

**Berkshire Health Group
(BHG)**

Board Meeting #23- 05

Monday, December 19, 2022 at 9:30 a.m.
Meeting by Virtual Participation

Meeting Minutes

Board and Alternates Present:

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

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

Guests present:

James Kelley, CPA
Richard Butler
Erika Oleson
Heidi Fountain
Dr. Thomas Hawkins
Lynn Clark
Hang Dao
Chris Collins
Jim Riley
Joseph Anderson
Karen Quinlivan

BHG Treasurer
Berkshire Medical Systems
Town of Stockbridge
Blue Cross Blue Shield of MA (BCBS)
Blue Cross Blue Shield of MA (BCBS)
Blue Cross Blue Shield of MA (BCBS)
Blue Cross Blue Shield of MA (BCBS)
CanaRx
CanaRx
Gallagher Benefit Services, Inc. (GBS)
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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
Joseph Bergeron
Paula O'Neil
Chris Desjardins
Rachel Vadnais

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

Approval of the minutes of November 28, 2022 (#23-04) meeting:

Joe Bergeron motioned to approve the Board meeting minutes of November 28, 2022 as presented.

Chris Desjardins seconded the motion.

Motion

A roll call vote was taken

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

The motion passed by unanimous vote.

Treasurer's Report:

Treasurer Jim Kelley, CPA reviewed his reports as of November 30, 2022 (unaudited figures). The overall cash position increased by a net of approximately \$3,040,000 during November primarily due to early payment of the BCBS level monthly deposit after month end versus early payment in the prior month. Prepaid expenses decreased by approximately \$2,000,000 due to the application of the level monthly deposit to November. The investment account at MMDT increased by approximately \$ 8,000 representing interest earned for the month. The group experienced an unrealized gain on the Scwab investment portfolio for November of \$132,000 and realized gains of \$55,000 for November. The group experienced an overall profit for November of \$ 1,654,000. The Health Fund generated a profit of approximately \$1,409,000 and the Dental Fund a profit of approximately \$13,000 for the month of November. The Investment Fund experienced a profit of approximately \$232,000 for November. For the five months ended 11/30/2022, the group has experienced a YTD profit in investments of \$116,000. The Health Fund realized a profit of \$1,956,000 with claims as a percentage of member assessment revenue running at 81%. The Dental Fund had a YTD profit of \$106,000 with claims as a percentage of member assessment running at 70%. As far as retained earnings went, the actuarial reserve of about \$4,855,000 at 15% leaves an unencumbered surplus of 15.9M. The audit is underway and should be available around rate setting.

Acceptance of the December warrant summary:

The warrant summary was reviewed.

Joe Bergeron motioned acceptance of the December warrant summary as presented.

Motion

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

Sharon Harrison	yes
Erika Snyder	yes

Crystal Wojcik	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 *FY23 Funding Rate Analysis* with data through November 30, 2022. He reviewed the historical claims summary as compared to FY22 and pointed out the variance in trends. He said that the composite expense-to-funding ratio for health plans was 87.78 % and 76.81% for dental respectively.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. The FY22 policy period through November had 5 claimants in excess with updated total paid claims of \$ 2,033,291.96 and excess claims of \$658,291.96. The aggregating specific has been met. There were \$555,329.59 in reimbursements and there is an outstanding reimbursement balance due of \$2,962.37. There were 14 claimants at or above 50% of the deductible with total claims of \$2,668,995.96. The FY23 policy period through November had 1 claimant in excess with updated total paid claims of \$ 307,220.47. Claims will go towards aggregating specific so there is no outstanding amount due at this time. There were 3 claimants at or above 50% of the deductible with total claims of \$ 585,273.86.

Wellness program report:

Richard Butler was unable to attend the meeting but his monthly report was included in the meeting packet for review.

BCBS Annual Informatics Report:

Heidi Fountain introduced BCBSMA Senior Medical Director, Dr. Tom Hawkins and Health Engagement Manager, Lynn Clark, and Pharmacy Account Relationship Manager, Hang Dao.

Ms. Fountain said the report covered Medical, Pharmacy and Dental claims for 2021 and 2022 policy years and compared enrollments, utilization and costs of the two periods. Claims were incurred and paid through the end of August, 2022. The comparators were BCBSMA Commercial Municipal book of business. It excluded accounts without BCBSMA pharmacy benefit. Benchmarks were adjusted for age and gender, PMPM, Utilization and Use and Cost Trends. Dental benchmark is not age/gender adjusted and not limited to overall benchmark filters. Plan performance at a glance showed 55% of members had a well visit in the current period, lower than benchmarks of 56%. Costs of 15% were driven by .4% of members with claims over \$150,000. This was lower than 16% in the prior period and below benchmark of 19%. Behavioral Health claims were 27% which is down one point from the prior period and in line with benchmark. Pharmacy costs showed 65 % were specialty drugs and that represents 1.2% of the total prescriptions. This is an increase of 60% from the prior period. Twenty six percent of members had a cardiometabolic condition. Prevalence rates were below or similar to benchmarks. Spouses were similar. Total net PMPM was \$564.82.

Heidi Fountain introduced Lynn Clark to review Health Engagement.

Preventive screenings looked good this year. Cancer screenings were above benchmarks in 2021 and were higher than 2020. Berkshire Health Group does a great job with incentives for colonoscopies but BCBS helps with reminders. In 2021 reminders for mammograms and colorectal screenings were sent for those without a claim file. From 2020 the gap was closed by 26.7%. Well visits were similar to benchmark. Child well visits dropped a bit so something to focus on in the following years. Fitness and weight loss benefits have increased in line with benchmark as well as flu shots within the time period.

Dr. Thomas Hawkins reviewed medical cost drivers by category and per member per month medical and pharmacy costs by plan type. He reviewed individual high cost claims over \$150,000.

Dr. Hawkins continued to review the cost and utilization by categories of Cardiometabolic, Musculoskeletal, Behavioral Health and Oncology.

Hang Dao reviewed the overall pharmacy profile and performance. Overall pharmacy utilization remains below benchmark and is stable cost in PMPM costs. It did increase 16% from the prior period. Specialty medications increased 1.2% and was slightly above benchmark representing 65% of the total spend. Users increased from 68 to 79 in the prior period and for the current there are 83. Single source brands increased 12.7% but remained below benchmark representing 20% of the the total spend. Multi source brand decreased 2.4% and generics decreased slightly to 83% but was similar to benchmark. Mail order represented 33.6% of prescriptions for 90 day supplies. This was a slight decrease so promotion will help members have medication on hand which will improve compliance.

Antidepressant use was the most utilized drug class but was below benchmark. Antihypertensives were slightly above benchmark but decreased from the prior period. High Cholesterol and anti hypolipidemics were well below benchmark as well as anti diabetics. Anti-inflammatory agents were the number one cost driver but were below benchmark driven by two specialty medications Humira and Otezla. There will be three bio similars coming out for Humira that could help mitigate some of the cost as providers switch. Dermatologicals increased by 46% compared to the prior period.

A recommendation for Berkshire Health Group is the cost share assistance program partnering with BCBS vendor Pillar Rx. The program was launched in 2021 and has been successful. Many specialty medications have a manufacturer coupon copay system. If enrolled in the Pillar Rx program, members can pay between \$0- \$30 copay. Remaining 30% coinsurance amount that would be covered by the manufacturer would shift costs from the account. It is estimated that this program could save BHG \$300,000 annually.

Heidi Fountain reviewed service information. ER utilization rose 15% and is similar to benchmark of 17%. Use of urgent care facilities increased while benchmark remained the same. It can be difficult to find urgent care facilities. Many are now requiring appointments. Behavioral Health visits were similar to benchmark. A new Virtual Care Team feature is new for 2023. Two vendors, Firefly and Carbon Health can bring virtual PCP care to members. Members will be able to select a virtual primary care physician that will help members navigate the system. This will be voluntary and more info to come. Overall costs for the group were below benchmark and 31% of costs were driven by 10% of the members with costs between \$10,000 and \$50,000. There were 17 members with costs above \$150,000 which was down from the prior period. Recommendations include using wellness credits toward programming to help offset the cost of the groups wellness strategy. More wellness Concepts programs can be offered and incentives added to increase participation.

Ms. Fountain reviewed *Proposed Recommendations* in several areas including Wellness programming, ER alternatives, My Blue, Behavioral Health, and prescription assistance.

Sharon Harrison thanked all from Blue Cross for the presentation

BCBS Report:

Heidi Fountain reminded everybody that the PBM is changing effective 01/01/2023 to CVS Caremark. Everyone will be receiving new ID cards. Members need to use the new ID cards moving forward. Any member filling prescriptions through mail order will need to contact the PBM and update financial information.

Joe Bergeron asked a question regarding urgent care. Many locations are now requiring appointments.

Heidi Fountain said the Well Connection benefit can provide a virtual PCP. There is also the 24/7 nurse line for decision support about what care direction they should go for. A list of urgent care facilities can be provided but it is a snapshot of a moment in time and is subject to change.

CanaRx Report:

Chris Collins said that the group has an upward trend with savings. The group has saved over \$77,000 year to date and is projected to be about \$85,000 for the year. There is potential for an additional \$350,000 in savings. Targeted postcard mailings can be utilized as well as payroll/mailbox stuffers.

Other Business:

The next BHG Board meetings were scheduled for January 30m 2023, 2022 at 9:30 A.M at McCann Tech, February 27, 2023 9:30 AM (virtual), and March 27, 2023 Lenox Town Hall.

It was discussed that in-person meetings could be alternated every other month between Lenox and McCann Tech.

There was no other business.

Joe Bergeron Motioned to adjourn the meeting

Erika Snyder seconded the motion.

Sharon Harrison adjourned the meeting by unanimous consent at 10:59 A.M.

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