

**Berkshire Health Group
(BHG)**

Board Meeting #24- 09

Monday, May 20, 2024, at 9:30 a.m.

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

Meeting Minutes

Board and Alternates Present:

Sharon Harrison, Board Chair
Erika Snyder, Board Vice Chair
Ashley Satko
Greg Boino
Paul O'Neil
Jonathan Cavallo

Berkshire Hills RSD
Hoosac Valley RSD
Town of Adams
Central Berkshire RSD
Northern Berkshire RSD
Southern Berkshire RSD

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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Sharon Harrison, Board Chair, called the meeting to order at 9:36 AM.

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

Sharon Harrison
Erika Snyder
Ashley Satko
Greg Boino
Paula O'Neil
Jonathan Cavallo

Berkshire Hills RSD
Hoosac Valley RSD
Town of Adams
Mt Greylock RSD
Northern Berkshire RSD
Southern Berkshire RSD

Treasurer's Report:

Treasurer Jim Kelley, CPA reviewed his reports as of March 31 and April 30, 2024 (unaudited figures). The March overall cash position increased by a net of approximately \$568,000 due to accumulation of cash to pay beginning of the month warrants. The cash at Scwab decreased by \$401,000 as idle cash was subsequently reinvested in March. Accounts receivable-reinsurance decreased by a net of approximately \$

18,000 during March and the balance stands at approximately \$66,000 at the end of March. The investment account at MMDT decreased by a net of \$452,000 representing interest earned of \$27,000 for the month and net redemptions of \$479,000 received in March to fund continuing operating losses. The group experienced an unrealized gain on the Schwab investment portfolio for March of \$190,000. The group experienced an overall loss for March of \$525,000. The Health Fund generated a loss of approximately \$741,000 and the Dental Fund a loss of approximately \$29,000 for the month of March. The Investment Fund experienced a profit of approximately \$245,000 for March. For the 9 months ended 03.31/2024, the group has experienced a YTD profit in investments of \$1,375,000. The Health Fund realized a loss of \$4,438,000 with claims as a percentage of member assessment revenue running at 106%. The Dental Fund had a YTD profit of \$42,000 with claims as a percentage of member assessment running at 85%. As far as retained earnings went, the actuarial reserve of about \$4,855,000 at 15% leaves an unencumbered surplus of \$10M.

The April overall cash position decreased by a net of approximately \$193,000. The cash at Schwab increased by \$131,000 as idle cash was awaiting reinvestment. Accounts receivable-reinsurance increased by a net of approximately \$107,000 during April and the balance stands at approximately \$183,000 at the end of April. The investment account at MMDT decreased by a net of \$255,000 representing interest earned of \$22,000 for the month and net redemptions of \$277,000 during April to fund continuing operating losses. The group experienced an unrealized loss on the Schwab investment portfolio for March of \$201,000. The group experienced an overall loss for April of \$695,000. The Health Fund generated a loss of approximately \$545,000 and the Dental Fund a loss of approximately \$15,000 for the month of April. The Investment Fund experienced a loss of approximately \$135,000 for April. For the 10 months ended 04.30/2024, the group has experienced a YTD profit in investments of \$1,240,000. The Health Fund realized a loss of \$4,983,000 with claims as a percentage of member assessment revenue running at 106%, thus leaving no margin to absorb the other expenses of the fund. The Dental Fund had a YTD profit of \$27,000 with claims as a percentage of member assessment running at 87%. As far as retained earnings went, the actuarial reserve of about \$4,855,000 at 15% leaves an unencumbered surplus of \$9.3M.

The premium holiday will account for \$2.8 million. Monies will be sent over from Gene Daponte to cover those additional expenses.

Mr. Kelley said that his compensation is quoted at a 3% increase for the next year. The Blue Cross reports have changed and there is an additional 5 hours of work required for reconciliation. He has asked for an additional \$225 per month.

Joe Anderson said that Gallagher is experiencing the same impact in terms of additional time required.

Approval of the minutes of March 25th (#24-07) and April 8th (#24-08) meetings:

Erika Snyder motioned to approve the Board meeting minutes of March 25th and April 8th as presented

Motion

Greg Boino seconded the motion.

The motion passed by unanimous vote.

Approval of the April and May warrants:

Erika Snyder motioned to approve the April and May warrants.

Greg Boino seconded the motion.

The motion passed by unanimous vote.

GBS reports:

Joseph Anderson said the *FY24 Funding Rate Analysis* with data through April 30, 2024 was not available in time for the meeting. There is a weekly cadence of about \$1 million.

Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. The FY23 policy period through April had 10 claimants in excess with updated total paid claims of \$ 3,169,080.43 and excess claims of \$969,080.43. The aggregating specific has been met. There were \$859,772.53 in reimbursements and there is an outstanding reimbursement balance due of \$9,307.90. There were 9 claimants at or above 50% of the deductible with total claims of \$1,611,655.19. The FY24 report had 3 members in excess with updated total paid claims of \$ 1,246,240.45 and excess claims of \$ 421,240.45. Aggregating specific is met and no reimbursements have been received yet. There is an outstanding amount due of \$ 174,140.27. There were 17 members on the 50% report with updated total paid claims of \$ 3,119,260.75.

Joe Anderson said that the stop loss renewal has gone out and be ready for vote at the June meeting. He budgeted 20% on the renewal. It will be telling in terms of how many bids the group gets.

Sharon Harrison said that after the special meeting that was held regarding the town of Richmond, they decided that they could not join the group as of 07/01/2024 due to time constraints on turnaround. The item may be revisited for next year.

Multi Year actuarial reserve Plan:

Sharon Harrison said that she would like to go over the actuarial reserve issue at the next meeting. The items in the packet will be carried over.

Joe Anderson said that Gallagher has recently formed a national joint purchasing coalition vertical. There is an actuary that can provide services for no fee. It would be a good exercise for him to go through. Milliman can also be used.

Sharon Harrison said that the goal is to put the money in reserve so there is less discussion regarding excess. She was not sure if there was an actuarial need.

Mr. Anderson said that it would be of benefit to have the actuary confirm the target reserve. Collaboration could arrive at a prudent up to date number.

Wellness program report:

Richard Butler presented his wellness report. The “Berkshire 150” ended Saturday with 213 members reporting 5 weeks of 150 minutes of exercise. The “Garden Giveaway will provide seed packets/ shakers to members to encourage gardening of vegetables, herbs, and flowers. Fitness programs are ongoing and if any new units are interested just send an email of interest. A nutrition webinar was held as well. A question regarding using wellness credits for Tanglewood was raised by Central Berkshire RSD. Consensus was that it may be too nuanced. On site health screenings will be held at Mount Greylock, Lanesborough, Lenox and Central Berkshire. Hero Coaching has 5 presently enrolled. The Diabetes program has released the updated flyer which allows for electronic records access for nurses. The colonoscopy program has 71 people participating so far and the age has been reduced to 45. An annual wellness stipend survey has been created for the wellness champions to report stipend usage for the plan year.

The Wellness proposed budget was presented for FY25. Incentives increased because there has been greater participation. Biometric screening costs have increased from \$35 to \$40. The number of participants should remain the same. Mailing costs have increased costs for the Diabetes program.

The plan was to schedule the vote on the budget for the next meeting in June.

BCBS Report:

Heidi Fountain said that formulary changes would be coming for 07/01/2024. She had nothing else to report.

CanaRx Report:

Chris Collins said that savings through April are \$70,929.48 with projected savings of 85,115.38 for the year. Average employee annual savings is \$305.44.

Joe Anderson asked if there were changes to the formulary.

Mr. Collins said that every month more drugs are coming on.

Mr. Butler asked for another supply of business cards. He said he tries to include them in mailings.

Other Business:

Joe Anderson said that the withdrawing unit's language has language that a withdrawing unit will have the trust absorb runout claims should the group leave. They are liable for any deficit attributable to them and are not entitled to surplus. It is not as forgiving as he originally thought. That would prevent a group taking a lowball offer and thinking they can take surplus as well. Other groups make runout claims attributable to the departing unit for up to six months. An invoice would be submitted to them for payment. There can be a few bad actors in the marketplace that can be disruptors. There are groups that can be persuaded that do not have the sophistication to know if a rate offer is not grounded in reality.

Jim Kelley said the audit contract is up. The current group, Roselli and Clark is still interested. Documentation can be looked at for an RFP.

The next meeting will be in-person on June 24th, 2024, in Lenox.

All meetings are at 9:30 AM.

There was no other business.

Sharon Harrison, Board Chair, adjourned the meeting by unanimous consent at 10:26 A.M.

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