

**Berkshire Health Group
(BHG)**

Board Meeting #22- 09

Tuesday, June 21, 2022 at 9:30 a.m.
Meeting by Virtual Participation

Meeting Notes

Board and Alternates Present:

Sharon Harrison, Board Chair
Erika Snyder, Board Vice Chair
Crystal Wojcik
Greg Boino
Lyndsay Patenaude
Joe Bergeron
Paula O'Neil
Chris Desjardins
Rachel Vadnais

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

Guests present:

James Kelley, CPA
Ericka Oleson
Terri Licata
Richard Butler
Heidi Fountain
Peter Cahill
Chris Collins
Jim Riley
Joseph Anderson
Karen Quinlivan

BHG Treasurer
Town of Stockbridge
Southern Berkshire RSD
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
Crystal Wojcik
Greg Boino
Lyndsay Patenaude
Joe Bergeron
Paula O'Neil

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

Chris Desjardins
Rachel Vadnais

Southern Berkshire RSD
Town of Williamstown

Approval of the minutes of April 25, 2022 (#22-07) meeting and notes of the May 23, 2022 meeting (#22-08):

Greg Boino motioned to approve the Board meeting minutes of April 25, 2022 and notes of May 23, 2022 as presented.

Rachel Vadnais seconded the motion.

Motion

A roll call vote was taken

Sharon Harrison	yes
Erika Snyder	abstain
Crystal Wojcik	abstain
Greg Boino	yes
Lyndsay Patenaude	yes
Joe Bergeron	yes
Paula O'Neil	yes
Chris Desjardins	yes
Rachel Vadnais	yes

The motion passed by majority vote.

Treasurer's Report:

Treasurer Jim Kelley, CPA reviewed his reports as of May 31, 2022 (unaudited figures). The overall cash position decreased by a net of approximately \$7,359,000 during May primarily due to transfers to be invested in the bond market. From Adams Community Bank, \$4,500,000 was transferred along with \$3,000,000 from MMDT. BHG's investment advisor felt it was prudent to invest in bonds again as the yields had increased substantially. Reinsurance receivables increased by a net of \$12,000 during May and the balance stands at approximately \$290,000. The investment account at MMDT stood at approximately \$1,319,000, as monies were transferred to capture increased yields in short term bonds. The group experienced an unrealized loss on the investment portfolio for May of approximately \$478,000. The group experienced an overall profit for May of \$377,000. The Health Fund generated a profit of approximately \$406,000 and the Dental Fund a loss of approximately \$5,000. The Investment Fund experienced a loss of approximately \$27,000 for May. For the 11 months ended 05/31/2022, the group has experienced a YTD loss in investments of \$501,000. The Health Fund realized a loss of \$681,000 with claims as a percentage of member assessment revenue running at 94%. The Dental Fund had a YTD profit of \$30,000 with claims as a percentage of member assessment running at 87%.

Acceptance of the April, May, and June warrant summaries:

The warrant summaries were reviewed.

Erika Snyder motioned acceptance of the April, May and June warrant summaries as presented.

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 Patenaude	yes
Joe Bergeron	yes
Paula O'Neil	yes
Chris Desjardins	yes
Rachel Vadnais	yes

The motion passed by unanimous vote

GBS reports:

Joseph Anderson reviewed the *FY22 Funding Rate Analysis* with data through May 31, 2022. He reviewed the historical claims summary as compared to 2021 and pointed out the variance in trends. He said that the composite expense-to-funding ratio for health plans was 96.28 % and 93.04 % for dental.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. For the FY21 period through May, there were 4 claimants with claims above the the \$275,000 specific deductible. The aggregating specific deductible (ASD) of \$100,000 has been met. Total excess claims were \$533,744 and there were \$442,343 in reimbursements, leaving an overpayment credit balance of \$8,599.67. There were 15 claimants on the report of claims between 50% and 100% of the deductible with total claims of \$2,747,834. The FY22 policy period had 3 claimants in excess with updated total paid claims of \$ 1,411,173.16 and excess claims of \$586,173. The aggregating specific has been met. There were \$187,283 in reimbursements and there is an outstanding reimbursement balance due of \$298,890. There were 12 claimants at or above 50% of the deductible with total claims of \$2,259,934.

Ms. Quinlivan presented the Gallagher FY23 Roster and Invoice Download Agreement. GBS will be compensated an annual fee of \$157.50/unit per year, or \$1732 for 11 units for FY23. The service period is from 07/01/2022 through 06/30/2023. The contract amount will be due at the beginning of the contract period. There was no increase in amount from the prior period.

Ms. Quinlivan also presented the Gallagher Website Maintenance Agreement for FY23. GBS will be compensated an annual fee of \$3,785 to maintain the BHG website. The maintenance contract period will be from 07/01/2022 through 06/30/2023. The contract will be paid in four installments of \$946.25 each on September 1, 2022, December 1, 2022, March 1, 2023 and June 1, 2023. Again, there is no dollar amount change from the prior period.

Erika Snyder motioned to accept the Roster and Invoice Agreement and Website Maintenance Agreement for FY23.

Motion

Greg Boino seconded the motion. There was a roll call vote.

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Lyndsay Patenaude	yes

Joe Bergeron	yes
Paula O'Neil	yes
Chris Desjardins	yes
Rachel Vadnais	yes

The motion passed by unanimous vote

FY23 Stop Loss Renewal:

Joe Anderson reviewed the FY23 Stop Loss renewal quotes received. Recently the Stop Loss market has hardened substantially. Rates are increasing substantially in the local municipal market as well as nationally. Specialty medication costs in particular have led to an increase by 49% of large claims over \$1mm in the last 3 years.. Renewal trend on just medical claims is at about 7%; however, stop loss includes large claims that include those specialty drugs. The two 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 43.6%. The total increase over current exposure is 38.7%. The current carrier HM had a baseline increase of annual premium of 9.6%. Overall exposure is an 8.5% increase. Mr. Anderson said that he is seeing entire blocks of business going receiving 40%. increases He was very pleased with the increase of 8.5%. Quotes were provided at \$300,000 and \$325,000 but he asked if the group wanted to review or discuss renewal at the current level.

Sharon Harrison said that the increased levels did not make sense to her.

Mr. Anderson agreed. When you go up, you cannot go down and it makes sense to only go up when the renewal rate is not fiscally manageable.

Joe Bergeron motioned to accept the SLIB/HM FY23 renewal quote of \$275,000 specific deductible and \$100,000 aggregating specific.

Motion

Greg Boino seconded the motion. There was a roll call vote.

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Lyndsay Patenaude	no
Joe Bergeron	yes
Paula O'Neil	yes
Chris Desjardins	yes
Rachel Vadnais	yes

The motion passed by majority vote.

Wellness program report:

Richard Butler presented a current Wellness Report. The Berkshire 150 was very successful with 190 people signed up and 128 completing the six week program. There were 15 winners of random drawings. So far, there have been 83 Omron Automated Blood Pressure Cuffs distributed. Hero coaching is up to 16 people and there is a fresh list of five or six from a recent health fair. Recent health fairs at Central Berkshire and Great Barrington were both well attended.

The FY23 Wellness Budget was presented with a total budget amount of \$155,888 which is a 13% reduction from the prior year.

Erika Snyder motioned to accept the FY23 Wellness budget at the proposed amount of \$155,888.

Motion

Greg Boino seconded the motion. There was a roll call vote.

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Lyndsay Patenaude	yes
Joe Bergeron	yes
Paula O'Neil	yes
Chris Desjardins	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

BCBS Report:

Heidi Fountain said that new ID cards will be issued to comply with the Consolidated Appropriations Act. They will include the deductible and out of pocket maximums. Peter Cahill sent out a BHG specific enrollment for to all so that should be helpful going forward as well.

Sharon Harrison thanked Blue Cross for that accommodation.

Other Business:

Jim Riley said there has been a sizable increase in the amount of savings through May. There are projected savings of \$114,000 for the year compared to \$88,000 last year. Those numbers are encouraging and the group is on the right trend.

The next BHG Board meetings were scheduled for Monday July 25, 2022 at 9:30 A.M. and Monday, September 26, 2022 at 9:30 A.M.

There was no other business.

Sharon Harrison adjourned the meeting by unanimous consent at 10:19 A.M.

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

