

**Berkshire Health Group  
(BHG)**

**Board Meeting #20-06**

Lenox Town Hall  
Lenox Massachusetts  
Monday, February 24, 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  
Andrea Wadsworth  
Lyndsay Bloom  
Teri Licata

Town of Adams  
Berkshire Hills RSD  
Town of Williamstown  
Central Berkshire RSD  
Northern Berkshire Voc. RSD  
Mt. Greylock RSD  
Town of Lenox  
Southern Berkshire RSD

**Guests present:**

James Kelley, CPA  
Elizabeth Piantoni, Wellness Consultant  
Heidi Fountain  
Carol Cormier  
Karen Quinlivan  
Karen Carpenter

BHG Treasurer  
Berkshire Medical Systems  
Blue Cross Blue Shield of Mass. (BCBSMA)  
Gallagher Benefit Services, Inc. (GBS)  
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Mary Beverly, Board Chair, called the meeting to order at 9:30 AM.

**Approval of the minutes of January 27, 2020 (meeting #20-05):**

Sharon Harrison motioned to approve the Board meeting minutes of January 27, 2020.

Motion
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Jason Hoch seconded the motion. The motion passed by a majority vote with Teri Licata abstaining.

**Treasurer's Report:**

Treasurer Jim Kelley, CPA reviewed the January 31, 2020 financial statements (unaudited figures). He said that BHG experienced a \$295K overall loss for January with health and dental funds generating a \$394K loss and the investments generating a \$99K profit. He said that as of January 31<sup>st</sup> the Total Retained Earnings/Surplus stands at \$19,464,295.

Mary Beverly said that she has been getting applications and doing interviews for the Treasurer's position. She said a favorable application came in from an individual who is experienced with both Peachtree and Quickbooks accounting software. She said she runs her own business and lives in the Berkshires. Ms. Beverly said she'd speak about this again at the end of the meeting.

Jim Kelley said he would be available to train the new Treasurer.

**Warrant:**

Carol Cormier said that the March Warrant was not available yet.

Mary Beverly tabled this item.

**Wellness Program report :**

Beth Piantoni, Wellness Consultant, distributed and reviewed her report and told a wellness program success story of a Southern Berkshire RSD member.

**GBS reports:**

Carol Cormier reviewed the *Funding Rate Analysis* with data through January 2020. She noted that the composite expense-to-funding ratio for health plans was 90.9 % and was 88.5% for dental. She said there was a \$1.85 million surplus in funding for the health plans based on paid claims data.

Reinsurance:

Karen Carpenter reviewed the reinsurance reports. For FY20 with \$225,000 specific deductible and \$100,000 aggregating specific deductible,(ASD) she said there were 2 members with claims above the deductible (excess claims). She said that the total excess claims was \$92,427 and there have been no reimbursements because BHG has not met the ASD. The FY19 policy period had 3 members with total excess claims of \$127,183. She said that there have been no reimbursements because the ASD has not been met.

Karen Carpenter said that the Benefits Administrators meeting has been rescheduled for March 11<sup>th</sup> at 10 AM at Lenox Town Hall.

Carol Cormier said that the proposed new Business Associates Agreement (BAA) and the Privacy Letter were in the Board packets. There was a brief discussion.

Andrea Wadsworth motioned to approve the BAA with Gallagher Benefit Services.

Motion

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

**New BCBSMA programs:**

Heidi Fountain reviewed new programs that BCBSMA is adding to its fully insured plans. She said that BHG will have to vote to opt out of these programs if it does not want to go along with them.

Ms. Fountain said that currently BHG has a \$375 annual cap on member copays for High Tech Radiology. She said BCBSMA will be removing caps on these copays.

Andrea Wadsworth moved to maintain the current annual cap on member copays for High Tech Radiology.

Motion

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

Heidi Fountain said that BCBSMA will, on renewal, add an acupuncture benefit limited to 12 visits per year to a network-participating acupuncture provider. She said this benefit will take the specialist copay. She said the estimated added cost of this benefit is 0.1% per member.

No action was taken by the Board regarding the acupuncture benefit indicating that this benefit will be added on renewal.

**Post-65 retirees who are not Medicare eligible:**

Carol Cormier said that this topic deals with determining the feasibility of buying into Medicare for post-65 retirees who do not qualify for Medicare. She said that this will be a significant undertaking for a joint purchase group like BHG and may benefit some units more than others.

Heidi Fountain said that she understands that if this goes forward it would be for an effective date of July 1, 2021. She said that buying into Medicare for non-eligible retirees will lower employers' OPEB liabilities. She said BCBSMA can provide reports, but the employers will have to validate retirement information on the reports. She said the units would pay the Part A premium and penalty and the Part B penalty. She said the Part A penalty is a flat 10% of the Part A premium and lasts for the length of time that the retiree did not have Medicare Part A since turning 65 to the date of the Part A buy-in. She said that the Part B penalty is 10% of the Part B premium and lasts for as long as the retiree is enrolled in Part B. Ms. Fountain said BCBSMA can also provide a report on a composite basis for the BHG of claims of the retirees over 65 on active employee plans.

The Board discussed this proposal and agreed to go through the feasibility exercise but expressed skepticism that this would have benefit for the BHG.

**Programs for future cost savings:**

Carol Cormier reviewed a list of programs including those aimed at reducing speciality pharmacy costs and pharmacy costs in general, i.e. pharmacy carveout programs; plan design changes; better promotion and acceptance of the HSA qualified plans; enhanced promotion of wellness programs, CanaRx and telehealth; and review of Joint Purchase Agreement and policies.

**BCBSMA reports:**

Heidi Fountain asked the Board members to let her know about scheduling for health fairs for Open Enrollment. She said that BCBSMA offers a voluntary vision plan which she said she could discuss with any units that are interested.

**Other Business:**

Mary Beverly said the next Board meeting will be held on March 30, 2020.

The 3/30/20 meeting was subsequently canceled because of government restrictions on gatherings during the novel coronavirus pandemic. A virtual meeting (remote participation) was scheduled for April 27 at 9:30 AM.
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Mary Beverly asked the Board to approve the starting salary for the new Treasurer.

Sharon Harrison motioned to give Ms. Beverly the latitude to start at \$2,000 per month and not to exceed \$2,500.

Motion
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Andrea Wadsworth seconded the motion. The motion passed by unanimous vote.

Carol Cormier said that Town of Monterey used to participate in the BHG through its affiliation with the former Berkshire County Insurance Group (BCIG) but has not been part of BHG for many years. She said the town has expressed some interest in possibly joining BHG. She said the town would have to come in as an affiliate member, possibly through Southern Berkshire RSD's membership.

Sharon Harrison volunteered to meet with the Monterey Select Board. There was a discussion of information that will be needed from Monterey.

Sharon Harrison asked that the topic of a possible Premium Holiday in FY20 be added to the next Board agenda..

There was no other business.

Maureen Senecal moved to adjourn.

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

Mary Beverly adjourned the meeting at 10:47 AM.

*Prepared by Carol Cormier  
Gallagher Benefit Services, Inc.*