

**Berkshire Health Group
(BHG)**

Board Meeting #23- 02

Thursday, September 26, 2022 at 9:30 a.m.
Meeting by Virtual Participation

Meeting Minutes

Board and Alternates Present:

Sharon Harrison, Board Chair
Erika Snyder
Crystal Wojcik
Greg Boino
Joseph Bergeron
Paula O'Neil
Rachel Vadnais

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

Guests present:

James Kelley, CPA
Richard Butler
Heidi Fountain
Judy Moniz
Chris Collins
Jim Riley
Joseph Anderson
Karen Quinlivan

BHG Treasurer
Berkshire Medical Systems
Blue Cross Blue Shield of MA (BCBS)
Blue Cross Blue Shield of MA (BCBS)
CanaRx
CanaRx
Gallagher Benefit Services, Inc. (GBS)
Gallagher Benefit Services, Inc. (GBS)

Sharon Harrison, Board Chair, called the meeting to order at 9:31 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
Joseph Bergeron
Paula O'Neil
Rachel Vadnais

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

Approval of the minutes of July 25, 2022 (#23-01) meeting:

Joe Bergeron motioned to approve the Board meeting minutes of July 25, 2022 as presented.

Greg Boino 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
Paula O'Neil	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

Treasurer's Report:

Treasurer Jim Kelley, CPA reviewed his reports as of August 31, 2022 (unaudited figures). The overall cash position increased by a net of approximately \$716,000 during August primarily due to decreased cash disbursements to BCBS as a settle-up credit of approximately \$625,000 was used. Reinsurance receivables increased by a net of \$9,000 during August and the balance stands at approximately \$81,000. Prepaid expenses decreased by approximately \$318,000 mainly due to the settle –up credit with BCBS. The investment account at MMDT at the end of August stood at approximately \$2,428,000. The group experienced an unrealized loss on the investment portfolio for August of \$232,000. The group experienced an overall profit for August of \$45,000. The Health Fund generated a profit of approximately \$228,000 and the Dental Fund a loss of approximately \$11,000 for the month of August. The Investment Fund experienced a loss of approximately \$172,000 for August. For the 2 months ended 08/31/2022, the group has experienced a YTD profit in investments of \$59,000. The Health Fund realized a loss of \$123,000 with claims as a percentage of member assessment revenue running at 94%. The Dental Fund had a YTD profit of \$24,000 with claims as a percentage of member assessment running at 78%. As far as retained earnings went, the actuarial reserve of about \$5,000,000 at 15% leaves an unencumbered surplus of 13.7M.

The Veribanc report on Adams Community Bank is much the same with a three star rating but undercapitalized relative to Peers. A new concern is mid-range net interest margin of 2.66% (relates to profitability)

Acceptance of the July, August, and September warrant summaries:

The warrant summaries were reviewed.

Joe Bergeron motioned acceptance of the July, August and September warrant summaries as presented.

Motion

Erika Snyder seconded the motion. There was a roll call vote.

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

Joe Bergeron	yes
Paula O'Neil	yes
Rachel Vadnais	yes

The motion passed by unanimous vote

GBS reports:

Joseph Anderson reviewed the *FY22 Funding Rate Analysis* with data through August 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 102.18 % and 88.8 for dental. Claims were high as the group began the year but hopefully things will settle into predictability. There were two large claimants early but there will be reinsurance that will help.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. The FY22 policy period through August had 4 claimants in excess with updated total paid claims of \$ 2,033,141.96 and excess claims of \$658,141.96. The aggregating specific has been met. There were \$524,177.73 in reimbursements and there is an outstanding reimbursement balance due of \$33,964.23. There were 13 claimants at or above 50% of the deductible with total claims of \$2,455,410.40. The FY23 policy period through August had 1 claimant at or above 50% of the deductible with total claims of \$ 422,404.63.

Sharon Harrison said that she looked at the warrant and she saw a charge for over \$8,000 for reinsurance . In the past the group has always had that charged against any outstanding reimbursements. She sent a note to Ruth Lynch and had not yet received a response.

Karen Quinlivan said she would investigate and get back to the group.

It was subsequently noted that the FY21 overpayment credit of \$8,599.67 that was referenced on the warrant was unable to be moved forward to the FY22 period per the reinsurance carrier.
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FY23 Premium Holiday:

Sharon Harrison said that last year it was discussed that this year's premium holiday could occur earlier in the plan year. Some have suggested March or April and others have suggested earlier than that. Ms. Harrison asked for comments.

Erika Snyder asked how others handle this on their end. They like June because they adjust their final few withholdings in the month of June and folks like the little increase in pay at the end of the year. Mid-year it is a process to shut off and turn on deductions.

Joe Bergeron said that Berkshire County Retirement is getting tired of maneuvering around premium holidays so they are going to cut checks to each employee impacted.

Sharon Harrison said that she would check with Sheila as they were supposed to have a new system this year so units could turn it on or off themselves. She would get a response and send out to Karen Quinlivan for distribution to the group.

Rachel Vadnais said she would like to discuss with her accountant but a preference would be June.

Erika Snyder said that she also feels it would be fairer to give it to those employees who technically have been there the whole year as opposed to those that might have just started or those that decide to leave.

Jim Kelley said that he understood Sharon Harrison to mean that the money could be disbursed to the units in December but given to the employees in June.

Sharon Harrison said yes, but with the discussion and members wanting to talk with respective Treasurers the vote could be put off for another month pending more information.

Jim Kelley said that Gene Daponte asked when to have money available so he has been investing in ultra-short term investments thinking December. If there will be extra time required, he can buy a T Bill and earn some more interest.

Sharon Harrison said that her unit just decreases withholdings for a premium holiday so it doesn't matter when it is.

No action was taken at this time.

Withdrawing Unit- Runout claims provision:

Joe Anderson said that there is a provision that some other joint purchase groups have whereby if a member unit withdraws, they become responsible to pay all of their runout claims, and in so doing they do not impact the trust. The runout claims can be substantial if a large complex claimant hits at the last month before they withdraw. Sometimes it takes months to adjudicate that claim and there could be several hundred thousand dollars hitting the trust a few months out. There is language that can inform this concept and it could be reviewed to see how it works for the Berkshire geography.

Sharon Harrison said there was previous discussion on this topic but it was some time ago.

Joe Anderson said he would research the archives.

Jim Kelley said that if a group has 10% of claims and they walk away from their share of the fund balance, asking them to pay runout claims is additionally punitive.

Joe Anderson said that it is a policy that protects against competition that could potentially substantially underprice using the same network that BHG has, thus eroding the trust by inducing units to . It is a forward looking policy for the next 10 years with a goal of trust stabilization.

Sharon Harrison asked for language at the next meeting.

Wellness program report:

Richard Butler presented a current Wellness Report. Summer Bingo was successful with 31 individuals engaging in a variety of 36 activities. Summer is always a bit of a lull with schools out but he was encouraged to see participation was much better than summer last year. So far, there have been 85 Omron Automated Blood Pressure Cuffs distributed. There are three very traditional fitness classes going on this fall. Yoga at McCann, Berkshire Hills and Lenox. There were nine participants from Hoosac Valley that participated in the Greylock Glen 5K. Each were reimbursed for their entrance fee and received a \$25 gift card voucher. There were 16 Hero Coaching participants for FY22. The Diabetes program had 28 participants in FY22 and so far there are 7 in the fall. The reward is now \$200, twice a year for people that are trying to cover some of the cost of their medication. Vaccination clinics will be ongoing with some

locations that will have COVID boosters available as well. There was a wellness champion meeting which was the first in several years. There was good discussion about increasing participation and incentivizing people to make appropriate choices for their health and wellness. There Berkshire Health Systems Consulting Agreement will be up for renewal and it will be presented soon for review. A one year agreement is fine and it can be modified to two years.

BCBS Report:

Heidi Fountain said that the PBM is changing effective 01/01/2023 to CVS Caremark. Impacted members will be receiving communication from Blue Cross in the coming month. Everyone will be receiving new ID cards. There is also a Travel Rider benefit available for people who have to travel more than 100 miles to receive covered benefits for abortion or gender affirming care. Most joint purchase groups have opted for a wait and see approach.

CanaRx Report:

Chris Collins said that they are very close to the point where enrollment forms can be completed online rather than paper. There is also the ability to text reminders to people regarding refills.

Jim Riley said that the group is on track for \$92,000 in savings this year. There is identified potential for \$374,000 more. Marketing programs can now be analyzed to determine what works best to increase website traffic and potentially increase participation. More to come on that.

Other Business:

The next BHG Board meetings was scheduled for Monday October 24, 2022 at 9:30 A.M. and November 28, 2022 at 9:30 A.M. October will be virtual and at that time there can be discussion about future meetings going forward.

There was no other business.

Erika Snyder motioned to adjourn the meeting.

Motion

Joe Bergeron seconded the motion.

Sharon Harrison adjourned the meeting by unanimous consent at 10:34 A.M.

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