

**Berkshire Health Group
(BHG)**

Board Meeting #24- 04

Monday, November 27, 2023 at 9:30 a.m.

Lenox Town Hall
6 Walker St.
Lenox MA 01240

Meeting Notes

Board and Alternates Present:

Sharon Harrison, Board Chair
Erika Snyder, Board Vice Chair
Lyndsay Patenaude
Jonathan Cavallo
Rachel Vadnais

Berkshire Hills RSD
Hoosac Valley RSD
Town of Lenox
Southern Berkshire 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)
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There were not enough members present for a voting quorum, therefore, not votes will be taken.

Treasurer's Report:

Treasurer Jim Kelley, CPA reviewed his reports as of October 31, 2023 (unaudited figures). The overall cash position increased by a net of approximately \$3,836,000 during October primarily due to timing differences regarding MMDT transfers and additional Schwab cash of \$424,000 awaiting investment by the investment advisor. Accounts receivable-reinsurance decreased by a net of approximately \$14,000 during October and the balance stands at approximately \$284,000 at the end of October. The investment account at MMDT decreased by a net of \$3,584,000 representing increases of interest earned of \$24,000 for the month and decreases to the fund due to beginning of the month warrant payments. The group experienced an unrealized loss on the Schwab investment portfolio for October of \$ 14,000. The group experienced an overall loss for October of \$ 166,000. The Health Fund generated a loss of approximately \$221,000 and the Dental Fund a profit of approximately \$24,000 for the month of October. The Investment Fund experienced a profit of approximately \$ 31,000 for October. For the 4 months ended 10/31/2023, the group has experienced a YTD profit in investments of \$164,000. The Health Fund realized a loss of \$ 927,000 with claims as a percentage of member assessment revenue running at 98%. The Dental Fund had a YTD profit

of \$47,000 with claims as a percentage of member assessment running at 78%. As far as retained earnings went, the actuarial reserve of about \$4,855,000 at 15% leaves an unencumbered surplus of 11.7M.

Blue Cross Blue Shield is offering a weekly settle up option instead of monthly. It is actually to the groups benefit. There would be an additional \$97,000 in interest if the group switched. Prior to BCBS, money was transferred daily from a money market account to the claims account and paid daily. Blue Cross required a level monthly deposit on the first of every month. They had interest earnings on money for 21 days prior to IBNR payment. Everything appears to be OK to move forward. There would need to be a change to procedures going forward and Mr. Kelley would require an additional \$325.00 per month. The invoice would be approved by two board members. It would be an invoice instead of the warrant. Policies would need to be modified to reflect weekly invoices not warrants. There would probably be a need for a third person as backup in case one is not available. The timeline is tight as the invoice comes out on Monday and needs to be paid by Wednesday. BCBS indicated they could blast it out to as many people as needed. It would be approved on Monday, money requested from MMDT on Tuesday and BCBS would pull it on Wednesday. Two months admin will be required up front on reserve which will not be interest bearing. That will be about \$318,000. There will be a monthly true up for actual claims adjustments. The approval will be a review of the process.

Heidi Fountain said that there should also be a backup for Jim Kelley for the banking process in case he has an issue.

Jim Kelley said that the process should take him an additional six or seven hours a month.

Joe asked if the monthly statement used for the warrant will now come out weekly.

Heidi Fountain said she would check on it. She would also ask on the deadline to begin after the next meeting and possible vote.

Sharon Harrison asked Jonathan Cavallo, new Business Manager for the Southern Berkshire Regional School District to introduce himself.

Mr. Cavallo introduced himself as the replacement for Chris Desjardins. Southern Berkshire contracts with TMS for their management. He worked with Mr. Desjardin for a number of years and looks forward to working with the group.

GBS reports:

Karen Quinlivan said the normal monthly *FY24 Funding Rate Analysis* with data through October 31, 2023 was not ready at the time of the meeting due to the holiday

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. The FY23 policy period through October had 8 claimants in excess with updated total paid claims of \$ 3,245,358.51 and excess claims of \$1,045,358.51. The aggregating specific has been met. There were \$684,678.86 in reimbursements and there is an outstanding reimbursement balance due of \$260,679.85. There were 9 claimants at or above 50% of the deductible with total claims of \$1,668,977.79. FY24 report had three members on the 50% with updated total paid claims of \$ 492,318.44.

Wellness program report:

Richard Butler presented his wellness report. Walktober has been successful with 175 participants taking over 6,000 steps a day. There were 10 random prize winners of \$50 gift cards. "Maintain your Habits" will run for 4 weeks during the holidays. Fall and winter wellness activities are ongoing with Yoga, family bowling, and wreath making. Leslie Drager is a representative of the Berkshire Health Alliance and has been instrumental in distributing vaccinations. Mr. Butler has been able to partner and go to similar event sites getting vaccination incentivized for the BHG population. BHG has used some BCBS wellness credits for food demonstrations as well at Hoosac Valley and Mount Greylock. Hero Coaching has 4 members presently enrolled. The Diabetes program has 23 participants with 4 first time participants.

Sharon Harrison asked if there are demographics as to who participates.

Mr. Butler said it is predominantly female. He also said that the wellness champs are doing a great job at promoting health screenings and are working at increasing participation. .

BCBS Report:

Heidi Fountain said that the new formulary changes for 2024 will be effective January 1, 2024. There is a legislative update webinar that may also be informative. The link will be sent out. The Health Informatics Report will be presented at the next meeting. Participation and questions are encouraged.

CanaRx Report:

Chris Collins said actual savings through October were \$58,663.50 with the monthly average \$5,865.35. Average savings is 78.79% with 58 prescriptions filled. Enrolled members are increasing which is good. Online enrollment is live effective October 1st. Live calling is something that has been explored for some groups to help increase participation. It is something that can be considered for a future initiative. Quarterly mailings are ongoing but perhaps a higher frequency was also discussed.

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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 December 18, 2023 as virtual and January 29, 2024 at McCann Tech.

All meetings are at 9:30 AM.

Sharon Harrison, Board Chair, adjourned the meeting at 10:15 A.M.

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