

Berkshire Health Group

Board Meeting #18-07

Lenox Town Hall
Lenox Massachusetts
Tuesday, February 27, 2018 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Mary Beverly, Chair	Town of Adams
Rebecca Herzog	Berkshire County Insurance Group
Maureen Senecal	Northern Berkshire RSD (McCann Technical School)
Janet Saddler	Town of Williamstown
Brenda Rondeau	Mt. Greylock RSD
Paul Sieloff	Town of Lanesborough
Erika Snyder	Adams Cheshire RSD
Melissa Falkowski	Central Berkshire RSD
Karen Fink	Great Barrington RSD
Lyndsay Broom	Town of Lenox

Guests present:

James Kelley, CPA	BHG Treasurer
Eugene Daponte	Olson Mobeck Investment Advisors
Anthony Marini, CPA (<i>by conference call</i>)	Lynch Marini and Associates, Inc.
Elizabeth Piantoni	Berkshire Health Systems/Wellness
Jennifer Nykorchuck, RN	Berkshire Health Systems/Wellness
Heidi Fountain	Blue Cross Blue Shield of MA
Jonathan Payson	Blue Cross Blue Shield of MA
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Mary Beverly, Chair, called the meeting to order at 9:33 AM.

Approval of the minutes of January 29, 2017 (meeting #18-06):

Brenda Rondeau motioned to approve the Board meeting minutes of January 29, 2018 as written.

Motion

Janet Saddler seconded the motion. The motion passed by majority vote. Mary Beverly abstained.

Investment Advisor's Report:

Eugene Daponte, Olson Mobeck Investment Advisors, distributed a report and reviewed the FY18 year-to-date and the calendar year 2018 to date investment information. He said the current allocation is 34.5% in Equities and 65.2% in Fixed Income. He reported a calendar year-to-date investment gain of \$571,682 on \$6.65 million under management currently. Mr. Daponte discussed bond investments and said the plan is to have about \$2 million in maturities. He said once he has certainty about the Board's goals, he will deploy excess funds to investments. He discussed concerns about the Federal Reserve raising interest rates this year.

There was a discussion after which Mr. Daponte left the meeting.

Treasurer's Report:

Financial Statements for January 2018 (unaudited figures)- Jim Kelley, Treasurer, said January was a good month. He said the overall Cash position increased by a net of approximately \$250K in January, mainly the result of increased Cash in the Schwab account awaiting reinvestment.

Mr. Kelley reported Total Retained Earnings on January 31, 2018 of \$14,328,590. He reported the actuarial reserve at \$4,013,600.

Auditor's report on the FY17 Financial Statements:

Auditor Anthony Marini, CPA was connected *by conference call*. He said that it was a good audit with a clean opinion. He reviewed highlights of the audit. Mr. Marini said the June 30, 2017 fund balance was about \$10 million, which is about \$3.6 million higher the FY16 audited figure. He said the IBNR was down and that claims were down. He said he is comfortable with the lower IBNR.

Discussion about a "premium holiday" in FY18:

Jim Kelley reported the fund balance at \$14.3 million. He said that the fund balance policy sets the target at about \$4 million (12% of most recent 12 months of claims), and that \$1 million of the current fund balance is from dental.

Carol Cormier said that about \$5.6 million of current Fund Balance came from the Retiree Drug Subsidy (RDS) program. She said that only the FY07 RDS money had been distributed to the employers.

Janet Saddler said she would prefer a distribution of some of the RDS money rather than a premium holiday. She proposed distributing the FY06, FY08, and FY09 Retiree Drug Subsidies.

Carol Cormier said that the distributions would be based on number of Medex members with qualifying drug purchases in each of the years for each BHG employer unit. She said that CMS provides the numbers and that this was the basis of distribution of the FY07 RDS money. She said that the total amount being distributed would be \$1,181,412.

Ms. Saddler moved to distribute the FY06, FY08, and FY09 Retiree Drug Subsidy monies to the employers that qualify.

Move

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

Treasurer Jim Kelley proposed that the actuarial reserve as stated in the Fund Balance Policy be increased to 13.5% from 12% of the most recent 12 months of paid claims.

There was a discussion.

Brenda Rondeau motioned to increase the actuarial reserve to 13.5% of the most recent 12 months of paid claims.

Motion

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

Approval of the March 2018 Warrant Summary:

Carol Cormier reviewed the March Warrant Summary totaling \$2,999,950.

Janet Saddler moved to approve the March Warrant Summary.

Motion

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

Wellness Report:

Elizabeth Piantoni distributed the Wellness program report and the descriptive mailer for the Diabetes Program. She reviewed the current wellness programs and the spring programs. Ms. Piantoni said she received positive feedback on the newsletter. There was a discussion about possibly producing the newsletter more frequently and about adding the link to the CanaRx program to the newsletter.

Ms. Piantoni said that she is trying to offer fitness classes that are more appealing. She said participation is low and she said she would welcome suggestions. She said screenings are scheduled for health fairs and that CanaRx representatives will attend the fairs.

Jennifer Nykorchuck, RN gave an overview of the diabetes program. She said there are 30 to 40 participants. She said she conducts coaching phone calls with diabetic members to discuss their care and requirements for care to qualify for a gift card (\$180 for each 6 months of participation).

Carol Cormier said some clients were providing diabetes care programs with Bluetooth-enabled blood glucose meters that transmit test results to diabetic care teams who can then do pattern analysis and coach the member on improving results.

GBS Reports:

Carol Cormier reviewed the *Funding Rate Analysis (FRA) report* with data through January. She said that on a paid claims basis the expense to funding ratio for the health plans was 81.2%. She said the dental expense to funding ratio was 92.4%.

Karen Carpenter reviewed the *FY18 policy reinsurance reports*. She said two members had claims exceeding the \$200K specific deductible with total excess claims of \$35,871. She said the aggregating specific deductible of \$150K has not been met so no reimbursements are due. She said 5 members have claims between \$100K and \$200K.

Ms. Carpenter reviewed the *FY17 policy reinsurance reports*. She said that there were ten members with claims over the \$175K specific deductible. She said total claims were \$2,950,819, and excess claims were \$1,200,819. She said the group has been reimbursed \$1,053,146. She said there was an overpayment, and the BHG owes \$2,327 to the reinsurer. Ms. Carpenter reported 16 members with claims between \$87,500 and \$175,000. These claims totaled \$1,904,778.

Alternative prescription drug program reporting:

Carol Cormier said that CanaRX reports on the quarter and so she expects a report in April to cover the period January through March.

Cost saving measures and possible next steps:

It was agreed that one of the cost saving measures would be heightened promotion of the CanaRx program.

Carol Cormier said that GBS will be getting some Rx carveout quotes for other groups but realizes that BHG is not ready to consider this at this time. She said another program that GBS has been looking into is the Cancer Care Guides program as well as other disease management programs.

Discussion about OPEB evaluations:

Janet Saddler said she requested this item be on the agenda even though it is not a Berkshire Health Group matter. She said previously a number of towns in the Berkshires had engaged Segal Co. to do the work. She said Town of No. Adams has been in charge of the procurement process. She said that a number of the towns that participated experienced long delays in getting their numbers from Segal. She said that now the evaluation has to be done each year and that employers may want to consider using another firm.

BCBS Report:

Heidi Fountain, BCBSMA, said that BHG employers that want to offer the HSA qualified plans (HSAQs) for July 1, 2018, must complete and send in the set-up form by March 1st.

Carol Cormier said she recommends filling out the HSA form even if the unit has not decided whether or not to go forward with offering the HSAQs. She said the form will be there when the employer is ready. She said that Health Equity, the preferred HSA administrator for BCBSMA, is fully integrated with BCBSMA for both eligibility and claims. She said this makes for the best experience for members. She said that Health Equity has webinars for employers to explain the set-up, employer deposits into the HSAs, etc.

Heidi Fountain asked the employers to contact her with health fair dates. She said that BCBS has re-done the mobile app and she talked about the BCBS Cost Estimator which, she said, is very helpful for people with the HSAQ plans. She said she would send flyers to GBS for distribution to the units and that hardcopies are also available.

Other Business:

There was no other business.

Janet Saddler motioned to adjourn the meeting.

Motion

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

Mary Beverly adjourned the meeting at 11:18 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*