

**Berkshire Health Group  
(BHG)**

**Board Meeting #25- 05**

Monday, March 31, 2025, at 9:30 a.m.

Lenox Town Hall  
6 Walker St  
Lenox MA 01240

**Meeting Minutes**

**Board and Alternates Present:**

Sharon Harrison, Board Chair  
Erika Snyder, Board Vice Chair  
Ashley Satko  
Greg Boino  
Gina Dario  
Jodi Hollingsworth  
Sophia Bletsos  
Melissa Falkowski  
Lyndsay Patenaude  
Marlene Dileo  
Dave Fierro Jr.

Berkshire Hills RSD  
Hoosac Valley RSD  
Town of Adams  
Central Berkshire RSD  
Town of Lanesborough  
Town of Lanesborough  
Town of Great Barrington  
Town of Lenox  
Town of Lenox  
Southern Berkshire RSD  
Town of Williamstown

**Not Present:**

Mark Pruhenski  
Joe Bergeron  
James Brosnan

Town of Great Barrington  
Mt. Greylock RSD  
Northern Berkshire RSD

**Guests present:**

Jim Kelley  
Gene Daponte  
Richard Butler  
Heidi Fountain  
Dan Shanahan  
Chris Collins  
Joseph Anderson  
Karen Quinlivan

BHG Treasurer  
Bradley, Foster, and Sargent  
Berkshire Medical Systems  
Blue Cross Blue Shield of MA (BCBS)  
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 9:31 AM.

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

Sharon Harrison	Berkshire Hills RSD
Erika Snyder	Hoosac Valley RSD
Ashley Satko	Town of Adams
Greg Boino	Central Berkshire RSD
Gina Dario	Town of Lanesborough
Melissa Falkowski	Town of Lenox
Marlene Dileo	Southern Berkshire RSD
Dave Fierro Jr.	Town of Williamstown

### **FY24 Audit Report:**

Tony Roselli, auditor joined via phone to present a brief overview of the BHG audit for FY24. Assets exceeded liabilities (net position) by \$13.7 million at the close of the fiscal year. This is down approximately 26.2% from the prior year. Net position on June 30, 2024, represents 35.2% of the year 2024 claims expense. As of June 30, 2023, it was 55.3% of fiscal year 2023 claims expense. Net position decreased by over \$4.8 million or 26.2% compared to a decrease of \$.08 million or 4% of fiscal year 2023. The increase in rates was not sufficient to support the increase in claims and the impact was felt by the group. There was a net decrease in cash of approximately \$2.8 million for fiscal year 2024 compared to an increase of approximately \$3.2 million in fiscal year 2023. The decrease in total cash and investments was primarily the result of poor claims experienced, offset by positive market conditions that impacted the group's investments.

### **Approval of the minutes of the January 27th, 2025 (# 25-04) meeting:**

Motion
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Erika Snyder motioned to approve the minutes of the January 27th, 2025, Board meeting.

Greg Boino seconded the motion.

The motion passed by majority consent. consent. Melissa Falkowski abstained.

### **Investment Update:**

Gene Daponte from Bradley, Foster and Sargent presented an account review through March 2025. The investment portfolio is managed by Bradley, Foster and Sargent and Charles Schwab is the legal custodian of the assets. Powers given to BFS include trading and disbursement authority and they respond to the three members of the BHG Investment Committee, Sharon Harrison, Erika Snyder and Jim Kelley. There are no trading commissions at Charles Schwab. As claims experience has increased, there have been withdrawals at the request of the Treasurer of about \$5 million over the last 15 months. Over \$ 3 million was related to the premium holiday. Stocks needed to be pared back by about \$1.5 million to maintain a 30% equity ratio. It was a sensational year in 2024 for stocks. The S&P 500 was up 25% but the performance was driven by a handful of mega technology stocks. It was not a balanced market. Since the election there has been talk of economic plans and tariffs that may slow the economy and challenge earnings. Inflation has come down but remains elevated above the feds comfort zone. There may be additional rate cuts later in the year. The current portfolio has 30.8% in equities and 68.1% in Fixed Income. Cash and equivalents represented 1.1%. The 2024 year began at \$17,239,294 and ended at \$14,432,806. There was over \$ 4 million in withdrawals and a net gain of \$1.3 million. Year to date in 2025, there have been \$1 million in withdrawals and a net gain of \$24,000. In 2024, Bonds performed above benchmark at 4.95%. Stocks outperformed the benchmark and returned 21.40%. Year to date has seen bonds lagging a bit and inflation is creeping up. The strategy is short term for the group with maturities within 2 years. Stocks lost 1.67% which was better than

benchmarks. The portfolio is in line with the investment statement and all bonds are rated A or better. Preservation of principal is primary in an uncertain financial climate.

### **Treasurer's Report:**

Treasurer Jim Kelley, CPA reviewed his reports as of February 28, 2025 (unaudited figures). The February operating cash position increased by a net of \$468,000. The cash at Schwab decreased by \$586,000 as idle cash was awaiting reinvestment at month end. The investment account at MMDT remained virtually unchanged after interest earned of \$11,000 for the month. The group experienced an unrealized loss on the Schwab investment portfolio for February of \$94,000. The group experienced an overall loss for February of \$122,000. The Health Fund generated a loss of approximately \$54,000 and the Dental Fund a loss of approximately \$15,000 for the month of February. The Investment Fund experienced a loss of approximately \$53,000 for February. For the eight months ended 02/28/2025, the group has experienced a YTD profit in investments of \$916,000. The Health Fund realized a loss of \$ 4,718,000 with claims as a percentage of member assessment revenue running at 109%. The Dental Fund had a YTD loss of \$59,000 with claims as a percentage of member assessment running at 82%. As far as retained earnings went, the actuarial reserve of about \$6,262,000 at 15% leaves an unencumbered surplus of \$ 3.5M.

The latest Veribanc report shows Adams Community with three green stars, but they are undercapitalized as has been noted in the past.

### **Approval of the February and March warrants:**

Erika Snyder motioned to approve the February and March warrants.

Motion
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Greg Boino seconded the motion.

The motion passed by unanimous vote.

### **GBS Reports:**

Joseph Anderson reviewed the *FY25 Funding Rate Analysis* with data through February 28, 2025. He reviewed the historical claims summary as compared to FY24 and pointed out the variance in trends. He said that the composite expense-to-funding ratio for health plans was 113.5 % with a deficit of \$3,224,446 and 101.85% for dental with a deficit of \$16,358 respectively. The concerning factor is that the deficit ratio has been consistent. Network Blue is at 109.8% which represents 93% of the group. Medex has been consistently over 100% but there was an increase for 01/01/2025. Coming into renewal, the preliminary calculation is challenging. All in all a heavier utilization position and a deficit in funding.

### Reinsurance:

Karen Quinlivan reviewed the reinsurance reports. The FY24 policy period through February had 7 claimants in excess with updated total paid claims of \$ 2,974,793.75 and excess claims of \$1,049,793.75. The aggregating specific has been met. There were \$949,793.75 in reimbursements and there is an outstanding reimbursement balance due of \$0.00. There were 17 claimants at or above 50% of the deductible with total claims of \$3,063,628.30. The FY25 report had no members in excess but at the 50% level there were 18 claimants with \$ 3,432,749.64 in updated total paid claims.

Mr. Anderson explained the funding impacts if the group were to adopt a 2 person tier. If a dual 2 person enrollment were added, the Individual and Family contracts would need to increase in the range of 6.8% to 10.5% impacting 1370 employees. A new 2 person rate would offer savings of 18 to 20% to 325 employees. The decision point is does it make sense to impact the greater population. Study shows that the 2 person contracts tend to be empty nesters that have higher utilization. It makes more sense to start out at three tiers as opposed to trying to switch to three tiers at a later date.

The group decided to take no action at this time and keep the information on file.

### **Consideration of Chester rejoining the group:**

After consideration, the Town of Chester has decided not to pursue rejoining BHG at this time.

### **Wellness Report:**

Richard Butler presented the current wellness report. There were 445 participants that completed the 5 weeks of the Berkshire 150. The percentage of wellness participants was 36%. In January, a 30-minute video was introduced called 'Blood Sugar Basics'. It provided valuable information on the topic and 228 members had a chance to receive an incentive reward. Spring Wellness activities are ongoing. Hero Coaching has 3 members presently enrolled. The Diabetes Program has 18 participants year to date and the Colonoscopy program has 52.

### **Blue Cross Report:**

Joe Anderson explained that the industry standard has been for the carriers to have a point of service charge that they apply to the claims transaction and then they subsequently return a portion of the rebate at a later date. Blue Cross has not had that model in the past. They had a singular model in that they had a calculation of rebate savings, and they applied it at the point of sale. There is a nationwide legislative trend to have transparency, and Blue Cross will be adopting the industry standard model of quarterly rebates. That will be rolled out on July 1<sup>st</sup>. This is considered an unbundled approach. It will have a net neutral impact on the group but there will be an initial lag in the rebate for the first quarter. The first year there will only be three quarters of rebates but in the second and beyond there will be four quarters.

Heidi Fountain then introduced Dan Shanahan, Senior Account Executive on the Pharmacy team. The informatics report recommendations included a suggestion for the Pillar Rx Program and a Weight Management Program.

Mr. Shanahan said the Pillar Rx program focuses on specialty medications with manufacturers coupons. Typically, they are just for the member portion. The Pillar Program can attach the coupon to the claims and get a higher discount for the medication. The members will still get the discount, but the JPG will get an additional discount of about 30% off the medication. There are 54 members that are taking specialty meds that are eligible for the program. Estimated net savings to the group would be \$ 312,856. Blue Cross would reach out to those members to get them enrolled in the program. Most times, members are already enrolled in a coupon program. If a member does not sign up there is 30% coinsurance, but the member can retro sign up if they were to then get a bill. The bill can be reprocessed after the person is enrolled.

Marlene Dileo motioned to approve the Pillar Rx program.

Motion
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Ashley Satko seconded the motion.

The motion passed by unanimous vote.

The Weight Management Program is new as of January to address GLP- 1 medications used exclusively for weight loss. There is a huge increase in trend for the usage of these medications. Any member taking the medications would have to enroll in the program. They would be assisted by a team of nutritionists, endocrinologists, and health coaches. There is an app that the users can use as well as a weight scale that would be sent to the member. Weight would have to be uploaded once each month. There are currently 89 members taking these medications and there are another 71 members expected to start in the coming year. There is anticipated 80% engagement in the program. If members do not enroll, then they would be responsible for 100% of the cost of the medication. The cost of the program is \$148 per enrolled member per

month. The annual cost for the group would be about \$180,000 annually. Annual estimated savings in medical and pharmacy are \$523,000 so net savings after cost are about \$340,000. The average time of usage for the medication on this program is about 9 months due to lifestyle changes.

Greg Boino motioned to approve the BCBS Weight Management Program.

Motion
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Erika Snyder seconded the motion.

The motion passed by unanimous vote.

**CanaRx Report:**

Chris Collins said that savings through February were \$72,164 with anticipated annual of \$ 108,246. There are currently 168 potential members with savings of over \$471,000 that the group could realize. Jim Riley will be reaching out to individual units to see if there are methods to increase participation.

CanaRx is a point-of-sale purchase, and tariffs do not apply as it is not an import. There will be tariffs on ingredients that go into generic medications, so those costs should go up.

**Other Business:**

Joe Anderson introduced Patrick Flattery as another member of the Gallagher team.

The next meeting will be held on May 28, 2025, at McCann Tech at 9:30 A.M. and June 23<sup>rd</sup>, 2025 (virtual).

There was no other business.

Sharon Harrison, Board Chair, adjourned the meeting at 11:17 A.M.

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