

**Berkshire Health Group
(BHG)**

Board Meeting #21- 05

Monday, March 29, 2021 at 9:30 a.m.
Meeting by Virtual Participation

Meeting Minutes

Board and Alternates Present:

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|------------------------|-----------------------------|
| Jason Hoch, Vice-Chair | Town of Williamstown |
| Crystal Wojcik | Town Of Adams |
| Greg Boino | Central Berkshire RSD |
| James Brosnan | Northern Berkshire Voc. RSD |
| Maureen Senecal | Northern Berkshire Voc. RSD |
| Erika Snyder | Hoosac Valley RSD |
| Joe Bergeron | Mt. Greylock RSD |
| Brenda Rondeau | Mt. Greylock RSD |
| Karen Fink | Town of Great Barrington |
| Chris Desjardins | Southern Berkshire RSD |
| Lyndsay Broom | Town of Lenox |
| Roslyn Broch | Town of Williamstown |

Guests present:

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| James Kelley, CPA | BHG Treasurer |
| Beth Piantoni | Berkshire Medical Systems |
| Richard Butler | Berkshire Medical Systems |
| Heidi Fountain | Blue Cross Blue Shield |
| Jonathan Payson | Blue Cross Blue Shield |
| Chris Collins | CanaRx |
| Jim Riley | CanaRx |
| Joseph Anderson | Gallagher Benefit Services, Inc. (GBS) |
| Karen Quinlivan | Gallagher Benefit Services, Inc. (GBS) |

Jason Hoch, Board Vice- Chair, called the meeting to order at 9:31 AM.

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

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

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| Jason Hoch, Board Vice-Chair | Town of Williamstown |
| Crystal Wojcik | Town Of Adams |
| Erika Snyder | Hoosac Valley RSD |
| Greg Boino | Central Berkshire RSD |
| Lyndsay Broom | Town of Lenox |
| Brenda Rondeau | Mt. Greylock RSD |
| James Brosnan | Northern Berkshire RSD |

Approval of the minutes of March 1, 2021 (meeting #21-04):

Erika Snyder motioned to approve the Board meeting minutes of March 1, 2021 with a correction on the town of Roslyn Broch.

Greg Boino seconded the motion.

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| Motion |
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A roll call vote was taken

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| Jason Hoch, Board Vice- Chair | yes |
| Crystal Wojcik | yes |
| Erika Snyder | yes |
| Greg Boino | yes |
| Lyndsay Broom | yes |
| Brenda Rondeau | abstain |
| James Brosnan | abstain |

The motion passed by majority vote.

Treasurer's Report:

Treasurer Jim Kelley, CPA reviewed his reports as of February 28, 2021 (unaudited figures). The overall cash position decreased by a net of approximately \$939,000 during February. The Operating Account increased by a net of \$165,000 mainly due to increased advanced collections. The Schwab money market account decreased by a net of \$1,104,000 during February as Cash was deployed to investments. Prepaid Expenses decreased by a net of \$246,000 for the month of February as the quarterly settle up credit was used in February and adverse claims experience in January and February resulted in a settle-up liability instead of a prepaid. The investment account balance at MMDT increased by approximately \$631,000 which represented interest income for the month of approximately \$1,000 and additional investments of \$630,000. The investment account at Schwab increased by approximately \$1,138,000 in February, of which, \$1,104,000 was cash converted to investments. The group experienced an unrealized loss for February of approximately \$35,000 and a realized gain of approximately \$50,000 for the month.. Overall, the group showed a profit for February of \$161,000 with the health fund generating \$127,000 profit and the dental fund a loss of \$3,000. The investment fund generated a \$37,000 loss for February. The surplus at the end of February was \$23,701,410. For the eight months ended 02/18/221 the group has experienced a YTD profit in investments of \$977,000. The Health Fund realized a profit of \$1,262,000 with claims as a percentage of member assessment revenue running at 88%. The Dental Fund had a profit of \$30,000 with claims as a percentage of member assessment running at 86%.

Discussion of cash investment:

Treasurer Jim Kelley, CPA reviewed options for cash investment discussed at the last meeting. Peoples United Bank indicated that they had a fiduciary responsibility to point out that bond investments were not appropriate in the current environment. They are refunding bond money as they mature. To provide history, Mr. Kelley said that the BHG had previously dealt with Promontory Interfinancial Network in a program called the CDARS (Certificate of Deposit Account Registry Service) program. Back in the late 1990's and early 2000's banks were failing. Under the CDARS program, forty different banking applications were filled out so \$100,000 could be spread out over 40 institutions for FDIC protection.

purposes. However, all deposits would be reported on one statement. One of the banks that CD money was invested in failed and the group had to wait several months to be returned by the FDIC. When the Berkshire Health Group (BHG) is evaluating whether to change banks it is always a good idea to pull a Veribanc report on institutions being considered. BHG used to receive Veribanc reports each quarter to keep track of Peoples but stopped receiving them when the group fully collateralized cash. Should Peoples fail, BHG has a letter of credit which tells the federal Home Loan Bank where Peoples has collateral deposits. Those deposits no longer belong to Peoples but would be remitted to BHG under the terms of the letter of credit. A Veribanc reports analyzes quarterly bank filings that are placed with the FDIC and points out pro and cons.

Jason Hoch reviewed the reports that Mr. Kelly provided and listed pro and cons for the banks being currently considered for investment. The pros for Adams Community Bank are it is a local bank with FDIC insurance and will have guarantee on the first \$250,000. If \$14M is invested, it will have DIF insurance. The con is the DIF insurance could be questionable if there were to be a catastrophic failure. We are in the pandemic environment and one year ago people were comparing the times to the great depression. ACB had low capitalization relative to peers. Non performing assets doubled in the last 12 months. Liquidity relies on large deposits. Promitory Investment would have full FDIC insurance. It would be spread between banks to get the full FDIC insurance and have one statement. The con would be that the money would not be in the local community.

Jim Brosnan said that there are six regional school districts that have money with Adams Community Bank and have had no issue. It is nice to have the money in the local community, however, it would be appropriate to leave decision making to the the next meeting.

Karen Fink and Chris Desjardins joined the meeting at this time.

Review and Approval of April 2021 Warrant Summary:

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| Motion |
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Erika Snyder motioned to accept the April 2021 warrant summary presented.

Jim Brosnan seconded the motion. There was a roll call vote.

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| Jason Hoch, Board Vice- Chair | yes |
| Crystal Wojcik | yes |
| Erika Snyder | yes |
| Greg Boino | yes |
| Karen Fink | yes |
| Lyndsay Broom | yes |
| Brenda Rondeau | yes |
| James Brosnan | yes |
| Chris Desjardins | yes |

The motion carried by unanimous vote.

GBS reports:

Joseph Anderson reviewed the *FY21 Funding Rate Analysis* with data through February 2021. He said that the composite expense-to-funding ratio for health plans was 86.1 % and was 88.6 % for dental.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. For the FY20 period through February, 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 \$571,530 and there were \$604,997 in reimbursements, leaving a credit balance of \$133,467. There were 21 claimants on the report of claims between 50% and 100% of the deductible with total claims of \$3,107,570. The FY21 policy period had 7 members on the report of claims between 50% and 100% of the deductible with total claims of \$ 1,212,275.

Wellness program report:

Beth Piantoni welcomed the new Wellness Coordinator, Richard Butler. Mr. Butler introduced himself and gave a brief introduction. He was previously a Senior Exercise Physiologist for 23 years at Canyon Ranch. He is looking forward to living up to Beth's great example. All programs are virtual at this point but wide varieties of programs are offered. The 21 Day Healthy Lunch Challenge runs from April 5th to May 3rd.and focuses on packing a health lunch that can save money, time and extra calories and fat. There are many virtual webinars and classes focused on things such as cooking, metabolism, cholesterol and gut health. The Winter Fitness Challenge ends April 5 and spring fitness classes will be starting soon. There are currently 3 active coaching clients. Promotion will try to increase numbers. There have been 8 participants that have completed their requirements for the Diabetes Care Program. There will be a new workshop "The Benefits of Physical Activity with Diabetes- 30 Minute Group Discussion" on March 24, April 7th and May 12. Berkshire 150 is a community program that encourages better health through exercise. The goal is to exercise for 150 minutes per week. Members can register as an individual or as a team of up to 20 people. All participants who track, log and submit weekly minutes will be entered into a drawing for one of 10 wellness prizes. In May there will be a Teams of Two Challenge. Studies have shown that social interactions have an overwhelmingly positive effect on physical and emotional well-being and behaviors. It is important to associate with those whose values and habits support a healthy lifestyle. This challenge has participants use the power of partnership to compete against each other in teams of two.

BCBS Report:

Heidi Fountain reviewed the latest Covid-19 dashboard report. Covid numbers through February were decreasing from the higher amounts in November, December and January.

Ms. Fountain reminded everyone about upcoming formulary changes for 07/01 with listed medications that will have substitutions. The change notification was sent directly to members. She also mentioned a new Cancer Quality Care Program that may target cancer patients to make sure that care is safe and appropriate and meeting clinical guidelines. In the coming months, groups may be asked to distribute information encouraging the MyBlue app. Voluntary dental plans are also available for 07/01 open enrollment. If any employer groups have any open enrollment needs, please contact Heidi or Jonathan Payson directly.

CanaRx Report:

Chris Collins said that they are available to provide any materials needed for open enrollment whether it be paper or electronic format. They are also available for Zoom meetings if desired. He introduced Jim Riley, a new CanaRx staff member that will focus on direct customer service for the individual employer groups to meet their needs and help increase participation.

Ongoing items:

One item for consideration is the upcoming vacancy of the Vice Chair position when Jason Hoch departs the town of Williamstown next month. It will be included on the next meeting agenda.

Other Business:

The next BHG Board meetings were scheduled for Monday April 26, 2021 at 9:30 A.M. and Monday, May 24, 2021 at 9:30 A.M.

There was no other business.

Jim Brosnan motioned to adjourn the meeting.

Erika Snyder seconded the motion. A roll call vote was taken.

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| Jason Hoch, Board Vice- Chair | yes |
| Crystal Wojcik | yes |
| Erika Snyder | yes |
| Greg Boino | yes |
| Karen Fink | yes |
| Lyndsay Broom | yes |
| Brenda Rondeau | yes |
| James Brosnan | yes |
| Chris Desjardins | yes |

The motion carried by unanimous vote. The meeting adjourned at 10:20 A.M.

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