

**Berkshire Health Group
(BHG)**

Board Meeting #20-05

Lenox Town Hall
Lenox Massachusetts
Monday, January 27, 2020 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Mary Beverly, Board Chair
Sharon Harrison, Board Vice-Chair
Jason Hoch
Greg Boino
Maureen Senecal
Erika Snyder
Karen Fink
Andrea Wadsworth
Lyndsay Bloom
Nancy Giardina

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

Guests present:

Bill Fraher, CPA, *by conference call*
James Kelley, CPA, *by conference call*
Elizabeth Piantoni
Heidi Fountain
Jonathan Payson
Carol Cormier
Karen Quinlivan
Karen Carpenter

BHG Auditor
BHG Treasurer
Berkshire Medical Systems
Blue Cross Blue Shield
Blue Cross Blue Shield
Gallagher Benefit Services, Inc. (GBS)
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Mary Beverly, Board Chair, called the meeting to order at 9:30 AM and asked everyone to introduce themselves.

Carol Cormier introduced Karen Quinlivan and said Ms. Quinlivan will be replacing Karen Carpenter when she retires mid-March.

Approval of the minutes of December 16, 2019 (meeting #20-04):

Sharon Harrison motioned to approve the Board meeting minutes of December 16, 2019.

Motion

Karen Fink seconded the motion. The motion passed by a unanimous vote.

Auditor's report on the FY19 Financial Statements:

Carol Cormier introduced Bill Fraher *via* speaker phone.

Bill Fraher reviewed his Audit summary which is a five year history of the financials. He said that the Group had another good year. He reported year-end Net Assets (Fund Balance) of \$17,929,999 even though there

was a June Premium Holiday. Reviewing the summary, cash and investments have increased in each of the past 5 years to \$20.6 million at the end of FY19. He said Net Assets have steadily increased over the last three years. Claims had a slight increase in FY19 but the prior 2 years were down due to losing a large member (Southwick Tolland) in FY16. Other expenses increased due to reinsurance premiums, the dependent audit, and IBNR. Mr. Fraher said it was a good year for Investment Income. Mary Beverly thanked Bill Fraher, and the call ended.

Treasurer's Report:

As a management point, Mary Beverly mentioned that a formal contract should be developed with the next Treasurer. She said Jim Kelley has been the Treasurer since the 1980s and there was no formal contract or it was lost in the GBS fire. She indicated that Mr. Kelley gave his resignation at the end of February but said he is willing to stay on until the end of March if a replacement can't be found.

There was a discussion regarding the Treasurer vacancy. Mary Beverly said she called smaller accounting firms as well as posting the position on the MA County Treasurers Association website.

Jim Kelley via conference call reviewed adjustments to the FY19 year-end financials as a result of the audit. He went over the Balance Sheet as of December 31, 2019. He said there was a \$460,000 decrease in Cash position during December and a \$846,000 decrease in Operating Cash due to transfers to the investment accounts. As of 12/31/2019 reported Total Retained Earnings/Surplus of \$19,764,638.00.

There was more discussion of the Treasurer's position.

Andrea Wadsworth indicated she would contact some people about the position.

Karen Fink suggested a move to Quickbooks as opposed to the currently used Peachtree accounting software.

Warrants:

Carol Cormier reviewed the January and February warrants. She said January was unremarkable and February included a BCBS settleup credit.

Sharon Harrison made a motion to approve both the January and February warrant.

Motion

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

Wellness Program report :

Beth Piantoni, Wellness Consultant, relayed a recent health coaching success story. BHG coaching currently has 13 clients and 22 interested from biometric screenings. She said the *Maintain Don't Gain* program had 118 participants with 1 losing 17 lbs. There were blood pressure changes on all but 2 participants. The Plank and Wall-Sit Challenge has excellent participation with pictures shared. There is currently a Facebook Like Campaign to encourage people to "like" the page on Facebook for more participation. Ms. Piantoni said the theme for January for Wellness Wednesdays is Building Social Support. The Diabetes Care Program is putting together a new mailing. Yoga classes are ongoing and well liked. The health fair at Mt. Greylock went well with aromathreapy, new recipes, foam rollers, massage guns and frozen yogurt enjoyed by many. There is an upcoming Attitude of Gratitude Challenge encouraging practicing gratitude to improve sense of wellbeing and resiliency.

GBS reports:

Carol Cormier reviewed the *Funding Rate Analysis* with data through December. She noted that the composite expense-to-funding ratio for health plans was 87.6 % for health and 84.2% for dental.

Reinsurance:

For FY20 with \$225,000 specific deductible and \$100,000 aggregating specific deductible,(ASD) there were 2 members in excess for a total of \$60,788 with no reimbursements because the ASD had not been met. The FY19 policy period had 3 members exceed limits with zero outstanding reimbursements.

CanRx: Carol Cormier reviewed the CanaRx reports which showed a current 75% savings and stressed a need to promote the program.

Sharon Harrison showed a targeted mailing that she received for the program and said she almost threw it away as a usual junk marketing mailer. She said that members do not know this is related to BHG,

Jason Hoch suggested spelling out Berkshire Health Group and listing members of the group on the flyer.

Heidi Fountain suggested that the BHG have a Topic of the Month program with communications sent every other month to promote various programs.

FY21 Rate projections:

Carol Cormier reviewed BCBS proposed administrative fee increases of 1.5% and other fees that go into the rates. She reviewed two years of claims history for each plan and the rate calculations by BCBS and by GBS. Ms. Cormier said that BCBS and GBS both calculate projections but claims history will not agree because GBS uses a paid claims basis and Blue Cross uses incurred and paid claims.

The FY21 Network Blue rates using BCBS claims projections resulted in a proposed rate increase of 3.5%. Using the GBS claims projections the rates would decrease 1.44%. Ms. Cormier recommended holding the Network Blue rates at the current levels, 0% increase. She said Blue Care Elect claims projections not credible because there are not enough members in that plan. She said BCBS proposed a 12.8% increase but she suggested maintaining the current rates. Ms. Cormier said that Blue Choice rate projections would not be credible, again because there are not enough members to rate accurately. The current funding scenario was reviewed and Carol Cormier recommended continued adoption of the current rates for FY21. She said that the Fund Balance is considerably above the target range.

Carol Cormier said that the BHG will be changing to a single dental plan design and that the proposed rates are \$32 Individual and \$88 Family.

Sharon Harrison motioned to hold FY21 health plan rates at the current FY20 level and adopt new dental rates of \$32 individual and \$88 family.

Andrea Wadsworth seconded. The motion passed with unanimous approval.

Heidi Fountain from Blue Cross cautioned about setting employee expectations with rate holds.

Motion

Carol Cormier said that language can be prepared for employees along with the FY21 rate notice.

Future Programs:

Carol Cormier said that at the next meeting she will bring a list of programs to consider for cost reduction..

BCBS report:

Heidi Fountain spoke about the possibility of post age 65 Medicare migration for current non-Medicare eligible retirees. She said the employer would pay the premium and penalties for Medicare Part A and the late penalties for Part B. Blue Cross would need to do an analysis for each employer group and move to do this together. She said verification would need to be done that all the retirees are over 65 and retired and have no dependents under 65. Claims data could then be examined. Claims expense can be mitigated by moving these people to retiree plans. Ms. Fountain said that employer contributions are often lower on retiree plans than on active employee plans. She said in her experience the members are much happier to be on senior plans because the coverage is better. Ms. Fountain said the next step is verification from each employer.

Ms. Fountain said that Blue Cross is adding Accupuncture as a standard benefit for self funded-groups with 12 visits annually. She said that the expected cost would be about 10-15 cents per member per month. She said the Group would have to opt out of this benefit if it does not wish to have it.. The Board decided to put the item on the February agenda for review and vote.

Ms. Fountain said that the \$375 copay maximum for high cost imaging has been removed. No action is needed by the group unless it wishes to retain the maximum She also said that the deductible for Narcan has been removed from the high deductible health plans.

Heidi Fountain explained that BCBS is now offering Voluntary Vision Coverage which is separate from BHG health plans. She said it uses the EyeMed Insight Network and covers routine eye exams. There are 2 options. One offers an eye exam every 12 months and the other every 24 months. It can be offered to people not covered by the health plans, and there is a 10% participation requirement. This is a pretax benefit. There are currently no plans available from BCBS without eye exams.

Other business:

Mary Beverly said the Town of Blandford is leaving with a total of 5 subscribers.

Sharon Harrison indicated the discussion of a premium holiday should be added to the February meeting agenda.

Next meetings:

February 24, 2020 at 9:30 AM, Lenox Town Hall

March 30, 2020 at 9:30 AM, Lenox Town Hall

Sharon Harrison motioned to adjourn.

Motion

Andrea Wadsworth seconded. Meeting adjourned at 11:35 AM.

*Prepared by Karen Quinlivan
Gallagher Benefit Services, Inc.*