

**Berkshire Health Group
(BHG)**

Board Meeting #23- 06

Monday, January 30, 2023 at 9:30 a.m.

Meeting Minutes

Board and Alternates Present:

Sharon Harrison, Board Chair
Erika Snyder
Crystal Wojcik
Greg Boino
Lyndsay Patenaude
Joseph Bergeron
James Brosnan
Rachel Vadnais

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

Guests present:

James Kelley, CPA
Richard Butler
Paula O'Neil
Linda Sciarappa
Heidi Fountain
Chris Collins
Joseph Anderson
Karen Quinlivan

BHG Treasurer
Berkshire Medical Systems
Northern Berkshire Vocational RSD
Town of Williamstown
Blue Cross Blue Shield of MA (BCBS)
CanaRx
Gallagher Benefit Services, Inc. (GBS)
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Sharon Harrison, Board Chair, called the meeting to order at 9:33 AM.

She requested that all introduce themselves as they have not met in a considerable amount of time.

Approval of the minutes of December 19, 2022 (#23-05) meeting:

Greg Boino motioned to approve the Board meeting minutes of December 19, 2022 as presented.

James Brosnan seconded the motion. The motion passed by unanimous vote.

Motion

Treasurer's Report:

Treasurer Jim Kelley, CPA reviewed his reports as of December 31, 2022 (unaudited figures). The FY22 audit is complete. There were about \$620,000 worth of adjustments. Two items that are estimates were adjusted and the estimated loss of \$3.1M was reduced to \$2.9M. November was a good month for claims and December was a terrible month for claims. The overall cash position increased by a net of

approximately \$165,000 during December due to advance payment of member assessment revenue. Prepaid expenses decreased by approximately \$937,000 due to higher claims experience for December, thus reducing the accumulated settle up-credit from BCBS. The investment account at MMDT increased by approximately \$11,000 representing interest earned for the month. The group experienced an unrealized loss on the Scwab investment portfolio for December of \$90,000 and experienced realized gains of \$5,000 for December. The group experienced an overall loss for December of \$1,838,000, of which \$619,000 related to effects of the audit adjustments to FYE 06/30/2022. The Health Fund generated a loss of approximately \$1,195,000 and the Dental Fund a profit of approximately \$34,000 for the month of December. The Investment Fund experienced a loss of approximately \$58,000 for December. For the six months ended 12/31/2022, the group has experienced a YTD profit in investments of \$59,000. The Health Fund realized a profit of \$91,000 with claims as a percentage of member assessment revenue running at 92%. The Dental Fund had a YTD profit of \$140,000 with claims as a percentage of member assessment running at 68%. As far as retained earnings went, the actuarial reserve of about \$4,855,000 at 15% leaves an unencumbered surplus of 14.7M. There are current issues with M & T Bank and it may be time to move on. Perhaps it can be put on the agenda for future discussion. Preliminary discussions have been done with Adams Community bank and Unibank. Checks are not being cleared for the right amount and they cannot produce reports on those that pay by ACH. Cash is collateralized to \$5m presently. Adams Community won't do that so an evaluation is warranted.

Acceptance of the January warrant summary:

The warrant summary was reviewed.

Erika Snyder motioned acceptance of the January warrant summary as presented.

Motion

Greg Boino seconded the motion. The motion passed by unanimous vote

GBS reports:

Joseph Anderson reviewed the *FY23 Funding Rate Analysis* with data through December 31, 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 94.70 % and 74.5% for dental respectively.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. The FY22 policy period through December had 5 claimants in excess with updated total paid claims of \$2,033,423.70 and excess claims of \$658,423.70. The aggregating specific has been met. There were \$555,329.59 in reimbursements and there is an outstanding reimbursement balance due of \$3,094.11. There were 14 claimants at or above 50% of the deductible with total claims of \$2,668,497.11. The FY23 policy period through December had 1 claimant in excess with updated total paid claims of \$340,368.04. Claims will go towards aggregating specific so there is no outstanding amount due at this time. There were 6 claimants at or above 50% of the deductible with total claims of \$1,174,176.25.

Annual nomination of Officers:

Greg Boino nominated Sharon Harrison for Board Chair and Erika Snyder for Vice-Chair, continuing as officers of the Berkshite Health Group.

Motion

James Brosnan seconded the motion. The motion passed by unanimous vote.

FY24 Rate Projections for active employee health and dental plans:

Joseph Anderson reviewed BCBS proposed administrative fee increases of 1.5% for health and 1.6% for dental. Stop Loss increases were calculated conservatively at 20%. GBS fees increased 2% on health and dental. Network Blue Claims experience in the most recent trailing twelve months illustrated a 10.42% decrease in claims costs. Medical trend of 8.0% was used based on experience. GBS weights the most recent 12 months at 67% and the previous 12 months at 33%. The BCBS calculation resulted in a proposed rate increase of 1.7%. The GBS projection illustrated a 2.11% increase. On a composite basis across all plans, BCBS came up with an increase of 1.58% in monthly premium. GBS came up with an increase of 1.97%. Total funding for FY23 was \$32.8M. Renewal options were presented for discussion. Option 1 presented a 3% composite increase, option 2 presented a 2% composite increase and option 3 presented a 1% increase. Mr. Anderson noted that in the past the group had experienced a problem when the rate was underfunded to spend down fund balance. Claims experience continued to increase and the group reached a point where there were increases required to match claims trend. That is a challenging fiscal environment to manage.

There was discussion. Consensus was that a 1.5% increase would essentially be a break even. Premium holidays are difficult for members and units to understand but if experience is good throughout the year, it could be utilized to give money back to the member units.

James Brosnan motioned to increase rates by a composite 1% increase.

Motion

Greg Boino seconded the motion. The motion passed by unanimous vote.

A premium holiday discussion was put off for possible consideration at a later time in the plan year.

Joseph Anderson then reviewed dental experience. The percent of claims experience increase was .2%. Both BCBS and GBS projected a flat increase. The recommendation is for a zero percent increase on dental.

Greg Boino motioned to have a zero% increase on dental rates for FY24.

Motion

James Brosnan seconded the motion. The motion passed by unanimous vote.

Wellness program report:

Richard Butler presented his wellness report. The Maintain Your Health and Habits for the Holidays was a success with 74 participants which was up from 56 the prior year. There were 5 random drawing winners of \$50. Fitness classes are ongoing at 6 sites. The Colonoscopy screening program had 39 participants for FY22-23. Hero Coaching has taken off with 18 new participants in just the fall/winter. The Diabetes program is ongoing with a new mailing forthcoming based on a BCBS eligibility list.

Sharon Harrison asked for a percentage on future reports based on the eligible population for programs such as Diabetes and Colonoscopy.

Lyndsay Patenaude asked for monthly newsletters or flyers similar to those produced by the previous wellness coordinator.

Richard Butler said he would work on that.

BCBS Report:

Heidi Fountain said that two items will require a decision by the group.

Members are starting to see copays when they have mental health visits through Well Connections. As of 07/01/2017, BHG adopted Telehealth. On 07/01/2019 BHG eliminated the copay cost for a Telehealth visit through Well Connections. When COVID happened, on 03/16/2020 copays were suspended for all Telehealth care. On 07/01/2021 when the state of emergency ended, member cost share for non COVID care resumed. BHG still had its waiver of copay in place for Telehealth. An unintended consequence of BCBS updates to cost share in 07/01/2021 made copays resume for BHG. It can be corrected back to 07/01/2022. The question is whether the group wants to waive it for Well Connections or for all in network Telehealth care. Ms. Fountain said the recommendation would be for resuming what the group had before.

James Brosnan motioned to restore a zero copay for Well Connections as before.

Motion

Greg Boino seconded the motion. The motion passed by unanimous vote.

Ms. Fountain said that key benefit changes for 07/01/2023 include the inclusion of breast pump supplies per federal mandate as well as a new state mandate for abortion care without cost share. On the Access NE Saver plan there is an update to the nutritional counseling benefit. Deductible will apply to non-preventive nutritional counseling services. That will align with all other plans in the portfolio. A virtual PCP option is being added using Firefly and Carbon Health.

The limit on short term outpatient rehab is being reduced on the PPO plan from 100 visits to 60 visits. The Board can vote to keep that current benefit the same at 100 visits. The HMO is currently 60 visits. Not many people on the PPO currently exceed the 60 visit limit.

No action was taken at this time so the visit limit will change as of 07/01/2023.

Analysis is ongoing for the BCBS cost share prescription assistance program named Pillar Rx. Information will be shared with the group at a future meeting.

CanaRx Report:

Chris Collins said that prescription being 25% of the group's costs, CanaRx has been successful for the group. The group is on an increasing trend. Savings for the year is \$86,364.75.

Greg Boino asked if historical trend can be provided.

The quarterly reports that are produced can be provided at the next meeting to show the number of subscribers and the medications used. Marketing trend will also be tracked going forward.

Other Business:

The next BHG Board meetings were scheduled for February 27, 2023 9:30 AM (virtual), March 27, 2023 Lenox Town Hall, April 24, 2023 9:30 AM (virtual) and May 22, 2023 McCann Tech.

There was no other business.

Sharon Harrison adjourned the meeting by unanimous consent at 11:15 A.M.

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