the merger happening in about 18 months. He said the Towns of Lanesborough and Williamstown are separating the school employees from the towns and moving them to Mt. Greylock RSD and said this is supposed to take effect in 6 months.

Mr. Sieloff introduced Amy Lane, Town of Lanesborough Accountant and Alternate Board member.

Carol Cormier said from a BHG perspective, the timing difference will not matter. She said GBS can work from lists to terminate the members, but she said a positive open enrollment will need to be conducted by Mt. Greylock for the new participants. Ms. Cormier said to contact Ruth Lynch, GBS Enrollment Manager, for any questions about the enrollment transactions. She said each of the units are on different dental plans, so that won't affect the rate setting data.

Alternative prescription drug purchasing program update:

Carol Cormier said CanaRx said the program is doing well and noted quarterly utilization and savings reports will be presented.

Cost saving measures and possible next steps:

Carol Cormier said she was asked to keep this item on future agendas for further discussion as necessary.

Other Business:

Paul Sieloff spoke about the possibility of the Town of Lee joining BHG and asked what steps would be needed.

Carol Cormier said the town would have to send a letter to the BHG Chair, Mary Beverly, requesting consideration for membership. She said the Board will need to review their enrollment data and claims information to see if the Town is compatible with the BHG and discuss conditions of entry, if the Board agrees to extend membership to the Town.

Ms. Beverly said the next Board meeting will be held on Monday, January 29, 2018 at 9:30 AM.

There was no other business.

Mary Beverly adjourned the meeting at 11:35 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*