

**Berkshire Health Group
(BHG)**

Board Meeting #24- 05

Monday, December 18, 2023 at 9:30 a.m.

By Virtual Participation

Meeting Minutes

Board and Alternates Present:

Sharon Harrison, Board Chair
Erika Snyder, Board Vice Chair
Crystal Wojcik
Greg Boino
Lyndsay Patenaude
Joe Bergeron
Paula O'Neil
Jonathan Cavallo
Rachel Vadnais

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

Guests present:

James Kelley, CPA
Richard Butler
Heidi Fountain
Mark Devito
Dr. Tom Hawkins
Hang Dao
Adam Licurse
Jim Kelley
Joseph Anderson
Karen Quinlivan

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

Erika Snyder, Board Vice Chair, called the meeting to order at 9:31 AM.

Ms. Snyder 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
Paula O;Neil
Jon Cavallo

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

Rachel Vadnais

Town of Williamstown

Approval of the minutes of November 27th (#24-04) meeting:

Joe Bergeron motioned to approve the Board meeting minutes of November 27, 2023 as presented.

Motion

Greg Boino seconded the motion.

Erika Snyder	yes
Crystal Wojcik	yes
Greg Boino	yes
Lyndsay Patenaude	yes
Joe Bergeron	yes
Paula O'Neil	yes
Jon Cavallo	yes
Rachel Vadnais	yes

The motion passed by unanimous vote.

Sharon Harrison, Board Chair joined the meeting at this time

Blue Cross Informatics Report:

Heidi Fountain introduced BCBSMA Senior Medical Director, Dr. Tom Hawkins, Underwriter Mark DeVito, Pharmacy Account Relationship Manager, Hang Dao and Health Engagement specialist Heather Baptiste..

Ms. Fountain said the report covered Medical, Pharmacy and Dental claims for 2022 and 2023 policy years and compared enrollments, utilization and costs of the two periods. Claims were incurred and paid through the end of August, 2023. The comparators were BCBSMA Commercial Municipal book of business. It excluded accounts without BCBSMA pharmacy benefit. Benchmarks were adjusted for age and gender, PMPM, Utilization and Use and Cost Trends. Dental benchmark is not age/gender adjusted and not limited to overall benchmark filters. Plan performance at a glance showed 55% of members had a well visit in the current period, consistent with the prior period. Costs of 15% were driven by .4% of members with claims over \$150,000. This was stable and below benchmark with .6% of members and 20% of costs.. Pharmacy costs show 65% are driven by specialty drugs representing 1.2% of total prescriptions. Joint degeneration was the top condition with lower prevalence than the benchmark but still the top cost condition. Behavioral Health had 28% of members with this condition. Rates were below benchmarks. Outpatient behavioral health visits were the 5th highest cost category. Use of virtual mental health visits were lower than other municipal accounts. Increases in medical and pharmacy costs drove an 8% increase in the overall per member per month cost but was 16% below benchmark after a 4.2% annualized increase from July of 2020. The overall combined PMPM was \$613.51. Benchmark was \$731.78. Member cost share for the current period is \$41 which is below benchmark but above the prior period. BCBS looked separately at the school districts. This would help focus where to put some health engagement resources or other resources. School districts represented 61% of membership. The PMPM for others not school districts, was actually 9% higher than school districts due to costs in high cost cases. Total net paid PMPM for school districts was \$594.00. For all others, it was \$650.00, so that would be taking medical net pay PMPM and pharmacy net paid PMPM for each of those categories and adding them together. School districts represented 61% of membership but were actually lower in cost than the other membership. Other categories were about a year average age older as well.

Underwriter Mark DeVito said that medical pharmacy chemotherapy PMPM was \$15.97. This is slightly above benchmark of \$15.45 but demonstrates that medical pharmacy chemotherapy is driving PMPM cost from the prior year. Utilization is up 6% from the prior year but below benchmark. Inpatient facility PMPM was below the prior period and below benchmark. Outpatient surgery is below benchmark and up 2% in utilization. High tech radiology is up 24% but at benchmark. In person specialty visits are below the benchmark for both utilization and the PMPM dollar change. It is up 5% in utilization from the prior. Outpatient behavioral health utilization and PMPM are both below the benchmark but up from the prior and the non-emergent ER is up from the prior and above the benchmark. The Med pharmacy jumping around PMPM is a couple of those high cost cases coming and going. They will produce those wild swings and PMPM changes and for the non-emergent ER, the rates and the costs are so low that they can jump around pretty easily. High cost claims accounted for 15% of the total cost, which Heidi pointed out in the beginning. The highest cost band is the 10 to \$50,000 band. This band accounts for 34% of the total cost, but is 5% below the benchmark. There was an increase of 18% of PMPM from the prior, but is still below the benchmark and this band accounts for the 11.9% of the population, the second highest is the \$50,000 to \$100,000 band. This accounts for 15% of total cost. There was a 1% decrease in the PMPM from the prior period and it was still below the benchmark. This band accounts for 1.5% of the population. The \$150,000 band accounts for 15% of the population total cost. It accounts for 0.4% of the population. There was a 7% change in the PMPM from the prior period and worth noting there were sixteen claims above 150,000 in the current and it was 17 in the prior. The next level would be the \$100,000 to \$150,000 claims band, and this accounts for 9% of the total cost.

This band has about a half a percent of the population and they're PMPM was up 26% from the prior and the bottom 2 sections are the zero to \$5000 and \$5000 to \$10,000 claims, The five to 10 is 12% of the population and zero to five is 15%. If you look at them combined, this accounts for 78.1% of the population. Worth noting here is the PMPM change for the high cost claims from 5 to 10 increased 4% from the prior while the zero to 5% decreased 4% from the prior. 7% of the members had no claims in the current period compared to the benchmark of 6%.

Dr. Hawkins reviewed the top 10 high cost cases over that rolling 12 month period. The majority of these are cancer cases. There are some circulatory and a couple of rare diseases as well. The top one there was an inpatient surgical case. Very expensive. And one is a breast cancer case and BCBS did outreach five times to this person and had good discussions twice. In another, they worked very carefully with the person and outreached four times and engaged with them once, and the person needed a resource list of local community resources to help support them.

Sharon Harrison had a question regarding whether there was consolidating info that said that 37% of the membership accounted for 50% of the cost.

Heidi Fountain said that if they go back through the bands they can work through what percent of membership was what percent of the cost.

Hang Dao then reviewed pharmacy costs. The number of high cost claimants were cancer related. There were medications administered in an outpatient facility and these were probably about two to three years of therapy. Another was home infusion therapy of an enzyme replacement therapy that is expected to be ongoing as well. Another medication treated an immune deficiency. If the high cost claimants for chemotherapy are removed costs are actually below benchmark and the prior period. Overall utilization of prescriptions remained 5 to 10% below benchmark and pretty stable over the three year period. Specialty utilization was stable at 1.2% of the current period and in line with benchmark. This did represent 65% of total pharmacy spend. Nine of the top 10 therapeutic classes by use had lower utilization than benchmarks. Antidepressants were the most utilized drug class. Antihypertensive were more than 10% above benchmark. Cholesterol drugs were 10% below benchmark. Antidiabetics were 10% below benchmark.

Richard Butler asked about the increase of antidiabetics by 12% and what could be contributing to it.

Hang Dao said that it is the number of injectable medications to help manage diabetes. It is managed by step therapy. Members are tracked to make sure that they have a diagnosis of Diabetes. They are being more aggressively treated.

A strong recommendation for BHG is the Pillar Rx program offered by Blue Cross which is a cost share assistance program for specialty drugs. It can help reduce the costs of specialty medications for both the member and the group. Out of pocket costs for the member would be reduced from \$0 to \$35. The estimated net savings to BHG would be \$358,800. There are a number of other accounts that have this program in place and it is successful.. Another program is The Sempre Helath Program that is new for 2024. It rewards members with a discount for filling select chronic condition medications consistently and on time. Members who enroll can receive a deduction from the plan out of pocket amount at the point of sale. There is no change to where and how members fill their medications and they are more likely to remain adherent if they have reduced copays. This is an opt in program at no cost to the account but BHG would have to let BCBS know if interested. Medical cost avoidance looks at interventions to close gaps in care. It will be a buy up starting in 2024 so something to consider for renewal.

Heidi Fountain reviewed site of service. Use of non-emergent ER services rose and was above benchmark. Benchmark was \$197.08 and prior was \$209.50. Current is \$218.60. Behavioral health Well Connection use is at 7.6% per thousand. Benchmark is at 1.1% so the group is well over benchmark for utilization. Non-emergent ER use was more than 10% above benchmark and went up 23%. Urgent care utilization increased 15% but was below benchmark. A mailer on the appropriate use of different sites of service may be beneficial.

Joe Bergeron said that there have been crazy swings in urgent care offering and the ways those providers present themselves to the public. Walk in's are now requiring appointments and it becomes frustrating to the member.

Heidi Fountain agreed that it could indicate why there was an increase in non-emergent ER visits. In person medical visits were lower than municipal benchmark while virtual care visits were higher. Behavioral health is one area that has increased for virtual care especially in areas that previously had gaps in available providers.

Heather Baptiste went over health engagement. The percentage of adults with well visits rose over a 3 year period and was similar to benchmark. Vaccination rates were also above benchmark. The overall telephonic engagement rate was below benchmark at 33%. The goal would be 48%.

The Berkshires as a whole are a health population compared to other geographic areas in the state. Other municipal populations have lower age populations but higher rates of obesity and diabetes

Heidi Fountain said proposed recommendations would be strategy discussions with Heather Baptiste, Health Engagement Strategist to offer some Wellness concepts programs to augment programming available and maybe consider adding a mind body reimbursement benefit. The areas impacted would be musculoskeletal, behavioral health, Cardio, metabolic and consumerism. As for communications and mailings, BCBS would like to work with Berkshire Health Group on promoting Well Connection to avoid ER utilization and encourage members to use their fitness and weight loss benefit to help maintain heart joint and mental health. Regarding mental health resources, encourage members to use My Blue as a resource to the mental health resource center, and also to consider offering Learn to Live, which has been presented to Berkshire Health Group in the past. Given the joint degeneration category, a recommendation of a digital musculoskeletal program for chronic back and joint pain that has a three pillar approach to identify and engage members and kind of goes beyond ordinary physical therapy.

In the pharmacy category, upon renewal explore offering Pillar RX, the cost share assistance program that can save Berkshire Health Group just under \$400,000.

Treasurer's Report:

Treasurer Jim Kelley, CPA reviewed his reports as of November 30, 2023 (unaudited figures). The overall cash position decreased by a net of approximately \$3,451,000 during November primarily due to transfers to MMDT of excess cash for short term investment. Accounts receivable-reinsurance decreased by a net of approximately \$20,000 during November and the balance stands at approximately \$264,000 at the end of November. The investment account at MMDT increased by a net of \$2,691,000 representing increases of interest earned of \$20,000 for the month on the investment excess cash during the month of November. The group experienced an unrealized gain on the Schwab investment portfolio for November of \$ 223,000. The group experienced an overall profit for November of \$ 237,000. The Health Fund generated a loss of approximately \$46,000 and the Dental Fund a loss of approximately \$1,000 for the month of November. The Investment Fund experienced a profit of approximately \$ 284,000 for November. For the 5 months ended 11/30/2023, the group has experienced a YTD profit in investments of \$447,000. The Health Fund realized a loss of \$ 973,000 with claims as a percentage of member assessment revenue running at 97%. The Dental Fund had a YTD profit of \$46,000 with claims as a percentage of member assessment running at 80%. As far as retained earnings went, the actuarial reserve of about \$4,855,000 at 15% leaves an unencumbered surplus of 11.9M.

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 \$360.00 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 of seven hours a month.

Joe asked if the weekly draw would be delayed if there was a Monday holiday.

Heidi Fountain said she would check on it. She subsequently said there would be a one day delay on pull of the money for a Monday holiday.

Erika Snyder motioned to adopt the new policies and procedures and weekly disbursement with the small change to adding members to the narrative for approval.

Motion

Greg Boino 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
 Jon Cavallo yes
 Rachel Vadnais yes

The motion passed by unanimous vote.

Joe Bergeron motioned to increase the Treasurer commendation by \$360.00.

Motion

Greg Boino 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
 Jon Cavallo yes
 Rachel Vadnais yes

The motion passed by unanimous vote.

Approval fo the December warrant:

Joe Bergron motioned to approve the December warrant.

Motion

Greg Boino 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
 Jon Cavallo yes
 Rachel Vadnais yes

The motion passed by unanimous vote.

GBS reports:

Joseph Anderson reviewed the *FY24 Funding Rate Analysis* with data through November 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 102.88 % and 84.36% for dental respectively. All in all a heavier utilization position . November was OK but there werer three in a row higher than 100% so that will factor into the renewal. Carrier trends have gone up this year. The underwriters are being conservative in anticipation of increased expenses. Medex was 123% which has reflected an upswing in Medicare spend across the state. Dental is holding steady at 84.36%.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. The FY23 policy period through November had 86 claimants in excess with updated total paid claims of \$ 3,249,108.51 and excess claims of \$1,049,108.51. The aggregating specific has been met. There were \$684,678.86 in reimbursements and there is an outstanding reimbursement balance due of \$264,429.65. There were 9 claimants at or above 50% of the deductible with total claims of \$1,669,213.04. FY24 report had three members on the 50% report with updated total paid claims of \$ 512,280.58.

Wellness program report:

Richard Butler presented his wellness report. “Maintain your Habits” will run for 4 weeks during the holidays. The goal is to self-reflect on 9 categories of healthy lifestyle habits. All participants will receive a \$25 incentive. Fall and winter wellness activities are ongoing with Yoga, family bowling, and wreath making. Health screenings are ongoing at various sites. Lanesborough Elementary school will be set up for January. Hero Coaching has 4 members presently enrolled. The Diabetes program has 25 participants with 4 first time participants.

BCBS Report:

Heidi Fountain said that the renewal will provide an opportunity to discuss adding some of the recommended programs for the group.

CanaRx Report:

CanaRx was unable to attend the meeting today

Other Business:

Sharon Harrison said meeting frequency will be discussed at the next meeting. Rate setting will be the focus of the next meeting and it will be important to have attendance.

The next BHG Board meeting is scheduled for January 29, 2024 at McCann Tech.

All meetings are at 9:30 AM.

There was no other business.

Joe Bergeron motioned to adjourn.

Motion

Erika Snyder seconded the motion.

Sharon Harrison, Board Chair, adjourned the meeting by unanimous consent at 11:10 A.M.

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