

**Berkshire Health Group  
(BHG)**

**Board Meeting #24- 03**

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

McCann Technical School  
70 Hodges Cross Rd.  
North Adams MA 01247

**Meeting Minutes**

**Board and Alternates Present:**

Erika Snyder, Board Vice Chair  
Crystal Wojcik  
Greg Boino  
Lyndsay Patenaude  
Joe Bergeron  
James Brosnan  
Rachel Vadnais

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  
Linda Sciarappa  
Richard Butler  
Heidi Fountain  
Chris Collins  
Joseph Anderson  
Karen Quinlivan

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

Erika Snyder, Board Vice Chair, called the meeting to order at 9:33 AM.

Ms. Harrison asked for a roll call of Board members who will be voting. The following voting members were present:

Erika Snyder  
Crystal Wojcik  
Greg Boino  
Lyndsay Patenaude  
Joe Bergeron  
James Brosnan  
Rachel Vadnais

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

**Approval of the minutes of September 25th (#24-02) meeting:**

Joe Bergeron motioned to approve the Board meeting minutes of September 25, 2023 as presented.

Motion
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Lyndsay Patenaude seconded the motion.

The motion passed by unanimous consent.

**Treasurer's Report:**

Treasurer Jim Kelley, CPA reviewed his reports as of September 30, 2023 (unaudited figures). The overall cash position decreased by a net of approximately \$2,948,000 during September primarily due to transfers back to MMDT of excess cash for short term investment. Accounts receivable-reinsurance decreased by a net of approximately \$8,000 during September and the balance stands at approximately \$298,000 at the end of September. The investment account at MMDT increased by a net of \$1,058,000 representing interest earned of \$23,000 for the month and additional investment of \$1,035,000 in September. The group experienced an unrealized loss on the Schwab investment portfolio for September of \$553,000. The group experienced an overall loss for September of \$ 856,000. The Health Fund generated a loss of approximately \$373,000 and the Dental Fund a profit of approximately \$24,000 for the month of September. The Investment Fund experienced a loss of approximately \$ 507,000 for September. For the 3 months ended 09/30/2023, the group has experienced a YTD profit in investments of \$133,000. The Health Fund realized a loss of \$ 706,000 with claims as a percentage of member assessment revenue running at 98%. The Dental Fund had a YTD profit of \$23,000 with claims as a percentage of member assessment running at 82%. As far as retained earnings went, the actuarial reserve of about \$4,855,000 at 15% leaves an unencumbered surplus of 11.9M.

The Investment Advisors report through 09/30/2023 was distributed. BHG's total return before fees was 3.42% driven by stocks which appreciated by 6.98 %, bonds which returned 2.90% and a 1.11% return on cash. If the group wants Gene Daponte to present a report in person please let him know.

**Acceptance of the October and November warrant summaries:**

The October and November warrant summaries were reviewed.

James Brosnan motioned acceptance of the October and November warrant summaries.

Motion
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Joe Bergeron seconded the motion.

The motion passed by unanimous vote.

**GBS reports:**

Joseph Anderson reviewed the *FY24 Funding Rate Analysis* with data through September 30, 2023. He reviewed the historical claims summary as compared to FY23 and pointed out the variance in trends. He said that the composite expense-to-funding ratio for health plans was 105.56 % and 86.04% for dental respectively. All in all a heavier utilization position . Medex was 104.35% which has reflected an upswing in Medicare spend across the state. He also pointed out one member that is on the 50% Stop Loss report that it will realistic to expect long term claims on..

**Reinsurance:**

Karen Quinlivan reviewed the reinsurance reports. The FY23 policy period through September had 6 claimants in excess with updated total paid claims of \$ 3,245,273.36 and excess claims of \$1,045,273.36.

The aggregating specific has been met. There were \$657,969.57 in reimbursements and there is an outstanding reimbursement balance due of \$287,303.79. There were 9 claimants at or above 50% of the deductible with total claims of \$1,668,919.79. FY24 report had one member on the 50% report as mentioned.

**CY24 Medex Renewal:**

Joe Anderson reviewed Medex claims and enrollment experience from July 2021 through June 2023. There was a 17.8% increase in claims for FY23 compared to FY22. The Blue Medicare Rx PDP rate increased for CY24 from \$169.35 to \$180.45. Specialty and weight loss drugs are driving costs. The Blue Cross Administrative Fee went up from \$28.26 to \$28.83. The Blue Cross calculation on the medical only/self funded portion increased from \$157.13 to \$180.39. The CY24 total calculated rate increased to \$396.13. The GBS recommendation is to increase the rate 5.5% to \$382.00. This is an attempt to stair step the increase given the current health of the trust.

There was discussion.

James Brosnan said that the group could possibly be looking at larger increases next year if the calculated increase is not accommodated in some way.

Joe Bergeron said that the loss to the group would be approximately \$300,000.

Erika Snyder said that the CY23 rate was actually calculated lower but the rate was held.

Lyndsay Patenaude said that the MIIA increase was 8% this year.

Heidi Fountain from Blue Cross said that some of the increases are due to the impact of COVID and some are due to trend. The underwriters did not do a COVID adjustment factor and looked at the business as a whole, not BHG specifically.

Joe Anderson said that the Inflation Reduction Act sought to decrease cost for seniors but some of those costs are passed through in PDP premium.

Erika Snyder said that Sharon Harrison had expressed that this was a responsible rate increase for the group given that the trust can absorb some of the increase.

James Brosnan motioned acceptance of the proposed CY24 Medex rate increase to \$382.00.

Motion
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Greg Boino seconded the motion.

The motion passed by unanimous vote.

**Wellness program report:**

Richard Butler presented his wellness report. Walktober has been successful with over 100 participants taking over 6,000 steps a day. Fitness classes are ongoing at the various school locations. There was not a lot of interest in the book club. The combination of health and vaccination clinics have been successful with a great response. There have been 90 Health screenings at 11 of the 15 sites. The budget allows for 150 so there are still opportunities for more. Hero coaching had 7 people express interest and 2 signed up. The new

Diabetes flyer is in use so hopefully that will increase participation. Colonoscopies are now available for those 45 and over.

### **BCBS Report:**

Heidi Fountain said that the new formulary changes for 2024 will be sent to GBS for forwarding to the group. CVS Caremark has partnered with Good Rx so when members fill prescriptions they will automatically get the lower price on prescription drugs. It will be transparent to the member at the point of service with no information needed to go out. Blue Cross was notified that a vendor named Nasco used an IT program called Move It and there was the potential for some information to be compromised. A survey was sent out to Sharon Harrison and Joe Anderson to get a mailing done on behalf of the group.

Joe Anderson said that these are prolific these days.

Joe Bergeron said that phishing emails are increasing tremendously also.

### **CanaRx Report:**

Chris Collins said actual savings through September were \$56,148.60 with the monthly average \$6,238.73. Average savings is 75.78% with 55 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.

Erika Snyder asked if the member gets notified that CanaRx reached out to the doctor.

Mr. Collins said that probably only if there was a problem.

### **Other Business:**

Jim Kelley said that Blue Cross is offering weekly settle up versus a monthly one. It will be an item discussed at the next meeting.

The next BHG Board meetings are scheduled for 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.

James Brosnan motioned to adjourn.

Motion
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Greg Boino seconded the motion.

The motion passed by unanimous vote.

Erika Snyder, Board Vice Chair, adjourned the meeting at 10:35 A.M.

*Gallagher Benefit Services, Inc.*