

Scantic Valley Regional Health Trust

Board Meeting

Thursday, March 3, 2011

9:30 a.m.

Wilbraham Town Hall
Wilbraham, Massachusetts

Meeting Minutes

Members and Alternates Present

Arlene Miller, Chair	Town of Longmeadow
Tom Sullivan	Town of Wilbraham
Anna Bishop	Lower Pioneer Valley Education Collaborative
Cheryl Decoteau	Lower Pioneer Valley Education Collaborative
Beth Regulbuto	Hampden Wilbraham Regional School District
Rick R. Green	Town of Hampden

Guests Present

Paul Pasterczyk	SVRHT Treasurer
Erica Gelinis	Town of Longmeadow
Corinne Tranghese	Town of East Longmeadow
Christine Gagnon	Hampden Wilbraham RSD
Steve Corbin	Blue Cross Blue Shield
Laura Syron	Health New England (HNE)
Karen Bergeron	Tufts Health Plan (THP)
Fred Winer	Tufts Health Plan (THP)
Carol Cormier	Group Benefits Strategies (GBS)

Chair, Arlene Miller called the meeting to order at 9:37 AM.

Approval of the minutes of the February 15, 2011 Board meeting:

Tom Sullivan made a motion to approve the minutes of February 15, 2011.

Motion

Beth Regulbuto seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the Treasurer's statements and worksheets for February 2011 (unaudited figures). Mr. Pasterczyk said that the Unreserved Fund Balance was \$4.55 M, \$2.11M above the Fund Balance target. Paul Pasterczyk says he expects the Fund Balance to hold around the current level.

Mr. Pasterczyk said that Health New England had pended about \$600K in claims until provider negotiations were settled. He said that most of the pended claims have now been processed and paid.

Wellness Program Report:

Arlene Miller said that Wellness Coordinator Amy Higgins was on vacation. Ms. Miller said that there were no budget changes since the last meeting. She said seven people had signed up for the colonoscopy incentive program. Ms. Miller asked the Board members to review Ms. Higgins's notes.

Erica Gelinias said that the Longmeadow Board of Health wants to do cholesterol screenings at the Health Fairs. She said they are looking to purchase the machine and are willing to lend it to SVRHT but SVRHT would have to buy the cholesterol and glucose testing strips.

Carol Cormier said that Blue Cross and Health New England would do these screenings at no cost at health fairs.

GBS Reports:

Ms. Cormier reviewed the Funding Rate Analysis by Plan. She said that the expense to funding ratio was 94.0%. She reviewed the BCBS Level Monthly Deposit Quarterly Accounting report with claims paid through January 2011 and the Carol Cormier reviewed the myMedicationAdvisor® report for December 2010 prepared by The Abacus Group.

FY12 Rates:

Carol Cormier reviewed the Funding Scenarios #1 through #6. She said that the rate projections resulted in a composite increase across all plans of 15.4% and 16.7% depending upon which projections were used, health plan projections or GBS projections. She said the increase was high because the Group had significantly cut rates for FY11 using Fund Balance as well as rate revenue to cover expenses. Ms. Cormier said that the funding scenarios #3 - #6 used monies from the Fund Balance to subsidize the rates. She said the most extreme scenario (#6) brought the rate increase down to 8.0% as had been requested by the Board. She said that this scenario assumed using between \$1.59M and \$1.86M, depending upon which projections were used. Ms. Cormier expressed concerns about setting the rates too low such that they would be market-realistic and lead to a rate spike in the following year. She said if there's a rate spike and insufficient fund balance, the employers and employees would have to absorb that future increase.

There was a discussion about the Scenarios and status of the Fund Balance.

Rick Green proposed to go to a 5% composite rate increase.

Arlene Miller said she was willing to risk a 7% increase, but no more.

Tom Sullivan move to adopt rates with a 7.0% composite increase.

Motion

Rick Green seconded the motion. The motion passed by unanimous vote.

Arlene Miller said that employers should provide a letter to employees explaining that the rate increase should have been about 16% but the SVRHT brought the increase down to 7% by using monies from the Group's Trust Fund Balance. She said that this was a good opportunity to promote the wellness programs.

Dependent Eligibility Audit:

Arlene Miller said that she reviews the weekly reports.

Tufts Health Plan HMO Renewal:

Karen Bergeron, Tufts Health Plan, distributed the Renewal and said that the Group received a standard 13.5% increase. She said the rates effective 7/1/11 will be \$787.25 Individual and \$1,967.84 Family. She said that enrollments in the plan have become quite low. Ms. Bergeron reviewed some benefit changes

including the \$0 co-pay for preventive services and removal of the \$1,500 cap on Durable Medical Equipment while maintaining the 30% DME coinsurance for members. She said that these were benefit requirements of the Affordable Care Act for non-grandfathered plans and that Tufts was applying these to fully insured accounts. She said Tufts has three HMO benefit design options: Prime HMO, Value HMO, and Basic HMO.

Tom Sullivan referred to the obligation that each employer in the Group bargain over benefit changes that are not mandates.

In response to a request, Karen Bergeron said she would send a zip code list for Tufts HMO enrollees.

Tufts Senior Plan Renewals:

Fred Winer, Tufts Senior Plans, reviewed the renewal information for Tufts Medicare Preferred HMO, Tufts Medicare Supplement Prime, and Tufts Medicare Complement (TMC). He said that the 2011 rates were HMO \$242 (16.9% increase), Supplement Prime \$344 (7.8% increase), and TMC \$402 (8% increase). Mr. Winer described the new Tufts Medicare Preferred HMO Smoking Cessation counseling benefit of up to 8 counseling sessions in a 12-month period which is free to the member.

Alternative Plan Design Proposals from Health Plans:

Arlene Miller said she was tabling this item till the next meeting.

Health Plan Reports:

BCBS report – Steve Corbin talked about the Governor’s proposal for municipal health reform and benchmarking benefits to the GIC benefits. He said that BCBS is putting together plan designs that will be actuarially comparable to the GIC plans. Mr. Corbin referred to the BCBS Quality Cost Contracting initiative which, he said, BCBS believes will reduce costs by about 10%. He said he would like to bring someone to a future meeting to talk about Quality Cost Contracting.

Arlene Miller said that the Board would like to hear about this.

Health New England and Tufts had nothing new to report.

Other Business:

Carol Cormier said that on the morning of April 6th GBS will host a Coalition of Joint Purchase Groups (JPGs) meeting to review the proposed municipal health reform legislation and determine a position and strategy that works for JPGs. She said that up to three members from each JPG may attend.

There was no other business.

Chair Arlene Miller adjourned the meeting at about 10:50 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*