

**Berkshire Health Group
(BHG)**

Board Meeting #23- 11

Monday, June 27, 2023 at 9:30 a.m.
Meeting by Virtual Participation

Meeting Minutes

Board and Alternates Present:

Sharon Harrison, Board Chair	Berkshire Hills RSD
Erika Snyder	Hoosac Valley RSD
Crystal Wojcik	Town of Adams
Greg Boino	Central Berkshire RSD
Paula O'Neil	Northern Berkshire Voc. RSD
Rachel Vadnais	Town of Williamstown

Guests present:

James Kelley, CPA	BHG Treasurer
Richard Butler	Berkshire Medical Systems
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Judy Moniz	Blue Cross Blue Shield of MA (BCBS)
Chris Collins	CanaRx
Jim Riley	CanaRx
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	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	Berkshire Hills RSD
Erika Snyder	Hoosac Valley RSD
Crystal Wojcik	Town of Adams
Greg Boino	Central Berkshire RSD
Paula O'Neil	Northern Berkshire RSD
Rachel Vadnais	Town of Williamstown

Approval of the minutes of April 24, May 22, 2023 (#23-10) meeting and notes from May 22, 2023:

Erika Snyder motioned to approve the Board meeting minutes of April 24, 2023 and notes of May 22, 2023 as presented.

Motion

Greg Boino seconded the motion.

A roll call vote was taken

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	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 May 31, 2023 (unaudited figures). The overall cash position decreased by a net of approximately \$2,649,000 during May primarily due to \$1,716,000 less of advance collections of member assessments relative to the prior month. May was also a settle-up month resulting in an approximate additional payment of \$818,000 to BCBS. Reinsurance increased by approximately \$50,000 during May and the balance at May 31 stands at approximately \$405,000. Prepaid expenses increased by approximately \$478,000 during May as the settle-up credit due from BCBS was accrued at month end. The investment account at MMDT increased by a net of \$3,997,000 representing interest earned of \$18,000 for the month and a security redemption/transfer from Schwab of \$2,500,000 to cover the June premium holiday shortfall in Cash. The group experienced an unrealized loss on the Schwab investment portfolio for May of \$173,000. A net of \$15,000 of realized gains were received in May. The group experienced an overall profit for May of \$ 773,000. The Health Fund generated a profit of approximately \$815,000 and the Dental Fund a loss of approximately \$37,000 for the month of May. The Investment Fund experienced a loss of approximately \$5,000 for May. For the 11 months ended 05/31/2023, the group has experienced a YTD profit in investments of \$477,000. The Health Fund realized a profit of \$ 154,000 with claims as a percentage of member assessment revenue running at 92%. The Dental Fund had a YTD profit of \$58,000 with claims as a percentage of member assessment running at 84%. As far as retained earnings went, the actuarial reserve of about \$4,855,000 at 15% leaves an unencumbered surplus of 15.1M.

A Veribanc report was received on Adams Community Bank. They are still three green stars which is their highest rating but there are two new concerns in addition it undercapitalization relative to peers. There is a continuing trend of undercapitalization relative to similar sized banks. ACB is 8.92% versus the peer average of 16.49%. There are new concerns relative to profitability. The net interest margin deterioration and overhead expenses are increasing on a percentage basis.

This ties back to the banking change analysis done back in January. Since conversion back in September M & T Bank has not been able to provide what Peoples used to provide, namely ACH notifications. Extra work is necessary to open up member accounts generate a report, click on something to print backup and then enter the payment detail. This has been causing an additional hour of work a month. Peoples also was fully collateralized on Cash and only ever increased it whereas M & T changes it every quarter and decreases it. As of June 8th there was only \$2,000,000 covered so an additional \$2 million was left exposed. Adams

Community bank will offer 1% interest but not collateralization, only DIF insurance. Unibank will offer 1.1% with a flat \$5 million in collateralization. Jim Kelley recommended moving to Unibank. There was discussion.

Erika Snyder and Sharon Harrison said their communities were comfortable with Adams Community Bank. Rachel Vadnais said she was comfortable Unibank but they have used ACB as well.

Erika Snyder motioned to move funds from M & T Bank to Adams Community Bank.

Motion

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

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Paula O'Neil	yes
Rachel Vadnais	no

The motion passed by majority vote.

The next item was the Treasurer fee. Mir Kelley asked for a 2.5% cost of living increase that would bring his monthly fee to \$2,626.80 per month. A proposed additional \$50 per month is requested if micromanagement of cash is adopted and money is transferred twice monthly to MMDT for ultra-short-term investment. This would only be done until interest rates do not justify it.

Erika Snyder motioned to approve a 3% increase in the Treasurer fee in addition to an additional fee of \$30 per cash transfer.

Motion

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

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Paula O'Neil	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

Acceptance of the May, June and July warrant summaries:

The warrant summaries were reviewed.

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

Motion

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

Sharon Harrison	yes
-----------------	-----

Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Paula O’Neil	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

GBS reports:

Joseph Anderson reviewed the *FY23 Funding Rate Analysis* with data through May 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 95.92 % and 84.06% for dental respectively. All in all a net neutral position . Medex has been running hot so that will be something to be monitored going into rate setting season.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. The FY22 policy period through May had 5 claimants in excess with updated total paid claims of \$ 2,045,284.89 and excess claims of \$670,284.89. The aggregating specific has been met. There were \$555,329.59 in reimbursements and there is an outstanding reimbursement balance due of \$14,955.30. There were 14 claimants at or above 50% of the deductible with total claims of \$2,692,341.63. The FY23 policy period through May had 5 claimants in excess with updated total paid claims of \$ 1,879,922.24. There were \$ 504,922.24 in excess claims. Rreimbursements of \$ 292,861.50 have been received so there is a total outstanding amount due of \$ 112,060.74. There were 8 claimants above 50% of the deductible with total claims of \$ 1,670,620.

Stop Loss FY24 Renewal:

Joseph Anderson said that the group only received a bid from the incumbent which limits options. Blue Cross declined to quote and that is perhaps because the rates are amongst the lowest given the \$275,000 deductible level. That is a testament to the good experience of the last few years. Going into this year if there are any pending large claimants, stop loss carriers are going to look at and anticipate a need to move up closer to where trend indicates. The in force design with \$275,000 deductible and \$100,000 aggregating specific came in at an increase of about 30% from \$861,000 to \$1.19M. That represents less than 3% of the total spend. BHG is usually in the neighborhood of 3.5% on stop loss which is substantially lower than others. Other options would be to raise the deductible to \$300,000 or \$325,000 but Mr. Anderson said it would make more sense to do so in a competitive environment. There was also a multi- year option with a 50% rate cap and no new lasers but the recommendation is to stay with the one year renewal.

Erika Snyder motioned acceptance of the \$275,000 deductible stop loss renewal with \$100,000 aggregating specific for an annual cost of \$1,119,649.

Motion

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

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Paula O’Neil	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

Wellness program report:

Richard Butler presented his wellness report. The Berkshire 150 finished in May. There were 124 participants from all 11 sites which was great. Spring Fitness classes are ongoing at 6 sites. The Colonoscopy screening program had 551 participants for FY22-23 through April. Demand is higher and there is a considerable wait due to fewer MD's available. The year was finished with a health fair at Wahconah HS with biometric screenings, meditation and a self-help foam roller class. Hero Coaching has gained quite a bit of traction in FY23, up to 44. The Diabetes Program is maintaining. There was a 9-hole golf outing on May 20th at Adams and the Steel Rail Race which included a \$50 race reimbursement for any BHG participant. There were 9 participants. Mr. Butler presented the FY24 wellness budget proposal with total funding of \$171,008. It is up approximately \$15,000 predominantly because of an attempt to incentivize the wellness activities in the the biometric screenings.

Rachel Vadnais motioned to approve the FY24 proposed Wellness budget of \$171,008.

Motion

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

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Paula O'Neil	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

Erika Snyder motioned release the \$2,000 Wellness Stipends to member units.

Motion

Rachel Vadnais seconded the motion. There was a roll call vote.

Sharon Harrison	yes
Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Paula O'Neil	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

BCBS Report:

Heidi Fountain said that on the HMO and PPO plans, not Medex, one preventive mammography screening per year without age restrictions will be allowed going forward. That is in accordance with the National Comprehensive Cancer Network clinical practice guidelines and oncology. The copay will comply with the Patient Protections in ACA. There will also be formulary updates for July 1st on covered drugs and quantity limits.

CanaRx Report:

Jim Riley said actual savings through May was \$27,600 with the monthly average \$5,522.42. Average savings is 76.21% with 20 enrolled members and 27 prescriptions filled. Enrolled members are increasing which is good. Trends have shown that quarterly postcards result in an uptick in enrollment and web traffic.

Other Business:

Jim Kelley said that the subject of a new computer might be addressed at a future meeting. The current one is getting old and starting to act up. The possibility of holding meetings every other month or on a quarterly basis could also be addressed.

The next BHG Board meetings were scheduled for August 21, 2023 at 9:30 A.M. via remote participation and Lenox for September 25, 2023 at 9:30 A.M..

There was no other business.

Sharon Harrison, Board Chair, adjourned the meeting by unanimous consent at 10:54 A.M.

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