

**Berkshire Health Group  
(BHG)**

**Board Meeting #23- 07**

Monday, February 27, 2023 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  
Lyndsay Patenaude  
Joseph 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  
Tony Roselli  
Richard Butler  
Heidi Fountain  
Judy Moniz  
Chris Collins  
Jim Riley  
Joseph Anderson  
Karen Quinlivan

BHG Treasurer  
Roselli and Clark, BHG Auditor  
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 9:33 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  
Joseph Bergeron  
Paula O'Neil  
Chris Desjardins

Berkshire Hills RSD  
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Rachel Vadnais

Town of Williamstown

**FY22 Audit Report:**

Tony Roselli, CPA reviewed the FY22 Audit summary. Cash and Investments were \$23M in FY22 and \$26M in FY21. Most of the reduction in cash and investments was related to last year. There was a market gain in investments of about \$1.8M in FY21. There were some challenging market conditions in the investment front with losses of \$767,968 in FY22. The one month premium holiday also meant the group had less contributions than a normal 12 month period, therefore, that plus investments was the main reason why cash and investments declined. The group had set itself up with a healthy net position, so last year it was \$22M despite the fact that there was a \$3M loss. The group still has \$19M. COVID had the net position high due to reduced claims plus investment gains. Member contributions were flat from the prior year in FY22. That would have been higher had there not been a premium holiday. Health claims incurred were higher by almost \$1,000,000 in FY22. In summary, incurred health claims and participant contributions were higher and investment income swung negative \$2.5M which caused the change of -\$2.9M.

Sharon Harrison asked if there were any findings of note.

Mr. Roselli said that there were none.

**Approval of the minutes of January 30, 2023 (#23-06) meeting:**

Joe Bergeron motioned to approve the Board meeting minutes of January 30, 2023 as presented.

Erika Snyder seconded the motion.

Motion
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A roll call vote was taken

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.

**Treasurer's Report:**

Treasurer Jim Kelley, CPA reviewed his reports as of January 31, 2023 (unaudited figures). The overall cash position decreased by a net of approximately \$176,000 during January primarily due to decrease in advance payments of member assessment revenue. Prepaid expenses increased by approximately \$193,000 due to an excessive level monthly deposit paid relative to the claims incurred. The prepaid stood at approximately \$633,000 at month end. The investment account at MMDT increased by approximately \$ 564,000 representing interest earned of \$13,000 for the month and temporary excess cash invested of \$551,000 for a portion of the month. The group experienced an unrealized gain on the Scwab investment portfolio for

January of \$94,000 and realized gains of \$15,000 for January. The group experienced an overall profit for January of \$ 359,000. The Health Fund generated a profit of approximately \$173,000 and the Dental Fund a profit of approximately \$12,000 for the month of January. The Investment Fund experienced a profit of approximately \$174,000 for January. For the seven months ended 01/31/2023, the group has experienced a YTD profit in investments of \$233,000. The Health Fund realized a profit of \$264,000 with claims as a percentage of member assessment revenue running at 91%. The Dental Fund had a YTD profit of \$152,000 with claims as a percentage of member assessment running at 69%. As far as retained earnings went, the actuarial reserve of about \$4,855,000 at 15% leaves an unencumbered surplus of 15M. .

### **Banking Issues:**

Jim Kelley said that since the merger of M & T bank there has been trouble receiving information regarding ACH payments received by BHG. Previously we received activity for each unit on a daily basis. Right now they can only give wire information. Mr. Kelley has to go into their system to extract information that needs to be printed individually. This represents an additional 1-2 hours of work time.

One of the primary issues when dealing with a bank is the additional protection from collateralizing cash. M & T Bank collateralizes cash. Were they to fail, BHG would receive the FDIC insured amount of \$250,000. However, there is also a contingent legal interest by BHG in one of their bonds held for investment. BHG is collateralized to \$5M. It is a rare occasion that more than that is in the BHG checking account. BHG would be covered up to \$5,250,000.

The current checking with Adams Community Bank is not collateralized nor are they willing to provide such coverage.

It was never intended that Mr. Kelley micromanage cash investment, but given the current conditions, he's been transferring excess cash at the beginning of the month to MMDT to obtain a current 4.5% return on the idle cash versus the .55% paid by M & T bank. He has done this even though he is not getting paid for the additional time it takes to do this. He proposed that he sweep the account twice a month (3rd of month & 21st of month) for additional compensation of \$ 60 per month until such time as the MMDT rate falls & it is no longer worth it to BHG. Per calculations, BHG will earn an additional \$ 2,800 per month of interest income monthly before the fee of \$ 60 to transfer the excess funds and make the additional entries into the accounting records.

There are three current proposals:

(1) Status quo until such time as M& T corrects the problem. Earn current rate of .55% and sweep the account 2X per month for additional compensation of \$60 per month. Additionally, Mr. Kelley is being paid approximately 75-\$ 110. per month for the additional work required to get the ACH source documents that they currently cannot provide as were done by Peoples Bank (pre-merger). M & T collateralize our Cash currently to \$ 5,000,000.

(2) Unibank proposed collateralizing our Cash to \$ 5,000,000 and paying a current rate of 1.10% on the idle cash in the account. Mr. Kelley would also propose the \$60 per month sweep arrangement. In addition, Unibank's proposal would require approximately \$ 50 of additional work as they would require modification of a report from our current system before sending it to them monthly before the checks are issued ( an anti-fraud requirement for any new checking accounts).

(3) ACB proposed ***NO Collateralization*** of Cash, just the DIF insurance. They would pay 3%

currently on any new money (approximately 3.3 million per month, on average). No additional services would be needed from Mr. Kelley.

Sharon Harrison said she was having a hard time hearing Mr. Kelley as he was remote and asked if the discussion could be tabled until the following month when everyone was meeting in person and discussion could be clear.

No action was taken at this time and the item will be addressed in March.

**Acceptance of the February warrant summary:**

The warrant summary was reviewed.

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

Motion
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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 *FY23 Funding Rate Analysis* with data through January 31, 2023. 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 94.33 % and 74.63% for dental respectively.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. The FY22 policy period through January 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 \$2,669,013.30. The FY23 policy period through January had 1 claimant in excess with updated total paid claims of \$ 345,633.25. Claims will go towards aggregating specific so there is no outstanding amount due at this time. There were 7 claimants at or above 50% of the deductible with total claims of \$ 1,437,212.08.

**Wellness program report:**

Richard Butler presented his wellness report. The 5 for 5 Challenge is ongoing and he is asking people to make 5 lifestyle habits for 5 weeks and will end on March 21. It's a great way for members to focus on what they are consuming, how they sleep and how they are doing with emotional and mental health. The Berkshire 150 will be coming for April and May challenging 150 minutes of activity a week. Fitness classes are ongoing at 6 sites. The Colonoscopy screening program had 44 participants for FY22-23. Biometric screenings have been offered and there is a potential for 160 screenings. The Diabetes program is ongoing with a new mailing forthcoming based on a BCBS eligibility list and 26 had completed the program in fall of 22.

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

Mr. Butler said he would work on that for the next meeting.

#### **BCBS Report:**

Heidi Fountain introduced Judy Moniz to the group as the new Account Service Consultant reminded everybody that if they need any open enrollment materials to contact her.

Sharon Harrison asked if the group could have a Learn to Live program update next month.

Sharon Harrison said that would not be a problem.

#### **CanaRx Report:**

Chris Collins said that that additional reports were provided showing enrolled member counts and prescription medications. They are working on reports showing how that has increased.

Jim Riley said for the past 12 months there were 19 enrolled as of the end of January and there were five scripts filled in January. Trends have shown that quarterly postcards result in an uptick in enrollment and web traffic on the program site after the mailing

#### **Other Business:**

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

There was no other business.

Erika Snyder motioned to adjourn the meeting

Joe Bergeron seconded the motion.

Sharon Harrison adjourned the meeting by unanimous consent at 10:14 A.M.

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

