

Berkshire Health Group

Board Meeting #19-07

Lenox Town Hall
Lenox Massachusetts
Wednesday, June 12, 2019 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Mary Beverly, Board Chair
Sharon Harrison, Board Vice-Chair
Lyndsay Broom
Melissa Falkowski
Erika Snyder
Nancy Giardina
Maureen Senecal
Mark Pruhenski

Town of Adams
Berkshire Hills RSD
Town of Lenox
Central Berkshire RSD
Adams-Cheshire RSD
Town of Lanesborough
Northern Berkshire Voc. RSD
Town of Great Barrington

Guests present:

James Kelley, CPA
Elizabeth Piantoni
Carol Cormier
Karen Carpenter
Dave Keiser

BHG Treasurer
Wellness consultant, Berkshire Health Systems
Gallagher Benefit Services (GBS)
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Mary Beverly, Board Chair, called the meeting to order at 9:40AM.

Approval of the minutes of April 22, 2019 (meeting #19-06):

Sharon Harrison motioned to approve the Board meeting minutes of April 22, 2019 with an amendment correcting the approved increase in the monthly Treasurer's fee of \$250 rather than the \$50 stated in the draft minutes.

Motion

Melissa Falkowski seconded the motion. The motion passed by a majority vote. Maureen Senecal abstained.

Treasurer's Report:

Jim Kelley, Treasurer, distributed and reviewed the financial statements (unaudited) of April 30, 2019. Mr. Kelley said the Cash position increased by approximately \$285K in April, mainly due to increased advance collections of member assessments revenue. He said the BHG experienced a one-month overall net profit of \$442K in April. He reported the Total Trust Fund Retained Earnings/Surplus at \$18,618,249. He said the Unencumbered Surplus was \$14,919,249.

Mr. Kelley said that he received the May claims information and it appears to be a break-even month.

Approval of the May and June 2019 Warrant Summaries:

Carol Cormier reviewed the May and June 2019 Warrant Summaries.

Motion

Sharon Harrison moved to approve the May and June 2019 warrants.

Lyndsay Broom seconded the motion. The motion passed by unanimous vote.

Wellness Report:

Report on Wellness Programs - Elizabeth Piantoni distributed the Wellness Benefits Guides. She said there were cartons of guides downstairs and asked Board members to pick up their boxed copies and distribute to employees and mail to early retirees. Ms. Piantoni thanked Sharron Harrison for bringing the idea of the Guides to the Board and for her help in creating them.

Ms. Piantoni reviewed current wellness programs and participation. She said everyone participating in the Healthy Steps program lost both weight and inches. She said 76 members are participating in the health coaching program and said it is very impactful. She said 33 members participate in the Diabetes program and are doing well.

Ms. Piantoni said that the meetings with Wellness Champions need help. She said attendance is poor and she has reached out to try to find the best dates and times.

Mary Beverly suggested holding the meetings on a quarterly basis rather than monthly.

GBS Reports:

Carol Cormier introduced Dave Kieser, a new staff member at GBS. She said he would be working with some of the joint purchase groups including Berkshire Health Group.

Funding Rate Analysis (FRA) - Carol Cormier reviewed the FRA with data through April 2019. She said the composite expense-to-funding ratio was 85.4% for health plans. She pointed out that all plans were sufficiently funded except for Medex which was 5.6% under-funded. She said that the funding surplus across all plans was \$4,199,081.

Ms. Cormier said that the dental plan composite expense-to-funding ratio through April was 89.2%.

Level Monthly Deposit (LMD) Reconciliation – Ms. Cormier said that, as requested by the BHG, BCBS reduced the LMD as of April. She said the new LMD is \$2,603,700, a reduction of \$82,800 from the previous LMD. She noted that paid claims plus administrative costs for April were \$117,034 lower than the new LMD.

Reinsurance reports – Karen Carpenter reviewed the *FY18 reinsurance* reports with data through April 2019. She said five claimants exceeded the \$225K specific deductible with total claims of \$1,772,037 and excess claims of \$647,037. She said that the Aggregating Specific Deductible (ASD) of \$100K was met, and the BHG has been reimbursed \$500,371. She said that there were some overpayments/provider credits that came in, and BHG owes the reinsurance carrier \$3,334. She said that 13 members had claims between 50% and 100% of the deductible with claims totaling \$2,217,618.

Ms. Carpenter reviewed the *FY2019 reinsurance reports* (data through April). She said there was one claimant exceeding the \$225K deductible with total claims of \$268,172 and excess claims of \$43,172. She said that the \$100K Aggregating Specific Deductible has not been met. She said there were 17 claimants with claims between 50% and 100% of the deductible with claims totaling \$2,734,560.

FY20 Reinsurance Procurement:

Carol Cormier said that GBS sent the reinsurance RFP out to 12 companies and received only 2 responses with quotes. She said one set of quotes came from the current broker and carrier, i.e. Stop Loss Insurance Brokers (SLIB) with HM Life Insurance Co. She said the other quotes came directly from BCBSMA. Ms.

Cormier reviewed the spreadsheet summary of the quotes. She reminded the Board that a few years ago they had spoken about the Mass. Municipal Reinsurance Arrangement (MMRA), a reinsurance captive comprised of three MA Municipal Joint Purchase Groups. She said this is a pooled self-funded arrangement created because of the lack of a viable market for reinsurance for MA municipal employers.

Carol Cormier said that the current carrier provided the best quote for FY2019. She said the rate increase was 17% for a policy with the same specifications as the current policy, i.e. \$225K specific deductible, 12/24 with a \$100K Aggregating Specific Deductible. The comparable direct quote from BCBSMA was a 68.6% increase.

Sharon Harrison motioned to adopt the FY20 reinsurance proposal and rates provided by Stop Loss Insurance Brokers with HM Insurance.

Motion

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

Dental Plans:

Mary Beverly said that the Board has expressed interest in moving to one dental plan design for all BHG governmental units for FY21. She asked Carol Cormier to keep this item on the agenda as renewal time approaches. She requested a chart from Heidi Fountain showing the various plan designs currently in play.

Dependent Eligibility Audit:

Carol Cormier said that the final report has been received from the Gallagher/Impact Interactive dependent eligibility audit and that the summary report is in the Board packet. She reviewed the summary report. Ms. Cormier said the cost of the audit was \$27,800 plus \$1,350 for the time extension. She said 145 members (6.2% of members) were found ineligible and they will have 60 days to produce documents of eligibility in order to be reinstated retroactively. Based on an estimated annual cost to insure a dependent of \$4,500, the BHG has estimated first year annual savings due to the audit results of \$652,000. Savings achieved over five years, taking employee turn-over into account, is estimated at \$2.6 million.

There was a discussion about obtaining documents following the conclusion of the audit.

BCBSMA Report:

Children's Behavioral Health Initiative (CBHI) – Heidi Fountain, BCBSMA, reviewed the CBHI and said the mandate is geared to services for children and adolescents at high risk for behavioral health problems and provides for in-home and in-community treatment. She said BCBS plans already offer many of the services but effective July 1, 2019 BCBS will add some of the additional services required by the mandate and on July 1, 2020 will add other required services. She said that a 0.06% expected claims increase was factored into the BCBS renewal rates for FY20.

Carol Cormier said that BCBS is the only health plan requiring self-funded municipal employers to add the additional services. She noted that the Group Insurance Commission (GIC) will not add these services for FY20.

Telehealth - Ms. Fountain spoke about the BCBSMA telehealth program and said that the information was presented at several health fairs and posters and brochures were sent to Beth Piantoni for distribution to the Wellness Champions for each location. She said, nevertheless, utilization is extremely low.

Carol Cormier asked BCBS to send flyers about the program to the benefits administrators.

Sharon Harrison asked if the telehealth information could be put on the member ID cards with the copay information so that it would read Telehealth \$0 copay and also adding “Berkshire Health Group” to the ID cards.

Heidi Fountain said she would follow up with the request.

Other Business:

Mary Beverly set the next meetings for Sept. 16 at 9:30 AM and October 21 at 9:30 AM, both at Lenox Town Hall.

It was agreed that Beth Piantoni would send the “Berkshire Health Group Wellness Connection” Wellness Benefits Guide to GBS to post on the website.

There was no other business.

Chair Mary Beverly adjourned the meeting at 10:55 AM.

Minutes prepared by Carol Cormier, MHA, LIA
Gallagher Benefits Services (GBS)