

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday, February 19, 2020 – 9:30 AM
Wilbraham Town Hall
Wilbraham, MA

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo,	Town of Hampden
Tom Sullivan	Town of Wilbraham
Sara Menard	Town of East Longmeadow
Anna Bishop	Lower Pioneer Valley Education Collaborative (LPVEC)
Cheryl Wiblyi	Lower Pioneer Valley Education Collaborative (LPVEC)

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Dan Haynes	Scanlon & Associates, LLC
Lyn Fioravanti	SVRHT Wellness Coordinator
Lyn Simmons	Town of Longmeadow
Jocelyn Sanchez	Town of Longmeadow
Corinne Traghese	Town of East Longmeadow
Herta Dane	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Christi Brothers	Hampden Wilbraham RSD
Linda Loiselle	Abacus Health Solutions
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Jonathan Payson	Blue Cross Blue Shield of MA (BCBS)
Sandra Ruiz	Health New England (HNE)
Lisa Despres	Tufts Health Plan
Rae Felts	Tufts Health Plan
Fred Winer	Tufts Health Plan Senior Products
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)
Karen Carpenter	Gallagher Benefit Services, Inc. (GBS)

Arlene Miller, Chair, called the meeting to order at 9:30 AM.

Approval of the minutes of the December 10, 2019 meeting:

Tom Sullivan made a motion to approve the December 10, 2019 meeting minutes.

Motion

Anna Bishop seconded the motion. The motion passed by unanimous vote.

Wellness program report:

Lyn Fioravanti reviewed her report that included year-to-date participation in programs to include the colonoscopy incentive and pilates and yoga classes. She said the *Maintain Don't Gain* holiday challenge was successful with a total of 78 people participating and 57 participants maintaining their weight. She reviewed the current happenings and said she worked with Jeff Beane to increase utilization of the MyTelemedicine program. She reported 93 members activated their accounts. She said 34% of the annual wellness program budget has been used.

FY19 Financial Audit, Dan Haynes, CPA:

Dan Haynes distributed draft copies of the FY19 Audited Financial Statements and a presentation summary of the results. He said the financial statements are fairly stated and a clean opinion has been issued. Mr. Haynes said there were no compliance issues reported. He said there were no material weaknesses in controls over the financial reporting. Mr. Haynes said the management letter has one deficiency related to segregation of duties.

Mr. Haynes reported an unrestricted Net Position of \$4,350,835 on June 30, 2019, a decrease of \$825,288 from last year. He said the claims expense was \$26,297,298, an increase of 5.46% over FY18.

After a discussion, the Board thanked Mr. Haynes and he said he would send the final audit copy to GBS in about a week.

Treasurer's Report:

Treasurer Paul Pasterczyk said his reports reflect a more conservative IBNR of approximately \$4M versus the \$1.9M IBNR on Dan Haynes' FY19 financial reports. Mr. Pasterczyk reviewed his January 31, 2020 (unaudited figures) report. He reported a fund balance of \$2.9M at the end of January and said the fund balance target is \$3.3M. He noted a combined total of reinsurance reimbursements of \$552K for FY19 and FY20 is due.

Karen Carpenter briefly explained that the hold-up on the FY19 reinsurance reimbursement of approximately \$400K is due to the reinsurance carrier not receiving confirmation of no other insurance for the affected member. Ms. Carpenter said GBS and HNE are working with the employer to obtain the information.

GBS reports:

Carol Cormier reviewed the Funding Rate Analysis Report with data through December. She said that the composite expense-to-funding ration is 95.7%. She said she is recommending looking at options to replace or modify the plan design of the HNE Medwrap plan.

Karen Carpenter reviewed the reinsurance reports. She said for the FY19 policy period there were three claimants with claims exceeding the \$250K specific deductible. She said their total claims were \$1,326,200 with excess claims of \$576,200. She said that the \$150K aggregating specific deductible (ASD) has been met and there have been \$20,925 of reimbursements received to date. Ms. Carpenter said that \$405,274 of reimbursements are due on the member discussed earlier in the meeting.

Ms. Carpenter said that for the FY20 policy period there are two claimants exceeding the \$250K specific deductible with total claims of \$736,536 and excess claims of \$236,536. She said that there have been no reimbursements to date.

Carol Cormier said GBS is looking at a “block” bidding arrangement of its clients reinsurance business which totals about \$18 million dollars in premiums. She said there could be a significant savings to the clients and said she may know more in mid to late March.

FY21 rate projections for active employee plans:

Carol Cormier reviewed the rate projections exhibits for FY21. She reviewed the carrier administrative fees for FY21 and said BCBS has proposed a 1.5% increase. She said HNE and Tufts will hold their FY20 fees through FY21. She said the calculation of the FY21 rates include health plan claims, administrative fees of the carriers and GBS, reinsurance premiums, and the CanaRx and the Diabetes Program claims.

Ms. Cormier reviewed the calculations used to develop the claims projections and said the estimated current annual funding of the plans, utilizing the December enrollment counts, is \$27,189,168. She said the estimated monthly funding is \$2,265,764.

Ms. Cormier reviewed the following FY21 funding scenarios:

Scenario A: the lowest of the GBS or carrier projections with a composite increase of 8.1%, or an additional \$2,191,873 in annual funding.

Scenario B: an 8.1% increase to all plans except for the Blue Care Elect PPO plan, a composite increase of 7.9%.

Ms. Cormier said she can put together alternative scenarios for the Board to consider.

Following a discussion, Anna Bishop made a motion to increase the Network Blue plans’ rates by 4%, the Blue Care Elect plan rate at 0% increase, a 6% increase to the Health New England plans, and a 5% increase to the Tufts plans.

Motion

Dick Patullo seconded the motion.

After further discussion, the Board voted by a majority to approve the motion, with one opposed.

GBS BAA Agreement, Privacy letter and RDS Memo of Understanding:

Carol Cormier said the GBS BAA and Privacy letter have been updated. Ms. Cormier said GBS does the administration of the Retiree Drug Subsidy filings for the HNE Medwrap plan and is proposing an annual fee of \$2,675.

Dick Patullo made a motion to approve the RDS MOU, the BAA and Privacy letter as presented.

Sara Menard seconded the motion. The motion passed by a unanimous vote.

Motion

Diabetes Care Rewards Program report:

Linda Loiselle, Abacus Health Solutions, distributed and reviewed the program report which covers the period 9/1/19 through 12/31/19.

Ms. Loiselle said that SVRHT has excellent member engagement and adherence. She said that 44% of diabetics eligible to enroll in the program did enroll and that the annual program adherence was 64%. She said that the total number of prescriptions filled was 436, the co-pay waivers were \$8,361, and the medication costs were \$132,837. Ms. Loiselle said that the estimated savings for the current reporting period to be \$46,315.

Ms. Loiselle said the 2nd quarter rebates totaled \$9,420 and noted the next quarter rebate will be significantly higher due to the increase in rebate per script. She estimated the rebate to be about \$20,000. She said over a period of one year, the rebates could pay for the cost of the program.

BCBSMA – Diabetes Care Value and Step-In programs:

Heidi Fountain said BCBS has two programs to offer, the Diabetes Care Value and the Step-In programs need to be added together and are at no cost to the group. She said the program also does not interfere with the Abacus Good Health Gateway Diabetes program. Ms. Fountain said they can complement one another. She said the BCBS program is geared towards focusing on members who obtain their medications outside of the Abacus program. She said the members will be offered a glucometer through ExpressScripts and will earn incentives.

Ms. Fountain said the Step-In program will offer the opportunity to maintain a healthy weight with a free bluetooth scale to the member.

There was a discussion.

Dick Patullo made a motion to accept the BCBS Diabetes and Step-In programs.

Motion

Anna Bishop seconded the motion. The motion passed by a unanimous vote.

High Deductible HSA Qualified Health Plans (HSAQs):

Arlene Miller asked to have this item added to the next meeting agenda.

Carol Cormier noted that there is an approximate decrement of 19 to 22% between the regular deductible plans and the HSAQ plans. She said informational meetings for the benefit administrators and the employees are a necessary part of the implementation process.

Health Plan reports:

BCBSMA – Heidi Fountain said BCBS is making some changes to their benefits. She said coverage for acupuncture services will be added as a standard benefit across all BCBS medical plans. She said there is a maximum of 12 acupuncture visits per member per calendar year. Ms. Fountain said the member would be responsible for a specialist office visit co-pay. She said members enrolled in an HMO will not be required to obtain a referral, but they must see a contracted acupuncturist. She said self-funded accounts can opt-out of this option and the expected claims cost is estimated at \$0.10 pmpm.

The Board took no action on this item, which would allow BCBS to add the acupuncture benefit as described.

Ms. Fountain said there is currently a copay limit of \$375 for high cost radiology services. She said BCBS is removing that limit, but said self-funded accounts may choose to keep that limit.

After a discussion, Sara Menard made a motion to keep the copay limit of \$375 for high cost radiology services.

Dick Patullo seconded the motion. The motion passed by a unanimous vote.

Motion

Tufts Health Plan, Senior Plans – Fred Winer said the Health Insurance Tax (HIT) on the Medicare Advantage Plans is going to be eliminated for CY21. He said the Medicare plan applications are requiring that the member’s Medicare number be used and not the Social Security numbers.

Tufts Health Plan – Lisa Despres introduced Rae Felts and said she would be working with her on the SVRHT account. She talked about the merger agreement between Tufts and Harvard Pilgrim Health Plan. Ms. Despres said that the process is moving along and the two organizations are going through the regulatory requirements. She said enteral formula has been moved from a prescription code to a medical code, but said prior authorization is still necessary.

Ms. Despres said Tufts also has an acupuncture benefit with a no visit limit. She said the expected claims cost of adding the benefit is about \$0.06 pmpm and the member co-pay is at the specialist level.

Sara Menard made a motion to add the acupuncture benefit to the Tufts Health Plans as described.

Motion

Tom Sullivan seconded the motion. The motion passed by a unanimous vote.

Health New England –Sandra Ruiz said HNE is changing its Physical Therapy and Occupational Therapy visit limit to 25 – 60 visits to align with what the other carriers provide. She also said HNE has added nutritional Apps.

Sara Menard made a motion to approve the PT and OT visit limit increase to the HNE plans.

Dick Patullo seconded the motion. The motion passed by a unanimous vote.

Motion

Sandra Ruiz said she will discuss the chiropractic benefit at the next meeting and said she will send Carol Cormier the 2015 SVRHT/HNE Contract for her to compare it to the new proposed contract.

Other business:

Arlene Miller set the next meeting for March 19, 2020 at 9:30 AM at Wilbraham Town Hall.

Subsequently, the meeting was rescheduled to March 26th, same time and location. The March 26th meeting was then cancelled because of the novel coronavirus pandemic regulations. A virtual meeting was scheduled for April 30th.

There was no other business.

Dick Patullo moved to adjourn the meeting.

Motion

Tom Sullivan seconded the motion.

The motion passed by unanimous vote.

Arlene Miller, Chair, adjourned the meeting at 11:15 AM.

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

