

Berkshire Health Group

Board Meeting #19-05

Lenox Town Hall
Lenox Massachusetts
Monday, March 25, 2019 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Sharon Harrison, Board Vice-Chair
Maureen Senecal
Janet Saddler
Lyndsay Broom
Melissa Falkowski
Erika Snyder
Brenda Rondeau
Chris Regan
Nancy Giardina

Berkshire Hills RSD
Northern Berkshire RSD (McCann Technical School)
Town of Williamstown
Town of Lenox
Central Berkshire RSD
Adams-Cheshire RSD
Mount Greylock RSD
Southern Berkshire RSD
Town of Lanesborough

Guests present:

James Kelley, CPA
Gene Daponte
Elizabeth Piantoni
Heidi Fountain
Carol Cormier
Karen Carpenter

BHG Treasurer
Peoples United Advisors
Berkshire Health Systems/Wellness
Blue Cross Blue Shield of MA
Group Benefits Strategies
Group Benefits Strategies

Sharon Harrison, Board Vice-Chair, called the meeting to order at 9: 31AM.

Approval of the minutes of January 28, 2019 (meeting #19-04):

It was mentioned that Brenda Rondeau's name was misspelled on page 1 of the minutes.

Brenda Rondeau motioned to approve the Board meeting minutes of January 28, 2019 as amended.

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

Motion

Investment Report:

Gene Daponte, Peoples United Advisors Investment Manager for BHG, distributed and reviewed the December 31, 2018 investment report and the calendar year to date report as of March 15, 2019. Mr. Daponte suggested re-convening the Finance Committee to discuss the nearing inflection point of the investment markets. Mr. Daponte said the current investment portfolio is consistent with the BHG Investment Policy. He spoke about the rating of the Amgen fund and said he would like authorization to hold it until it matures, even though it has a current Fitch rating of BBB. Mr. Daponte noted that the S&P rating of the fund is A.

Janet Saddler made a motion to authorize Mr. Daponte to hold the Amgen fund until its maturity date.

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

Motion

Mr. Daponte continued his review and said the portfolio consists of 35% stock funds and the remainder is invested in bonds and cash.

Jim Kelley said one of the Treasury notes valued at \$1.8M had matured and is the reason for the increase to the cash balance.

Mr. Daponte reviewed the fund performance from January 1, 2019 through March 15, 2019 and said there was a \$352K increase to the portfolio, Interest Income of \$21,128, and Dividends of \$10,171. He said that the S&P is the best benchmark to the BHG portfolio. Mr. Daponte said that he is more cautious about stocks now and that it makes sense to scale back risk. He said he believes the stocks will outweigh the bonds over the next five years but with volatility. Mr. Daponte recommended bonds with a short maturity timeframe and said there is a greater risk to keeping bonds longer than 5 years.

Mr. Daponte asked if there were any questions and said to contact him with any that should arise.

Sharon Harrison thanked Mr. Daponte, and he left the meeting.

Treasurer's Report:

Jim Kelley, Treasurer, distributed and reviewed the financial statements (unaudited) for January and February of 2019. Mr. Kelley said the Cash position decreased by a net of approximately \$7735K in January, mainly due to the transfer of \$600K to MMDT and a \$200K transfer to the Schwab account for investment. He said the profit for the month of January was \$710K and reported the Trust Fund Surplus/Total Retained Earnings of \$18,427,455.

Mr. Kelley said the Cash position increased by a net of approximately \$305K in February, but noted there was also a transfer of \$750K to the investment accounts. He said the profit for the month of February was \$485K and reported the Trust Fund Surplus/Total Retained Earnings of \$18,912,700.

The Board discussed the cash reserve and agreed it would be discussed at the Investment Committee meeting.

Approval of the March and April 2019 Warrant Summaries:

Carol Cormier reviewed the March and April Warrant Summaries and said 50%(\$13,900) of the Dependent Eligibility Audi invoice was paid on the March Warrant.

Janet Saddler made a motion to approve the March and April warrants as presented.

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

Motion

Wellness Report:

Report on Wellness Programs - Elizabeth Piantoni distributed the Wellness Program report. She said she obtained 3 quotes on the final version of the BHG Resource Guide with saddleback stitching. Ms. Piantoni distributed a sample of the stitching for review and reviewed the quotes. She said for 1,800 copies, Becks Printing quoted \$4,799, Courier Printing quoted \$5,578, and Staples quoted \$10,793, but with a coil binding. Ms. Piantoni said all of the prices include 1 digital proof prior to printing.

There was a discussion, and the Board agreed to order a quantity of 2,200 booklets, which would provide additional copies for each unit. said it was noted that copies could be printed from the computer if needed.

Carol Cormier said she would give Ms. Piantoni a count of subscribers at each government unit.

Ms. Piantoni said she will check on the cost of mailing the booklets to the units.

Janet Saddler made a motion to approve hiring Becks Printing to print 2,200 booklets to include saddleback stitching and a digital proof to review prior to the actual printing.

Motion

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

Jim Kelley suggested adding "Check the BHG website for possible updates" to the cover of the booklet.

The Board thought that was a good idea.

Ms. Piantoni reviewed the Wellness Challenges and said 33 members participated and completed the 30/30 Fitness Challenge. She said the quarterly mailings seem to have increased participation in the Diabetes Program. Ms. Piantoni said to contact her if anyone wanted her to attend their health fair. She said the screenings at the Town of Williamstown were well received. Ms. Piantoni said she would demonstrate a fascia release technique she did for the members at the next Board meeting.

Janet Saddler congratulated Ms. Piantoni on how she has evolved into a great wellness consultant for BHG, and said she is doing a wonderful job.

The Board agreed and thanked Ms. Piantoni for her work.

GBS Reports:

Carol Cormier said a question arose as to whether or not the Premium Holiday was to include the dental plans, or if it was for only the health plans. She said it has been the norm for the premium holiday to apply to the health plans only.

There was a discussion and the Board confirmed that the intent was to apply the Premium Holiday to the active employee health plans only and they asked for it to be effective for June 2019.

Sharon Harrison said she would draft an email to send out to all of the former BCIG units to let them know about the holiday.

Funding Rate Analysis - Carol Cormier reviewed the FY19 *Funding Rate Analysis (FRA) report* with data through January. She said that on a paid claims basis the composite expense-to-funding ratio for the health plans was 81.8%. She noted the funding surplus of \$3.8M includes stop loss reimbursements of about \$288K from claims of prior years. Ms. Cormier said the dental plan expense-to-funding ratio was 87%.

BCBS Level Monthly Deposit (LMD) report – Carol Cormier reviewed the LMD report and said BCBS decreased it to \$2,603,700 per month effective March 2019.

Stop Loss Reports - Karen Carpenter reviewed the *FY18 & FY19 policy reinsurance reports*. Ms. Carpenter reviewed the FY19 report of claims at 50% of the deductible and said there were eight members with claims totaling \$1,033,113. She said no member had claims exceeding the \$225K specific deductible through January 31, 2019.

Ms. Carpenter reviewed the FY18 excess report and said there were five members with claims over the \$225K specific deductible. She said total claims were \$1,772,958, and excess claims were \$647,958. She said the group has been reimbursed \$550,371.

GBS COBRA, Website and Roster service agreements – Carol Cormier said the GBS COBRA, Website and Roster Agreements will be expiring on June 30, 2019. She said GBS proposes that the COBRA fee increase by \$0.02 per subscriber per month each year to \$0.62 for FY20 and \$0.64 for FY21 and \$0.66 for FY22. She said the fees for the Website and Roster services will not be increasing.

Brenda Rondeau made a motion to approve the renewal of all three GBS Agreements as presented.

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

Motion

CanaRx Update:

Carol Cormier referred to the exhibits in the meeting packet and said that the FDA mistakenly identified CanaRx as an online Pharmacy. She said the CanaRx attorney wrote a very detailed letter addressing each false claim made by the FDA. She said to contact her if anyone would like a copy.

Mt. Greylock RSD – update on dental benefits issue:

Brenda Rondeau said Mt. Greylock RSD is requesting to change its current 3 dental plans to the dental plan in place for the Town of Lanesborough.

Carol Cormier said the monthly dental rates for the Town of Lanesborough are currently \$41 for an Individual contract and \$86 for the Family contract. She said when BHG was first formed, each unit maintained its existing dental plan designs. Ms. Cormier said when rating the plans each year, the group increased all of the plans evenly by a common percentage.

Janet Saddler suggested looking at all of the plans to see if all of the units may agree to offer one plan across BHG.

There was a discussion about the different features of the plans and that some of the units were paying a higher rate for less benefits.

Janet Saddler made a motion to allow the Town of Williamstown to add the Dental Rollover feature to its dental plan at the Town of Lanesborough rates as described by Ms. Cormier, effective July 1, 2019.

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

Motion

Brenda Rondeau made a motion to allow Mt. Greylock RSD to change its three dental plan designs to the Town of Lanesborough's plan design and dental rates effective July 1, 2019.

Motion

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

Sharon Harrison asked to add "Dental Plan Discussion" to the next agenda with the possibility of consolidating the plan designs for FY21.

Melissa Falkowski made a motion to allow Central Berkshire RSD to move to lower its FY20 Family dental rate to \$86 effective July 1, 2019 based on the data presented at the meeting.

Motion

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

Erika Snyder made a motion to allow Adams-Cheshire RSD to lower its FY20 Family dental rate to \$86.

Motion

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

Request from the Town of Chester:

Carol Cormier referred to the Town of Chester's letter in the meeting packet requesting withdrawal from BHG. She noted that the request came after the deadline for notification of withdrawal spelled out in the Joint Purchase Agreement. She said Chester, a former BCIG affiliated member, is now an affiliate member through Town of Adams. She said the Town of Adams does not have an issue with the request and there will be no impact to the group because Chester is very small with only 11 members.

Janet Saddler made a motion to allow the Town of Chester to withdraw from BHG without prejudice for future requests that might be made after the notification-of-withdrawal date noted in the Joint Purchase Agreement, stating it is only being considered due to low enrollments.

Motion

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

Carol Cormier said that the Town of Chester would be required to pay any unpaid premiums as of date of withdrawal.

Dependent Eligibility Audit Update:

Carol Cormier said there was a good start-up to the audit, with 35% responding as of last week. Ms. Cormier suggested that employers may want to send a reminder about the audit to their employees with the Ch. 32B requirement mentioned.

Sharon Harrison asked for a list of non-respondents before the employees are termed.

BCBS Report:

Heidi Fountain said to contact her or Jonathan Payson if a unit wants to hold an Open Enrollment Benefits Fair. She asked the Board to let her know if anyone would be offering the HSA-Qualified plans for the first time.

Carol Cormier said the lower premium of the HSA Qualified plans helps employers with the ACA Affordability requirement.

Heidi Fountain said to contact Jonathan Payson for FY20 benefit materials and forms. Ms. Fountain said CVS, the Medex plan PBM, had an adjudication issue with charging incorrect prices for some co-pays. She said it happened between March 3rd and March 7th and said refunds will be sent to the retirees affected.

Other Business:

The next Board meetings were scheduled for April 22nd and May 3rd at 9:30, to be held at the Lenox Town Hall, Lenox, MA.

There was no other business.

Sharon Harrison adjourned the meeting at 11:40 PM.

*Prepared by Karen Carpenter
Gallagher Benefits Services*