

**Berkshire Health Group**

**Board Meeting #18-06**

Lenox Town Hall  
Lenox Massachusetts  
Monday, January 29, 2018 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

Sharon Harrison, Vice-Chair  
Rebecca Herzog  
Geri Porter  
Paul Sieloff  
Maureen Senecal  
Janet Saddler  
Brenda Rondeau  
Chris Regan  
Erika Snyder  
Christopher Ketchen  
Melissa Falkowski  
Karen Fink

Berkshire Hills RSD  
Berkshire County Insurance Group  
Berkshire County Insurance Group  
Town of Lanesborough  
Northern Berkshire RSD (McCann Technical School)  
Town of Williamstown  
Mt. Greylock RSD  
Southern Berkshire RSD  
Adams Cheshire RSD  
Town of Lenox  
Central Berkshire RSD  
Great Barrington RSD

**Guests present:**

James Kelley, CPA  
Elizabeth Piantoni  
Andrea Wadsworth  
Lyndsay Broom  
Heidi Fountain  
Jonathan Payson  
Carol Cormier  
Karen Carpenter

BHG Treasurer (*via conference call*)  
Berkshire Health Systems/Wellness  
BCIG  
Town of Lenox  
Blue Cross Blue Shield of MA  
Blue Cross Blue Shield of MA  
Group Benefits Strategies  
Group Benefits Strategies

Sharon Harrison, Board Vice-Chair, called the meeting to order at 9:30 AM.

**Approval of the minutes of December 18, 2017 (meeting #18-05):**

Janet Saddler motioned to approve the Board meeting minutes of December 18, 2017 as written.

Motion

Brenda Rondeau seconded the motion. The motion passed by majority vote with two abstentions.

**Auditor's Report – FY17 audit:**

Carol Cormier said the discussion with the auditor was delayed until the February meeting.

**Treasurer's Report:**

*Financial Statements for December 2017* - Jim Kelley, Treasurer, joined the meeting by phone conference. He said there were two audit adjustments made to the financial report. Mr. Kelley said the IBNR was adjusted down by \$400K and a reinsurance adjustment of \$100K was moved from FY18 to FY17.

Mr. Kelley reviewed the financial reports for the period ending December 31, 2017 (unaudited figures).

Mr. Kelley reported a one-month decrease to the fund balance of \$185K at the end of December with claims at 75% of member assessment revenue. He reported a trust fund balance as of December 31 2017 of \$13,881,767 with \$9.87 million of that amount unencumbered, i.e. above the targeted Fund Balance.

Mr. Kelley left the conference call.

**Procurement of a new Treasurer:**

Carol Cormier said she learned that Mr. Kelley has reconsidered his decision to retire from the treasurer's duties and that he told the Chair, Mary Beverly, that he is willing to stay on for another 18 to 24 months.

Sharon Harrison asked the Board to consider giving Mr. Kelley an increase to his yearly stipend. She suggested an increase of between 3% and 5%.

Motion

Janet Saddler made a motion to increase Mr. Kelley's stipend by 5% effective immediately.

Christopher Ketchen seconded the motion. The motion passed by a unanimous vote.

**Review and Approval of the January and February Warrant Summaries:**

Janet Saddler made a motion to approve the January and February Warrant Summaries.

Motion

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

**Election of Officers:**

There was a brief discussion and Janet Saddler made a motion to nominate Mary Beverly as BHG Board Chair and Sharon Harrison as Board Vice-Chair.

Motion

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

**GBS reports:**

*Funding Rate Analysis* - Carol Cormier reviewed the FY18 Funding Rate Analysis (FRA) report for health plans with data through December 31, 2017. She said the expense-to-funding ratio on a paid claims basis was 79.1% and there was a funding surplus of about \$3.71 million. Ms. Cormier said the Dental plans are running well too, with an expense-to-funding ratio of 89.3%.

*Stop Loss Reports* - Karen Carpenter reviewed the reinsurance reports for FY17 with claims data through December 2017. She said that there are seven members with claims exceeding the \$200K specific deductible with total claims of \$1,673,648 and excess claims of \$273,648. She said the policy has a \$100,000 Aggregating Specific Deductible (ASD) which has been met. Ms. Carpenter said reimbursements of \$152,863 have been received and there are reimbursements of \$20,785 due BHG. She reviewed the report of claims between 50% and 100% of the specific deductible with 19 members having total claims of \$2.58 million.

Karen Carpenter reviewed the reinsurance 50% report for FY18 and said that there are 3 members with claims of \$406,493. She said no member has claims that exceeded the \$225,000 specific deductible.

**Wellness Report – Beth Piantoni:**

Beth Piantoni reviewed the wellness programs and participation report with information through January 29, 2018. She said the 147 participants in the Maintain Don't Gain Challenge lost an overall 259 pounds. Ms. Piantoni reviewed the new winter challenges to include the New Year, New You Challenge and No Diet, Diet Challenge.

Ms. Piantoni said the HERO Coaching Program is wrapping up the last coaching call for the first round of participants. She said a survey will be sent to the 21 participants regarding the program. Ms. Piantoni said she is bringing back the wellness newsletter on a bi-monthly basis, to include educational health articles and tips, recipes and exercises, and the promotion of the BHG wellness programs.

Paul Sieloff suggested adding the wellness newsletter and program information to the employees' paychecks. He said a 2-page newsletter every month might be well received.

It was agreed that each unit would distribute the wellness information in a manner that works best at their location.

Beth Piantoni said she will discuss with the wellness coordinators the possibility of sending out a monthly wellness bulletin.

Becky Herzog suggested adding a bulletin board specifically used for wellness program information in each location's common area.

**FY19 Health Plan Rates and vote:**

Carol Cormier presented and reviewed the BCBS and GBS FY19 independent claims projections. She reviewed the fixed fees to include the BCBS administrative fees, reinsurance premiums, and GBS fees. Ms. Cormier said BCBS is proposing a 1% increase to its administrative fees.

Ms. Cormier described the process used to calculate the GBS projections and said a 10% combined medical and prescription drug trend factor was used. She reviewed the current annual funding scenario based on the December enrollments and said \$32,124,216 is the FY18 annual funding. Ms. Cormier reviewed the BCBS projections and said BCBS' claims projections results in a composite 0.52% rate decrease. She said the GBS projections call for a 0.1% increase. Ms. Cormier said she is recommending level funding the rates for FY19.

Ms. Cormier reviewed the GBS and BCBS dental plan projections and said they were close. She recommended increasing the dental plan rates by 6%.

Ms. Cormier recommended setting the rates for the HSA Qualified Health Plans 17% below the rates of the comparable low deductible plan rates.

Janet Saddler made a motion to level fund the low deductible medical plans and to rate the HSA Qualified Health Plans 17% lower than the low deductible plans.

Brenda Rondeau seconded the motion.

Motion

There was a discussion about rate stabilization and the possibility of a rate spike for the following year.

Carol Cormier recommended that the employers write a letter to their members to explain why the rates did not increase and to caution the members about the possibility of a rate hike next year.

Melissa Falkowski made a motion to amend Ms. Saddler's motion to include an increase of 7% to the POS plan and to level fund the rest of the plans.

There was a discussion about the role that employer contributions rates play in the employees' health plan selection.

A vote was taken on the amended motion. The motion failed with 5 in favor and 6 against.

A vote was taken on the original motion made by Janet Saddler and seconded by Brenda Rondeau to level fund all of the health plans, and to rate the HSA Qualified Health plans 17% lower than the rates of the low deductible plans.

Motion

The original motion passed by a unanimous vote.

Janet Saddler made a motion to level fund the dental plans.

Motion

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

**Alternative prescription drug purchasing program update:**

Carol Cormier reviewed the first and second quarter reports from CanaRx said the program is doing well. She said the net savings reported since the program's inception in August of 2017 was \$31,571.

**BCBS report:**

Heidi Fountain said BCBS is moving its out-of-network provider payments to reimburse 150% of the Medicare payment. She said the rider will be eliminated and members may be balance billed. Ms. Fountain said she will bring additional information to the next meeting.

Ms. Fountain reviewed the Smart 90 prescription program and said if BHG approves the program, members can obtain a 90-day prescription fill at a retail pharmacy at the mail-order copay amounts at CVS pharmacies. She said she is recommending the program to be effective for July 1<sup>st</sup>.

**Other Business:**

The next two Board meetings were scheduled for Tuesday, February 27, 2018 and Monday, March 26<sup>th</sup>, both at 9:30 AM.

There was no other business.

Sharon Harrison adjourned the meeting at 11:23 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*