

**Berkshire Health Group
(BHG)**

Board Meeting #21- 08

Monday, June 28, 2021 at 9:30 a.m.
Meeting by Virtual Participation

Meeting Minutes

Board and Alternates Present:

Sharon Harrison, Board Chair
Erika Snyder, Board Vice-Chair
Crystal Wojcik
Greg Boino
Lyndsay Broom
Joe Bergeron
Maureen Senecal

Berkshire Hills RSD
Hoosac Valley RSD
Town Of Adams
Central Berkshire RSD
Town of Lenox
Mt. Greylock RSD
Northern Berkshire Voc. RSD

Guests present:

James Kelley, CPA
Maureen Daniels
Heidi Fountain
Jonathan Payson
Chris Collins
Jim Riley
Joseph Anderson
Karen Quinlivan

BHG Treasurer
Berkshire Medical Systems
Blue Cross Blue Shield
Blue Cross Blue Shield
CanaRx
CanaRx
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
Erika Snyder Board Vice-Chair
Crystal Wojcik
Greg Boino
Joe Bergeron
Maureen Senecal

Berkshire Hills RSD
Hoosac Valley RSD
Town Of Adams
Central Berkshire RSD
Mt. Greylock RSD
Northern Berkshire RSD

Approval of the minutes of May 24, 2021 (meeting #21-07):

Joe Bergeron motioned to approve the Board meeting minutes of May 24, 2021 as presented.

Erika Snyder seconded the motion.

Motion

A roll call vote was taken

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Joe Bergeron	yes
Maureen Senecal	yes

The motion passed by unanimous vote.

Treasurer's Report:

Treasurer Jim Kelley, CPA reviewed his reports as of May 31, 2021 (unaudited figures). The overall cash position increased by a net of approximately \$5,736,000 during May, mainly due to \$6,670,000 being redeemed from MMDT to fund the new money market account with Adams Community Bank. The Schwab money market account decreased by a net of \$419,000 during May as Cash was redeployed to additional investments. It was a quarterly settle-up month with BCBS so an additional approximately \$737,000 was paid to BCBS. Reinsurance receivables increased by \$224,000 during May as individual member claims exceeded the reinsurance deductible. The investment account balance at MMDT stood at approximately \$4,322,000 representing the actuarial reserve balance. The investment account at Schwab decreased by a net of approximately \$1,068,000 in May, with \$1,600,000 of maturing bond proceeds returned by the investment advisor. The group experienced an unrealized gain for May of approximately \$56,000 and a realized gain of approximately \$13,000 for the month. The group experienced an overall loss for May of approximately \$122,000 with the health fund generating \$216,000 loss and the dental fund a profit of \$7,000. The investment fund generated a \$88,000 profit for May. The surplus at the end of May was \$22,965,823. For the eleven months ended 05/31/2021, the group has experienced a YTD profit in investments of \$1,646,000. The Health Fund realized a loss of \$131,000 with claims as a percentage of member assessment revenue running at 93%. The Dental Fund had a YTD profit of \$19,000 with claims as a percentage of member assessment running at 88%.

Joe Bergeron asked how much we are able to see across the state in terms of claims to determine if BHG is having isolated experience.

Jim Kelley said that the auditor said that this is indicative of other groups as well.

Joe Anderson said that across the state utilization has increased in the last few months. The cost of hospitalization has also increased.

Lyndsay Broom joined the meeting at this time.

GBS reports:

Joseph Anderson reviewed the *FY21 Funding Rate Analysis* with data through May 2021. He said that the composite expense-to-funding ratio for health plans was 92.9 % and was 90.7 % for dental.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. For the FY20 period through May, 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 \$572,897 and there were \$604,997 in reimbursements, leaving a credit balance of \$132,100. There were 21 claimants on the report of claims between 50% and 100% of the deductible with total claims of \$3,108,583. The FY21 policy period had 2 claimants with updated total paid claims of \$874,570. Total excess claims were \$ 324,570. There have been no reimbursements to date so the outstanding reimbursements due are \$224,570. There were 14 members on the report of claims between 50% and 100% of the deductible with total claims of \$2,704,117.

FY22 Stop Loss Renewal:

Joe Anderson reviewed the FY22 Stop Loss renewal quotes received. Over the last five years the industry trend has been about a 20% increase reflective of the increase cost and frequency of high cost claimants. The two most competitive quotes of BCBS and SLIB/HM were reviewed at the current specific deductible of \$275,000 with a \$100,000 aggregating specific. Annual premium for Blue Cross increased 49% and the current \$450,000 laser remained in place on one claimant with total estimated costs of \$1,168,237. The total increase over current exposure is 33.6%. The current carrier HM had a baseline increase of annual premium of 12%. The laser was removed. Overall exposure is \$771,305 which represents an 11.8% decrease. Mr. Bergeron asked if the group wanted to see illustration at other specific levels or if the group wanted to consider the current level.

Maureen Senecal said that the current carrier has presented a good renewal rate and the current level is fine.

No other members voiced a desire to see other quote options.

Maureen Senecal motioned to accept the SLIB/HM FY22 renewal quote of \$275,000 specific deductible and \$100,000 aggregating specific with total annual costs of \$771,305.

Motion

Joe Bergeron seconded the motion. There was a roll call vote.

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Lyndsay Broom	yes
Joe Bergeron	yes
Maureen Senecal	yes

The motion carried by unanimous vote.

Cyber security risk discussion:

Joe Anderson provided information regarding the disaster readiness/ recovery plan for Gallagher. A potential ransomware attack would be detected early at Gallagher. Powerful software with algorithms monitor all usage at all times. All files are stored on a secure site and backed up at another secure site. Every year employees are trained on best practices. In the event an attack is detected, the entire system is brought down and the location of the attack is isolated. Business continuity plans are put in place and forensic analysis is done to determine what was affected and the extent of exposure. Systems are brought back up using backups. There are many moving parts to the process. Third party vendors constantly simulate attacks to find any weakness points as well.

Sharon Harrison asked if a ransomware attack were to occur, are systems separated to limit exposure.

Mr. Anderson responded that the systems within Gallagher are segregated. The software will shut down the area that was affected and business continuity plans then take place. GBS Auburn is a very small part of the overall Gallagher system. BHG has its information stored in that small portion of the overall system.

Heidi Fountain said that Blue Cross has three distinct processes included in the Disaster Readiness/ Business Continuity Program for Blue Cross. Incident Management, Business Resumption and Technology Resumption are the three focuses. There is a secondary data site for synchronous failover security for all critical applications. Protecting an organization starts with education of all users. Education is completed annually on compliance.

Wellness program report:

Maureen Daniels presented the current Wellness Program report for Richard Butler who was on vacation. The spring fitness classes finished for Barre and Yoga. “Teams of 2 Challenge had to members complete 13 of the 17 activities and earned \$50 gift cards. Berkshire 150 had 16 members report participation. Berkshire Hills RSD had the majority of participants at 12. Remaining responses are still coming in Well Concepts webinars had 35 members sign up for webinars this spring and 15 participants were randomly selected for gift cards. There was a successful health fair at Mt. Greylock High school on June 17. There were biometric screenings, hand massages, coaching sign ups and a yoga class. All screeners were given a \$25 BCBS prepaid voucher and 10 other participants were selected from a drawing to win the same. The Diabetes Program had 19 participants for the January to June period. The Hero Coaching program has had 21 members participate for FY20/21. Annual stipend spending from Blue Cross will go towards purchase of automatic blood pressure cuffs that will go to BHG members that are screened and in need in 2021/2022. The summer focus will be on biometric screenings on site, Hero Coaching and a July/August activity “Elements of the Earth”. Fall flu clinics will be in the planning stage. Covid vaccines in the workplace may also be explored if there is a need.

BCBS Report:

Heidi Fountain presented the latest Covid dashboard report. Numbers are continuing to decline. Vaccine dashboard data is now reported but is missing information from the state vaccination sites. Numbers will be underreported. Massachusetts is currently beating the national average in vaccinations.

Other Business:

CanaRx reported they will have cost savings reports available soon and are available for any needs.

An RFP for auditor was sent out and was due back June 15th. There were two responses. The committee set to review them will be scheduling a meeting very soon to make a recommendation.

The next BHG Board meeting is scheduled for Monday July 26, 2021 at 9:30 A.M.

There was no other business.

Joe Bergeron motioned to adjourn the meeting.

Motion

Maureen Senecal seconded the motion. A roll call vote was taken.

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Lyndsay Broom	yes
Joe Bergeron	yes
Maureen Senecal	yes

The motion carried by unanimous vote. The meeting adjourned at 10:32 A.M.

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