

**Berkshire Health Group  
(BHG)**

**Board Meeting #24- 02**

Monday, September 25, 2023 at 9:30 a.m.  
Meeting by Virtual Participation

**Meeting Minutes**

**Board and Alternates Present:**

Sharon Harrison, Board Chair  
Erika Snyder  
Greg Boino  
Lyndsay Patenaude  
Paula O'Neil  
Rachel Vadnais

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

**Guests present:**

James Kelley, CPA  
Richard Butler  
Heidi Fountain  
Chris Collins  
Joseph Anderson  
Karen Quinlivan

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

Sharon Harrison, Board Chair, called the meeting to order at 9:35 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  
Greg Boino  
Lyndsay Patenaude  
Paula O'Neil  
Rachel Vadnais

Berkshire Hills RSD  
Mt Greylock RSD  
Town of Lenox  
Northern Berkshire RSD  
Town of Williamstown

There was no quorum at the time so the group went immediately to the Treasurer's report.

**Treasurer's Report:**

Treasurer Jim Kelley, CPA reviewed his reports as of August 31, 2023 (unaudited figures). The overall cash position decreased by a net of approximately \$636,000 during August primarily due to transfers back to MMDT of excess cash for short term investment. Accounts receivable-reinsurance increased by a net of approximately \$49,000 during August and the balance stands at approximately \$306,000 at the end of August. The investment account at MMDT increased by a net of \$1,436,000 representing interest earned of \$22,000 for the month on the investment of excess cash during the month of August. The group experienced an unrealized gain on the Schwab investment portfolio for August of \$405,000. The group experienced an overall loss for August of \$ 228,000. The Health Fund generated a loss of approximately \$666,000 and the Dental Fund a loss of approximately \$22,000 for the month of August. The Investment Fund experienced a profit of approximately \$ 460,000 for August. For the 2 months ended 08/31/2023, the group has experienced a YTD profit in investments of \$641,000. The Health Fund realized a loss of \$ 333,000 with claims as a percentage of member assessment revenue running at 96%. The Dental Fund had a YTD loss of \$2,000 with claims as a percentage of member assessment running at 90%. As far as retained earnings went, the actuarial reserve of about \$4,855,000 at 15% leaves an unencumbered surplus of 12.75M.

*Erika Snyder joined the meeting at this time making a quorum.*

A quarterly VERIBANC report shows the Adams Community still has green three stars but here is concern about profitability and an ongoing comment in regards to undercapitalization compared to other banks their size. A quote from Staples was obtained for a computer. It is an HP laptop with Windows, Excel and PowerPoint. There is two year virus protection and a four year extended warranty. Data can be transferred and software setup all for \$915.00.

Erika Snyder motioned to approve the purchase of a computer for the Treasurer's use  
At the cost of \$915.00.

Motion
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Greg Boino seconded the motion.

A roll call vote was taken

Sharon Harrison	yes
Erika Snyder	yes
Greg Boino	yes
Lyndsay Patenaude	yes
Paula O'Neil	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

The FY23 audit is on track. If not for the premium holiday, FY23 would have had about a \$500,000 profit.

### **Approval of the minutes of August 21st (#23-12) meeting:**

Rachel Vadnais motioned to approve the Board meeting minutes of August 21, 2023  
as presented with a name correction.

Motion
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Paula O'Neil seconded the motion.

A roll call vote was taken

Sharon Harrison	yes
Erika Snyder	yes
Greg Boino	yes
Lyndsay Patenaude	yes
Paula O'Neil	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

### **Acceptance of the September warrant summary:**

The September warrant summary was reviewed.

Greg Boino motioned acceptance of the September warrant summary as presented.

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

Sharon Harrison	yes
Erika Snyder	yes
Greg Boino	yes
Lyndsay Patenaude	yes
Paula O'Neil	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

### **GBS reports:**

Joseph Anderson reviewed the *FY24 Funding Rate Analysis* with data through August 31, 2023. He reviewed the historical claims summary as compared to FY23 and pointed out the variance in trends. He pointed to the specific recoveries of \$323,947 that were claims from the prior plan year that ran over into FY24. August was also a five week month. He said that the composite expense-to-funding ratio for health plans was 104.96 % and 93.69% for dental respectively. All in all a heavier utilization position . Medex has been running hot so that will be something to be monitored going into rate setting next month. Two months in, the performance is 95.46% but it had been over 100% and Blue Cross has indicated that the calculation will be different than recent history. Medical is calculating double digits and the PDP is calculating at 6.8%. There will have to be a business decision made if the rate increase is not passed through to the member population. The data will be released early so that some consideration is possible. A rate history can also be provided.

### **Reinsurance:**

Karen Quinlivan reviewed the reinsurance reports. The FY23 policy period through August had 6 claimants in excess with updated total paid claims of \$ 2,943,533.66 and excess claims of \$1,018,533.66. The aggregating specific has been met. There were \$612,422.03 in reimbursements and there is an outstanding reimbursement balance due of \$306,111.63. There were 10 claimants at or above 50% of the deductible with total claims of \$1,942,865.29. FY24 reports do not have any members on the 50% or excess report yet.

**Wellness program report:**

Richard Butler presented his wellness report. Last year the flu vaccine effectiveness score was the highest it had been since 2011 at 54%. The Summer Bingo and Crossword Puzzle was a worksheet of 20-30 activities to participate in over this summer. There were 60 participants from Adams, BHRSD, CBRSD, Great Barrington, HVRSD, MGRSD and Williamstown. Fitness classes for the fall have begun at various school locations. There is a new book club that has been started over Zoom. The first book this summer was *The Body: A Guide for Occupants* by Bill Bryson. The fall book will be *The Blue Zones: Lessons for Living Longer from the People Who've Lived the Longest*. There will be combinations of Health, and vaccination clinics this fall. September was the Town of Great Barrington and Lenox. October will be SBRSD, Town of Adams, Town of Williamstown, BHRSD, CBRSD and MGRSD. November is available for bookings. Biometric screenings will be offered as best as possible at those sites depending on hours. Hero Coaching has 8 presently enrolled with 32 members for FY23. A new flyer for the Diabetes Program is out. It is more simplified and will only require that an individual calls or emails Mr. Butler. He sets up Diabetes coaching and sends the \$200 incentive. This takes away the need for a signature from a physician. If a person allows it, Berkshire Health Systems can look at their records to see they have maintained communication with their physician and have completed testing. Mr. Butler asked if the colonoscopy screening program could lower the age of initial screening to 45. The consensus was that it would be a good idea but only if covered by Blue Cross. There may not even be a rider available to go to that lower age. Not sure if there is a clinical guideline change yet. The 10<sup>th</sup> amendment of the BHG/BHS agreement will be ready for the next meeting.

**BCBS Report:**

Heidi Fountain said that the group asked her at the last meeting to speak about the Medicare Advantage plan that Blue Cross offers. She began by explaining what a Medicare Advantage plan is. What the group currently has is a self-insured Medicare Supplement, Medex plan. This plan supplements what is covered by original Medicare. The supplements the Medicare A and B deductible and coinsurance for services that are covered by original Medicare. There is a new Medicare PPO Medicare Advantage plan that Blue Cross is offering and some municipalities are adopting. There is a lower cost than what is offered today. They cover what original Medicare would pay and beyond what original Medicare pays. It is a fully insured plan only and takes the place of original Medicare. These plans are supplemented from a payment perspective from CMS. The health plans are given a certain amount each month to supplement care. These plans offer additional benefits such as vision, hearing benefits, wig replacement, fitness and weight-loss benefits and post hospital/ outpatient meal plans. This offering would not require a PCP since it is a PPO offering. There are in and out of network benefits with no cost share except for pharmacy. This plan would have to be offered alongside Medex and could not replace the Medex plan. This plan is less expensive than the Medex plan for both members and the trust. It is a fully insured plan so there is no decision making for the group. Rating is based on the plan as a whole and not the individual group experience. There are no riders or opportunity for customization. Some of the healthier population could be driven to this plan leaving the Medex plan subject to poorer experience and higher rating. The opposite could also be the case.

Joe Anderson said that the pool in the Advantage plan is smaller and municipals are being targeted because of an increase in costs but it might not make sense for all. He suggested that perhaps a wait and see approach could be taken to see experience.

Heidi Fountain said that the Medex claims trend that was increasing was post COVID and seems to be leveling off.

Joe Anderson said that the Inflation Reduction Act aimed to make insurance more affordable for the retirees but those costs will be passed through in the PDP by an average increase of 3%. Medication price negotiation for drugs in 2026 hopefully will help PDP pricing going forward. Current increases on the PDP pricing for 2024 are projecting at 6.8%.

**CanaRx Report:**

Chris Collins said actual savings through August was \$45,576.66 with the monthly average \$5,697.08. Average savings is 75.37% with 47 prescriptions filled. Enrolled members are increasing which is good. Online enrollment is live effective October 1<sup>st</sup>. This has been a year in development to make sure everything is secure. A QR code can take members direct to the landing page and they can enroll there, upload an ID and the member service reps at CanaRx can call the member back to see if they want them to contact the doctor for the prescription. This will hopefully remove barriers and increase enrollment trend.

**Other Business:**

The next BHG Board meetings were scheduled for McCann Tech for October 30, 2023, November 27, 2023 in Lenox, December 18, 2023 as virtual and January 29, 2024 at McCann Tech.

All meetings are at 9:30 AM.

There was no other business.

Sharon Harrison, Board Chair, adjourned the meeting by unanimous consent at 10:36 A.M.

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