

**Berkshire Health Group**

**Board Meeting #18-09**

Lenox Town Hall  
Lenox Massachusetts  
Monday, May 7, 2018 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

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

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

**Guests present:**

James Kelley, CPA  
Elizabeth Piantoni  
Maureen Daniels  
Tracey May  
Heidi Fountain  
Carol Cormier  
Karen Carpenter

BHG Treasurer  
Berkshire Health Systems/Wellness  
Berkshire Health Systems  
Gallagher Insurance Company  
Blue Cross Blue Shield of MA  
Group Benefits Strategies  
Group Benefits Strategies

Sharon Harrison, Vice-Chair, called the meeting to order at 9:32 AM.

Sharon Harrison thanked Paul Sieloff for his contributions on the BHG Board and wished him well in his retirement and future endeavors.

Paul Sieloff said he enjoyed working with the Board members and said health insurance is a game changer and is key to municipalities.

**Approval of the minutes of March 26, 2018 (meeting #18-08):**

Karen Fink said the minutes incorrectly listed her as the representative from Great Barrington “RSD” and it should read “Town of” Great Barrington.

Janet Saddler motioned to approve the Board meeting minutes of March 26, 2018 as amended.

Motion

Karen Fink seconded the motion. The motion passed by majority vote. Brenda Rondeau abstained.

**Treasurer's Report:**

*Financial Statements for March 2018 (unaudited figures)*- Jim Kelley, Treasurer, said the March overall Cash position decreased by a net of approximately \$758K, mainly due to the Schwab Money Market account being drawn down to purchase additional investments.

Mr. Kelley reported Total Retained Earnings on March 31, 2018 of \$13,702,755. He reported the actuarial reserve at \$4,515,300.

Mr. Kelley distributed the Olson Mobeck Account Summary as of March 31, 2018. He said the ending value for the calendar year quarter ending March 31<sup>st</sup>, was \$7,989,204.

**Approval of the May 2018 Warrant Summary:**

Carol Cormier reviewed the May Warrant Summary totaling \$3,585,757.

Janet Saddler moved to approve the April 2018 Warrant Summary.

Motion

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

**GBS Reports:**

Carol Cormier reviewed the *Funding Rate Analysis (FRA) report* with data through March. She said that on a paid claims basis the composite expense-to-funding ratio for the health plans was 85.3%. She said the dental plan expense-to-funding ratio was 91.8%.

Ms. Cormier said BHG owed BCBS \$600K for the quarterly settle-up.

Karen Carpenter reviewed the *FY18 policy reinsurance reports*. She said one member had claims exceeding the \$225K specific deductible with total excess claims of \$258,633. She said the aggregating specific deductible of \$100K has been met and reimbursements in the amount of \$111,408 have been paid. She said 11 members have claims between \$112.5K and \$225K.

Ms. Carpenter reviewed the *FY17 policy reinsurance reports*. She said that there were seven members with claims over the \$200K specific deductible. She said total claims were \$1,673,586, and excess claims were \$273,586. She said the group has been reimbursed \$173,648. Ms. Carpenter reported 19 members with claims between \$100,00 and \$200,000. These claims totaled \$2,586,207.

**Wellness Report:**

Elizabeth Piantoni distributed the Wellness program report and said the summer challenges include *Train for Your First 5k* and the *Hydration Challenge*. She said the spring challenge, *Walk with Me in the Berkshires*, had 20 teams signed up and 293 participants. Ms. Piantoni said a new mailing will be sent out for the Diabetes program, which now has a total of 44 participants.

Ms. Piantoni said the May/June Wellness Newsletter has a focus on fitness and was distributed to the employers.

Proposed FY19 Wellness Budget – Ms. Piantoni reviewed the proposed FY19 Wellness Budget. She reviewed the FY18 programs and their budgets to the proposed budget and said a few of the programs were subsidized by the BCBS \$20,000 wellness credit.

Maureen Daniels said the total budget of \$188,385 includes increasing the nurse rate from \$67.32 to \$74.05 per hour, a 4% increase to the consulting fee, and a \$2,000 stipend for each unit. She said last year's budget was \$195,780.

There was a discussion about the unit wellness stipends and ways employers could spread the wellness information to the employees. It was agreed to discuss this at the next Board meeting.

Chris Regan made a motion to approve the FY19 Wellness Budget, not to exceed \$200,000, should participation increase.

Motion

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

**GBS Contract Renewal, July 1, 2018:**

Carol Cormier said the contract between GBS and BHG expires on June 30, 2018. She said GBS is proposing renewing the contract with a 3% increase for FY19 and a 2% increase for the next 2 years.

Janet Saddler made a motion to approve the GBS contract as edited, for the next 3 years.

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

Motion

Sharon Harrison signed two copies of the contract.

**Mass. Municipal Reinsurance Arrangement (MMRA) – Tracey May, Gallagher Insurance Company:**

Carol Cormier said she invited Tracey May to speak to the Board about the MMRA. She said quotes for reinsurance coverage are decreasing and the premiums are increasing. Ms. Cormier said Mr. May has been working with the MMRA since it was formed by CCMHG, MNHG and WSHG.

Tracey May said the MMRA is one of three reinsurance pooling arrangements that he works with. He commended the aggressive wellness programs run by BHG in efforts to lower the cost of health care for the group. Mr. May said the MMRA is looking to expand and grow its risk pool. He said the Medical and Rx trends continue to increase,.

Mr. May spoke about commodotization of the reinsurance market and how this is causing the market to erode. He said BHG would be able to keep its current specific deductible level of \$225K and would keep its relationships with BCBS and GBS. He said the Aggregating Specific Deductible will go away and there would be no lasers added to any of the policies. Mr. May said the MMRA leverages its size to reduce costs. Mr. May said \$0.30 to \$0.36 on the dollar is fixed costs and the remainder goes into the pool for claims costs.

Mr. May reviewed the current BHG reinsurance specifications with the MMRA specifications and described how the MMRA would function for BHG. He said the MMRA is a reinsurance captive domiciled in Maryland and complies with the MA General Laws. Mr. May said the MMRA Board will be meeting soon to discuss the guidelines of new participants in the group.

Carol Cormier noted GBS does not receive any type of compensation for bringing the MMRA opportunity to its clients and said it is part of GBS's services to the groups.

Mr. May continued and said the money BHG puts into the MMRA pool is their money and the arrangement is a long term strategic plan. He said members must commit to participate for a period of three years.

Carol Cormier said collateral funding is also required.

Mr. May said Gallagher will give a captive and non-captive reinsurance quote for FY19.

It was the consensus of the Board to continue with discussions about the MMRA opportunity. The Board thanked Mr. May for his presentation.

**Alternative prescription drug program reporting:**

Carol Cormier reviewed the quarterly report included in the meeting packet and said the estimated savings was \$102,162.93. She said she will send out the new report once she receives it. Ms. Cormier said Chris Collins of CanaRx will be attending the two benefit meetings on May 14<sup>th</sup> for the BCIG employers.

**Update on Berkshire County Insurance Group (BCIG) and vote to allow affiliation agreements:**

Carol Cormier said she would send a copy of a mini-Joint Purchase Agreement that could be signed between the units. She said the legal name of the entities needs to be added to the agreements. Ms. Cormier said the BCIG units would need to pay on time and said there would be no liability on the part of the unit sponsoring them.

Carol Cormier said GBS will bill each affiliate unit and they should be able to stay on their existing dental plan. She said she will consult with Ruth Lynch for the specifics. Ms. Cormier said each affiliate unit would do its own Open Enrollment and would no longer be charged a surcharge for the administration BCIG administration expenses.

Becky Herzog said she would set up a meeting for for all the BCIG units and asked if GBS could attend.

Ms. Cormier said GBS would attend the meetings.

Jim Kelley said said he would send the additional language about electronic tranmittal of premiums to the trust fund. Mr. Kelley also said he would need to charge an additional \$400 per month on his contract for the additional work he will need to perform.

Sharon Harrison asked Ms. Cormier to add the item to the next agenda.

Carol Cormier said the units will send their enrollments and change forms to GBS and will send their monthly funding payments by electronic deposit to the bank.

Janet Saddler made a motion to allow affiliates of BCIG to remain part of the BHG through an adopting unit, with no financial obligation on the part of the adopting unit.

Motion

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

**BCBS Report:**

Heidi Fountain said BCBS did meetings and presentations about the HSA Qualified High Deductible Health Plans and noted the Town of Pittsfield adopted this type of plan. She said they are planning to fund 100% of the member's deductible HSA account.

Carol Cormier said that the rates adopted by BHG would not be correct, i.e. would be too low, if BHG units were to fund 100% of the deductible. She said the BHG HSAQ rates are based on employer contributions of up to 50% of the deductible.

Ms. Fountain reminded the Board that the BCBS prescription formulary changes would be effective on July 1, 2018.

**Cost saving measures and possible next steps:**

Paul Sieloff said he is recommending to the Board to keep this item on the agenda for regular discussion.

**Other Business:**

The Board asked Karen Carpenter to send them a list of the Open Enrollment documents that need to be sent to employees each year.

There was a discussion about the Dental yearly maximum levels, and Heidi Fountain suggested waiting until the next fiscal year if anyone wanted to change the limits.

The next Board meeting was scheduled on June 25<sup>th</sup> at 9:30 AM to be held at the Lenox Town Hall, Lenox, MA.

There was no other business.

Janet Saddler motioned to adjourn the meeting.

Motion

Paul Sieloff seconded the motion. The motion passed by unanimous vote.

Sharon Harrison adjourned the meeting at 11:41 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*