

Berkshire Health Group

Board Meeting #20-01

Lenox Town Hall
Lenox Massachusetts
Monday, September 16, 2019 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Mary Beverly, Board Chair
Sharon Harrison, Board Vice-Chair
Lyndsay Broom
Janet Saddler
Melissa Falkowski
Maureen Senecal
Karen Fink
Andrea Wadsworth
Judy Houle

Town of Adams
Berkshire Hills RSD
Town of Lenox
Town of Williamstown
Central Berkshire RSD
Northern Berkshire Voc. RSD
Town of Great Barrington
Mt. Greylock RSD
So. Berkshire RSD

Guests present:

James Kelley, CPA
Elizabeth Piantoni
Jonathan Payson
Carol Cormier
Karen Carpenter

BHG Treasurer
Wellness Consultant, Berkshire Health Systems
Blue Cross Blue Shield of MA
Gallagher Benefit Services (GBS)
Gallagher Benefit Services (GBS)

Mary Beverly, Board Chair, called the meeting to order at 9:35 AM. She welcomed the new Board members, Andrea Wadsworth and Judy House.

Approval of the minutes of June 12, 2019 (meeting #19-07):

Melissa Falkowski motioned to approve the Board meeting minutes of June 12, 2019.

Sharon Harrison seconded the motion. The motion passed by a majority vote. Andrea Wadsworth abstained.

Motion

Treasurer's Report:

Jim Kelley, Treasurer, distributed and reviewed the financial reports of June 30, 2019 and July 31, 2019 (unaudited figures). Mr. Kelley said that there was a decrease in the overall Cash position of approximately \$3.44 million, mainly due to the Premium Holiday which reduced the average monthly member assessments by \$2.58 million. He reported Total Retained Earnings of \$16,933,396 on June 30 and \$1,7430,347 on July 31.

Mr. Kelley referred to the Investment Manager's report of June 30, 2019 showing a portfolio value of \$10,740,464. He said he would like to have Mr. Daponte attend the next meeting to review the portfolio and performance.

Investment Subcommittee - Sharon Harrison, Chair of the Investment Subcommittee, said that the subcommittee met and has recommendations for the Board to consider. She distributed and reviewed five recommendations and asked that the recommendations be put on the Agenda of the next meeting for Board approval.

Approval of the July, August and September 2019 Warrant Summaries:

Carol Cormier reviewed Warrant Summaries.

Janet Saddler moved to approve the July, August and September 2019 Warrant Summaries.

Motion

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

Wellness Report:

Report on Wellness Programs - Elizabeth Piantoni presented the proposed Sixth Amendment to the BHG and Berkshire Medical Center Consulting Agreement which has a 5% increase in the Wellness Coordinator's hourly rate.

Ms. Piantoni reviewed her handout of *September updates* to the current wellness programs and participation. This included the Modifiable Risk showing percent of members and cost/member for claims that were driven by modifiable risks.

Ms. Piantoni referred to a new Wellness Champion Agreement which she said she created in response to lack of engagement.

Ms. Beverly said that anything sent from the BHG Board must first be approved by the Board. She said she has some issues with the proposed agreement and suggested adding a list of responsibilities. She asked Ms. Piantoni to send the proposed Wellness Champion Agreement to the Board for review prior to the next meeting.

Ms. Beverly said that the reports on use of the FY19 Wellness Stipends were due today and asked the few Board members who had not yet submitted reports to do so as soon as possible.

GBS Reports:

Funding Rate Analysis (FRA) - Carol Cormier reviewed the FRA Summary with data through June 30 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 4.4% under-funded. She said that the funding surplus across all plans was just over \$5 million.

Ms. Cormier reviewed the FRA for July 2019. She said the expense-to-funding ratio for health plans was 82.0% and for dental plans was 105.6%.

Reinsurance reports – Karen Carpenter reviewed the *FY19 reinsurance* reports with data through July 2019. She said one claimant exceeded the \$225K specific deductible with total claims of \$331,581 and excess claims of \$106,581. She said that the Aggregating Specific Deductible (ASD) of \$100K was met, and the reinsurer owes BHG \$6,581. She said that there were 20 claimants on the report of claims between 50% and 100% of the specific deductible, i.e. between \$112,500 and \$225,000. She said total claims for these members was \$3.4 million.

CY20 Senior Plan renewal – “Medex2 with Blue MedicareRx”:

Carol Cormier reviewed the calculations for Medex2, the self-funded medical portion of the senior plan. She said that there was a 5.0% increase in the expected claims and a 1% increase in the BCBS administrative fee. She said that the premium for the fully insured Blue MedicareRX (the Medicare PDP) was 3.5% higher than the current rate. She said combining these factors plus the GBS fee (2.2% increase) resulted in a proposed CY20 rate of \$361.71. She said that the Medex plan has been underfunded for some time now so she proposed a rate of \$366 if the Board wants this plan to be fully funded.

There was a discussion.

Melissa Falkowski moved to set the CY20 Medex rate at \$362.00.

Motion

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

Dental Plans:

Carol Cormier referred to the approved change of the Mt. Greylock dental plan design to that of Lanesborough effective 7/1/2019. She said the Board agreed that on 7/1/2020 it will move to one plan design for dental.

Jonathan Payson, BCBS, said that BHG currently has eight dental plan designs and that three of these do not have the Out-Of-Network (OON) Rider. He said that the Lanesborough plan does not have the OON Rider which means members must see an In-Network dentist. He said that the BHG can have the rider added. He said that there are options but that the easiest way to address the situation is on a case-by-case basis. He said that would mean adding the OON Rider to the Lanesborough plan design this year and change all to the OON Rider on 7/1/2020. Mr. Payson mentioned the Dental Freedom plan design which is a PPO plan design but members may use non-participating dentists.

The Board requested BCBS to prepare an impact analysis and a comparison chart with impact analysis comparing current indemnity plan with the Dental Blue Freedom plan.

Ms. Beverly said this item will be on the next Board agenda.

BCBSMA Report:

Jonathan Payson said that the postcards for the BCBS telehealth program will be mailed to members within the next few days.

Mr. Payson reminded the Board to contact him if they want to schedule health fairs or informational sessions for the Medex renewal.

Sharon Harrison suggested having “Berkshire Health Group” on all communications from BCBS to members.

Mr. Payson said he would look into this.

Other Business:

Mary Beverly said the next meetings will be on October 21 and November 25, both at Lenox Town Hall at 9:30 AM.

Melissa Falkowski said she will be leaving Central Berkshire RSD for a position in Town of Lenox. She said Greg Boino will be the new BHG Board representative for Central Berkshire RSD.

There was no other business.

Andrea Wadsworth move to adjourn the meeting.

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

Chair Mary Beverly adjourned the meeting at 10:50 AM.

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