

**Berkshire Health Group
(BHG)**

Board Meeting #21 03

Monday, January 25,, 2021 at 9:30 a.m.
Meeting by Virtual Participation

Meeting Minutes

Board and Alternates Present:

Sharon Harrison, Board Chair
Greg Boino
Maureen Senecal
Erika Snyder
Jason Hoch, Board Vice-Chair
Joe Bergeron
Mary Beverly
Nancy Giardina
Karen Fink
Chris Desjardins
Lyndsay Broom

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

Guests present:

James Kelley, CPA
Bill Fraher, CPA
Gene Daponte
Maureen Daniels
Chris Desjardins
Heidi Fountain
Jonathan Payson
Bernard Edwards
Joseph Anderson
Karen Quinlivan

BHG Treasurer
Independent Auditor for BHG
Peoples United Advisors, Inc.
Berkshire Medical Systems
So. Berkshire RSD
Blue Cross Blue Shield
Blue Cross Blue Shield
Blue Cross Blue Shield
Gallagher Benefit Services, Inc. (GBS)
Gallagher Benefit Services, Inc. (GBS)

Sharon Harrison, Board Chair, called the meeting to order at 9:34 AM.

She disclosed that the meeting was being recorded and asked if there were any objections. There were none.

Ms. Harrison asked for a roll call of Board members who will be voting. The following voting members were present:

Sharon Harrison, Board Chair
Jason Hoch, Board Vice Chair
Maureen Senecal
Erika Snyder
Mary Beverly
Greg Boino

Berkshire Hills RSD
Town of Williamstown
Northern Berkshire Voc. RSD
Hoosac Valley RSD
Town of Adams
Central Berkshire RSD

Karen Fink	Town of Great Barrington
Joe Bergeron	Mt. Greylock RSD
Nancy Giardina	Town of Lanesborough
Lyndsay Broom	Town of Lenox
Chris Desjardins	Southern Berkshire RSD

Approval of the minutes of November 30, 2020 (meeting #21-02):

Maureen Senecal motioned to approve the Board meeting minutes of November 30, 2020.

Mary Beverly seconded the motion.

Motion

A roll call vote was taken

Sharon Harrison, Board Chair	yes
Jason Hoch, Board Vice- Chair	yes
Maureen Senecal	yes
Erika Snyder	yes
Mary Beverly	yes
Greg Boino	yes
Karen Fink	Abstain
Joe Bergeron	yes
Nancy Giardina	yes
Lyndsay Broom	yes
Chris Desjardins	yes

The motion passed by majority vote.

Treasurer's Report:

Treasurer Jim Kelley, CPA reviewed his reports as of December 31, 2020 (unaudited figures). The overall cash position decreased by a net of approximately \$356,000 during December. The Operating Account increased by a net of \$102,000 mainly due to increased advanced collections of member assessments. The Schwab money market account balance decreased by a net of \$458,000 as a result of investment purchases. Accounts Receivable Reinsurance proceeds decreased by approximately \$6,000 during the month of December. The group owes the reinsurer approximately \$135,000 for excess reimbursements. Prepaid Expenses increased by a net of \$240,000 for the month of December owing to favorable claims experience in December. The investment account balance at MMDT was up by \$327,000. \$2,000 represented interest income for the month and \$325,000 was from additional investment. The investment account at Schwab increased by approximately \$981,000 in December. Additional investments into new funds of \$458,000 from the Schwab money market account and \$325,000 from the Operating Checking Account were made. The group experienced an unrealized gain in December of approximately \$ 110,000. The group showed an overall profit for December of \$658,000 with the health fund generating \$438,00 in profit and the dental fund \$15,000 in profit. The investment fund generated a \$205,000 profit for December. The surplus at the end of December was \$23,702,811.

Investment Reports and Recommendations:

The Investment subcommittee met to discuss the current economic environment in relationship to bond purchases and the present Investment Policy. Previously, the Investment Committee had committed to a ladder approach to bond purchasing to ensure maturity across several years to support the Group's cash flow needs. In view of the current market conditions, neither the committee nor the financial advisor are recommending purchases of additional bonds at this time. Should returns improve, Mr. Daponte will resume bond investing as prudent.

Jim Kelly pointed out that he is in communication with Gene Daponte and they will be making a recommendation. They would like to discuss the possibility of setting up a money market account. He was going to deposit the money in the MMDT account into a money market account he found that is FDIC insured and paying .25% interest. This deposit can be deferred until after discussion if desired. The Committee maintained a position that the Group should return the equivalent of one month's premium to each entity. This could be accounted for either as a return of previous reimbursement for the Retirement Drug Subsidy (RDS) or a premium holiday. There was discussion on premium holiday for FY21 and FY22.

Mary Beverly motioned to approved a one month premium holiday for June FY21 for both Health and Dental.

Maureen Senecal seconded the motion. There was a roll call vote.

Motion

Sharon Harrison, Board Chair	yes
Jason Hoch, Board Vice-Chair	yes
Maureen Senecal	yes
Erika Snyder	yes
Mary Beverly	yes
Greg Boino	yes
Karen Fink	yes
Joe Bergeron	yes
Nancy Giardina	yes
Lyndsay Broom	yes
Chris Desjardins	yes

The motion passed by unanimous vote.

Auditors Report on the FY20 Financial Statements:

Bill Fraher reviewed his Audit summary which is a five year history of the financials. He said that the Group had another good year and there were no issues. He reported year-end Net Assets (Fund Balance) of \$21,431,192 even though there was a June Premium Holiday. Reviewing the summary, cash and investments have increased in each of the past 5 years to \$23.1 million at the end of FY20. He said Net Assets have steadily increased over the last three years. Claims had a decrease in FY20 due to Covid and participant contributions have remained steady. Mr. Fraher said he had seen larger claims decreases due to Covid in other groups but BHG had larger claims towards the end of the year. Reinsurance Receivables increased towards the end of the year. Other operating expenses were up mainly due to increased

reinsurance costs. This was not unusual and unexpected. Investment returns have been consistent in the 3% range. Net Assets as a percentage of health claims, claims administration and fixed premium expenses was 65.8% in FY20. He felt the discussion to return surplus is a valid one.

Jim Kelley said that the three year commitment for audit will be expiring. He asked if Bill's company had an interest in continuing.

Mr. Fraher said he would be interested in continuing going forward.

Mary Beverly motioned to accept the FY20 audit as presented.

Motion

Maureen Senecal seconded the motion. There was a roll call vote.

Sharon Harrison, Board Chair	yes
Jason Hoch, Board Vice-Chair	yes
Maureen Senecal	yes
Erika Snyder	yes
Mary Beverly	yes
Greg Boino	yes
Karen Fink	yes
Joe Bergeron	yes
Nancy Giardina	yes
Lyndsay Broom	yes
Chris Desjardins	yes

The motion carried by unanimous vote.

Review and Approval of January 2021 Warrant Summary:

Motion

Mary Beverly motioned to accept the January 2021 warrant summary as presented.

Maureen Senecal seconded the motion. There was a roll call vote.

Sharon Harrison, Board Chair	yes
Jason Hoch, Board Vice-Chair	yes
Maureen Senecal	yes
Erika Snyder	yes
Mary Beverly	yes
Greg Boino	yes
Karen Fink	yes
Joe Bergeron	yes
Nancy Giardina	yes
Lyndsay Broom	yes
Chris Desjardins	yes

The motion carried by unanimous vote.

GBS reports:

Joseph Anderson reviewed the *FY21 Funding Rate Analysis* with data through December 2020. He said that the composite expense-to-funding ratio for health plans was 83.0 % and was 86.3% for dental.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. For the FY20 period through December, there were 5 claimants with claims above the the \$225,000 specific deductible. The aggregating specific deductible (ASD) of \$100,000 has been met. Total excess claims were \$570,052 and there were \$604,997 in reimbursements, leaving a credit balance of \$134,945. There were 21 claimants on the report of claims between 50% and 100% of the deductible with total claims of \$3,107,329. The FY21 policy period had 3 members on the report of claims between 50% and 100% of the deductible with total claims of \$564,737.

FY22 Rate Projections and Vote:

Joseph Anderson reviewed BCBS proposed administrative fee increases of 1% for health and 1.4% for dental. GBS fees increased 2% on health and dental. High cost claimants by paid claims experience showed over \$600,00 in fixed costs on Stop Loss. An average of a 25% Stop Loss premium increase was factored in calculations. The FY22 Network Blue rates applied a Covid factor adjustment of 7.6% to BCBS claims as part of the projections calculation,. The BCBS calculation resulted in a proposed rate decrease of 2.4%. The GBS projection illustrated that without using a Covid factor, the rates would decrease 4.89%. Mr. Anderson recommended holding the Network Blue rates at the current levels, 0% increase. He said Blue Care Elect and Blue Choice claims projections were not credible because there are not enough members in those plans. The current funding scenario was reviewed and Mr. Anderson recommended continued adoption of the current rates for FY22. He said that the Fund Balance is considerably above the target range and could handle any increase in claims. Dental claims projections also prompted a recommendation to hold the current rates at a zero% increase.

Mary Beverly motioned to approve a zero% rate increase for FY22 for both health and dental.

Motion

Jason Hoch seconded the motion. There was a roll call vote.

Sharon Harrison, Board Chair	yes
Jason Hoch, Board Vice-Chair	yes
Maureen Senecal	yes
Erika Snyder	yes
Mary Beverly	yes
Greg Boino	yes
Karen Fink	yes
Joe Bergeron	yes
Nancy Giardina	yes
Lyndsay Broom	yes
Chris Desjardins	yes

The motion passed by unanimous vote.

Wellness program report:

Maureen Daniels reviewed the 2021 Wellness Program Menu. The goal in 2021 is to increase participation through a varied offering of virtual programs. January updates included a BHG Coaching success story

where a client completed coaching in January and eliminated additional sugars in her diet. With the addition of strength training, she now has an increase in energy, eliminated cravings and has increased stamina, strength and endurance. The Maintain Don't Gain program had 56 total participants complete the challenge. Forty-Nine participants maintained their weight and thirty lost weight. The Mindful Meet-Up Challenge will seek to improve flexibility, and strength through practicing mindfulness and Yoga. BHG Coaching is ongoing with 5 active coaching clients. The Diabetes Care Program is waiting on an updated list for 2021 from BCBS. The Colonoscopy Program had 8 participants redeem gift cards in December. Fitness classes incorporating Yoga, Barre and Pilates are ongoing. Quite a few gifts cards were purchased in late 2019 in hopes of distribution for programs. A plan for distribution of those cards will be forthcoming.

BCBS Report:

Heidi Fountain said that the Health Informatics Report identified Behavioral Health as a condition that could benefit from additional programing for the group. The Learn to Live Program in an online self-directed program focusing on Cognitive Behavioral Therapy techniques. She asked if the group would like to have a presentation from Holly Day from Learn to Live at the next meeting. The cost would be \$.99 per subscriber or approximately \$22,000 annually. It would cover all subscribers and covered dependents over the age of 13. Upon renewal, BCBS is also adding virtual fitness programs to the list of covered expenses under the Fitness Reimbursement Program. This will be effective for July 1, 2021 renewal. High deductible health plans are under utilized by BHG. If any employer groups are interested in adding them, BCBS would need to know by the end of March. They are also available for any questions or needs regarding open enrollment. They are also available if any group has an interest in offering voluntary dental or vision plans.

Other Business:

The next BHG Board meetings were scheduled for Monday March 1, 2021 at 9:30 A.M. and Monday March 29, 2021 at 9:30 A.M.

There was no other business.

Mary Beverly motioned to adjourn the meeting.

Jason Hoch seconded the motion. A roll call vote was taken.

Sharon Harrison, Board Chair	yes
Jason Hoch, Board Vice-Chair	yes
Maureen Senecal	yes
Erika Snyder	yes
Mary Beverly	yes
Greg Boino	yes
Karen Fink	no response
Joe Bergeron	no response
Nancy Giardina	yes
Lyndsay Broom	yes
Chris Desjardins	yes

The motion carried by majority vote. The meeting adjourned at 11:19 A.M.

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