

**Berkshire Health Group**

**Board Meeting #18-09**

Lenox Town Hall  
Lenox Massachusetts  
Monday, June 25, 2018 at 9:30 a.m.

**Meeting Minutes**

**Board and Alternates Present:**

|                             |  |
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| Mary Beverly, Board Chair   | Town of Adams                                    |
| Sharon Harrison, Vice-Chair | Berkshire Hills RSD                              |
| Maureen Senecal             | Northern Berkshire RSD (McCann Technical School) |
| Janet Saddler               | Town of Williamstown                             |
| Melissa Falkowski           | Central Berkshire RSD                            |
| Karen Fink                  | Town of Great Barrington                         |
| Lyndsay Broom               | Town of Lenox                                    |
| Chris Regan                 | Southern Berkshire RSD                           |
| Erika Snyder                | Adams Cheshire RSD                               |

**Guests present:**

|                    |                                   |
|--------------------|-----------------------------------|
| James Kelley, CPA  | BHG Treasurer                     |
| Elizabeth Piantoni | 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, Board Chair, called the meeting to order at 9:30 AM.

**Approval of the minutes of May 7, 2018 (meeting #18-09):**

Erika Snyder said the minutes incorrectly listed her attending the May 7<sup>th</sup> meeting, but she was not in attendance.

Janet Saddler motioned to approve the Board meeting minutes of May 7, 2018 as amended.

Motion

Melissa Falkowski seconded the motion. The motion passed by majority vote. Erika Snyder and Mary Beverly abstained.

**Treasurer's Report:**

*Financial Statements for April and May 2018 (unaudited figures)*- Jim Kelley, Treasurer, said the April overall Cash position decreased by a net of approximately \$713K, mainly due to the distribution of the Retiree Drug Subsidy (RDS) to the employers.

Mr. Kelley reviewed the financial statements for the month of May and said the Cash position decreased by a net of approximately \$676K, mainly due to an additional \$587K paid to BCBS for the quarterly settleup. He

reported a decrease of the investment Cash account of approximately \$291K due to funds being invested. Mr. Kelley reported an overall profit of \$693K for the month of May.

Mr. Kelley reported Total Retained Earnings on May 31, 2018 of \$14,005,824. He reported the actuarial reserve at \$4,515,300.

Mr. Kelley requested the Board to consider increasing the Treasurer's fee by an additional \$400.00 per month, due to the extra work involved by the disbanding of the Berkshire County Insurance Group and now having to deal with the participating entities directly and individually.

Janet Saddler moved to approve increasing the Treasurer's fee by \$400.00 per month

Motion

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

Karen Fink agreed to review the monthly bank statements and financial reporting as a second reviewer.

**Review of proposals for auditing the FY18 audited financial statements:**

Mary Beverly said proposals were received from Adelson & Company PC, Bill Fraher, CPA and Lynch Marini Associates. Ms. Beverly said Adelson & Company PC has an office locally in Pittsfield, MA. She said all proposals include 3-years of auditing.

The Board reviewed the proposals.

Chris Regan said Bill Fraher, CPA's proposal is \$6K less than the proposal received by Adelson & Company.

There was a discussion..

Maureen Senecal made a motion to engage Bill Fraher, CPA to perform the financial audits through the year ending in 2020.

Motion

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

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

Carol Cormier reviewed the June Warrant Summary totaling \$3,006,481.98.

Sharon Harrison moved to approve the June 2018 Warrant Summary.

Motion

Melissa Falkowski seconded the motion. The motion passed by unanimous vote.

There was a discussion about the low utilization of the CanaRx program.

Carol Cormier said she would contact Chris Collins at CanaRx to discuss what the next steps will be to increase utilization of the program.

**Wellness Report:** Elizabeth Piantoni distributed the Wellness program report and said she attended the National Wellness Conference in Minnesota. She said she completed the Worksite Wellness Certificate Program and was inspired to hear about new holistic approaches to medical care.

Ms. Piantoni said it was a busy month for the Biometric Screenings, Health Fairs and Healthy Luncheon programs. She said a presentation, "Exercise for a Healthy Weight" at the Healthy Luncheon in the Town of

Lanesborough is scheduled to be held later today. In addition, she said the summer challenge, *Train for Your First 5k* runs from June 11<sup>th</sup> through August 13<sup>th</sup>. Ms. Piantoni said the first 20 to participate will be entered into a raffle to win a \$50 gift card.

Ms. Piantoni said the BHG Newsletter for July and August highlight Summer Safety, BHG Coaching, and current Wellness initiatives. She said the Northern Berkshire RSD Wellness Champion is excited about the wellness programs, but needs to obtain authorization to implement the programs.

Maureen Senecal said she would set up a meeting with Superintendent Jim Brosnan and Beth Piantoni to discuss the Wellness Initiatives and Programs.

There was a discussion about how to get the word out about all of the programs BHG offers its members.

Beth Piantoni reviewed a sample of a brochure that BHG may be able to create.

Sharon Harrison suggested creating a template for BHG to use to promote the initiatives. She said she would work with Beth Piantoni to brainstorm some ideas to present to the Board. Ms. Harrison said Berkshire Hills RSD is adding a monitor in the staff room that will rotate a list of events and programs available.

**GBS Reports:**

Carol Cormier reviewed the *Funding Rate Analysis (FRA) report* with data through May. She said that on a paid claims basis the composite expense-to-funding ratio for the health plans was 83.9%. She said the dental plan expense-to-funding ratio was 94.6%. She said the most populated plan, Network Blue, drives the costs and is doing well. Ms. Cormier said \$2.2 million of reinsurance reimbursements are included in the \$5.1 million funding surplus.

Karen Carpenter reviewed the *FY18 policy reinsurance reports*. She said three members had claims exceeding the \$225K specific deductible with total excess claims of \$384,351. She said the aggregating specific deductible of \$100K has been met, and reimbursements in the amount of \$214,265 have been paid. She said 12 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.

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

Carol Cormier said the contract between GBS and BHG was approved at the last meeting.

GBS Roster & Invoice Agreement – Carol Cormier said the agreement between GBS and BHG to provide the Roster and Invoice downloads will expire on June 30, 2018. She said the fee has increased from \$130 per BHG unit, to \$150 per unit, for a total of \$1,800 for the year.

Sharon Harrison made a motion to approve the GBS agreement and the increase of the fee.

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| Motion |
|--------|

Melissa Falkowski seconded the motion. The motion passed by a unanimous vote.

Mary Beverly signed the agreement.

**HSA-qualified plans – plan design/deductibles:**

Carol Cormier said Sharon Harrison asked to add this item to the agenda since she thought some members may not have realized how the HSA health plan deductible works. Ms. Cormier said the regular BHG

deductible plan has an embedded deductible, which means that the Individual deductible (\$250) is embedded within the family deductible for each family plan member. She said when an individual on a family plan has met the Individual plan deductible, that person no longer has a deductible for the remainder of the plan year. Ms. Cormier said the HSA Qualified plan deductible is non-embedded, meaning the full family deductible must be satisfied before the plan will pay benefits for services subject to the deductible for any family member. She referred to the exhibit in the packet which describes the deductible difference between embedded and non-embedded deductibles.

Sharon Harrison said it was not her intention when making the motion to approve the addition of the HSA Qualified plans to have a non-embedded Family deductible. She said she is concerned that the vote that was taken, was taken by the Board members without the knowledge of how the deductibles of the HSA plans work.

Heidi Fountain said the nature of the plan and how the deductibles work is set by the IRS guidelines to have non-embedded deductibles. She said the full family deductible needs to be met before the plan will pay benefits.

Carol Cormier said that the deductibles were discussed at meetings with BHG.

Sharon Harrison said the Berkshire Hills RSD union contracts have not been settled yet and only a few people have enrolled in the HSA-qualified plans. She asked for a special open enrollment limited to joining the HSA qualified plans once the union contract has been signed.

Janet Saddler made a motion to to approve a special open enrollment for Berkshire Hills RSD limited to join the HSA Qualified plans.

Motion

Melissa Falkowski seconded the motion. The motion passed by a unanimous vote.

**Update on BCIG and vote to allow affiliation agreements – “Mini” Joint Purchase Agreements:**

Carol Cormier she only received a couple of signed agreements. Ms. Cormier said until they are signed, the entities technically should not be offered coverage through BHG.

The Board members agreed to follow up with their respective units.

**FY19 Reinsurance quotes:**

Carol Cormier said the Mass. Municipal Reinsurance Arrangement (MMRA) quotes were not competitive this year. She said MMRA will look at the claims data next year. Ms. Cormier said she didn't add the information to the list of quotes received because it would be a different type of quote.

Ms. Cormier reviewed the current policy specifications and said the lowest quote for the same level of coverage is an increase of 17.9%. She said it came from HM Insurance, the current carrier. She said the quotes are firm and final.

There was a discussion about whether or not to look at increasing the Specific Deductible level and/or dropping the Aggregating Specific Deductible.

Janet Saddler made a motion to accept the quote received by HM Insurance at the FY18 specifications and an increase of 17.9%.

Motion

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

Mary Beverly thanked BCBS for the submission of its quote.

**BCBS Report:**

Heidi Fountain said BCBS is updating its fitness benefit to include group classes for cardiovascular and strength training at fitness studios, such as Yoga, Pilates and kickboxing classes. She said the weight-loss reimbursement will be expanding to cover hospital and non-hospital based weight-loss programs based on the National Institute of Health guidelines. She said the updated benefits will be added on anniversary of the plans. Ms. Fountain said July 1, 2019 will be the effective date for the BHG active plans and January 1, 2019 for the Medex senior plan.

Ms. Fountain said BCBS has approved the \$20,000 wellness grant for 2019. She said she will work with Beth Piantoni to see what BCBS programs are eligible.

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

Carol Cormier said the other Joint Purchase Groups have been offering a non-embedded Telehealth benefit to their members. She said BCBS has an embedded model which they offer to BHG. She said the BCBS telehealth program charges a co-pay to the member, and the claims are paid through the group's trust fund. Ms. Cormier said the non-embedded model GBS has been bringing to the groups, MyTelemedicine, charges a fee of \$2.05 per subscriber per month (PSPM) which covers the claims cost and there is no member copay for the telehealth visit.

Mary Beverly asked Carol Cormier to provide a comparison of the embedded and non-embedded models for the next meeting. She also asked to hear a presentation from MyTelemedicine.

**Other Business:**

The next two Board meetings were scheduled for September 5<sup>th</sup> and October 22<sup>nd</sup> at 9:30, to be held at the Lenox Town Hall, Lenox, MA.

There was no other business.

Janet Saddler motioned to adjourn the meeting.

Motion

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

Mary Beverly adjourned the meeting at 11:00 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*