

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Thursday, June 9, 2016

9:30 AM

Wilbraham Town Hall

Wilbraham, MA

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Marie Angelides	Town of Longmeadow
Tom Sullivan	Town of Wilbraham
Richard Patullo	Town of Hampden
Anna Bishop	Lower Pioneer Valley Educ. Coop. (LPVEC)
Sara Menard	Town of East Longmeadow
Beth Regulbuto	Hampden-Wilbraham RSD

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Lyn Fioravanti	SVRHT Wellness Consultant
Corinne Tranghese	Town of East Longmeadow
Erica Gelinis	Town of Longmeadow
Sharon Croteau	Town of Longmeadow
Diana Morrow	Town of Longmeadow
Christina Gagnon	Hampden Wilbraham RSD
Joe Wroblewski	Abacus Health Solutions
Jillian Kiernan	Abacus Health Solutions
Sandra Stankiewicz	Blue Cross Blue Shield
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Arlene Miller, Chair, called the meeting to order at 9:35 AM.

Approval of the minutes of the April 5, 2016 meetings:

Tom Sullivan moved to approve the April 5, 2016 meeting minutes as written.

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

Motion

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the financial reports of March and April 2016 (unaudited figures) and a preliminary report through May 2016. He said that the Unreserved Fund Balance

was \$4.8M through April, which, he said, is \$2.1M above the target. He said the April HNE monthly claims payment was high at \$842K. Mr. Pasterczyk said that one CD valued at \$527K reached maturity. He said he reinvested \$240K into a new CD at a 1% interest rate and used the remainder of the money to pay operating expenses. Mr. Pasterczyk reported a reinsurance reimbursement of \$110K in May and said he may need to make a transfer of funds to the operating account.

Wellness Program Report:

Lyn Fioravanti, Wellness Consultant, distributed and reviewed reports on the participation in the SVRHT Wellness Programs and the budget through May 2016. She said the current programs include the Colonoscopy Incentive Program, Smoking Cessation Program and the Weight Loss Program. Ms. Fioravanti said that to date 87 BCBS and 121 HNE members have been screened through the BCBS and HNE Biometric Screening Incentive Programs. She compared the 2016 screening results against the 2015 results.

Ms. Fioravanti reviewed the budget and noted that 54.3% of the FY16 wellness budget of \$97,350 has been spent to date.

Abacus Health Solutions reports – Joe Wroblewski and Jillian Kiernan:

Diabetes Rewards program – Jillian Kiernan reviewed the report for the period of September 1, 2015 through May 31, 2016. She said there is a new report format, which is a snapshot of the program results. Ms. Kiernan said the SVRHT enrollment of 62% is above the Municipal average of 42%. She said that the Compliance is 48%, the same as the municipal average, but noted that as of today, compliance has risen to 50%. She said the estimated savings net of fees and pharmacy copays was \$78,788. Ms. Kiernan said the number of medications and supplies provided through the program was 764 and that Abacus estimated member copays waived is \$20,324. She said the total diabetes program medication cost was reported as \$184,643.

Ms. Kiernan said that two new gender specific flyers will be sent out in July. She said that studies have shown that men and women each respond to different styles of communication. Ms. Kiernan said she will also email the flyers to the employers.

myMedicationAdvisor® program - Joe Wroblewski said they are seeing a shift in specialty prescription trends. He said fewer scripts are costing more. Mr. Wroblewski said five specialty drugs have been added to the list of approved MS and chemotherapy medications. He noted that they are non-injectable drugs that do not need to be refrigerated. He said the program is doing very well and for the first 4 months, SVRHT is meeting or exceeding the budget.

Carol Cormier noted the US pricing continues to increase faster than the 4 countries from which the MMA program prescription drugs are sourced.

Mr. Wroblewski said the estimated net savings to the group was \$133,769 with \$23,779 of employee copays waived through the end of April. He said that Abacus does quarterly mailings to members that are taking drugs that are on the approved medication lists.

Carol Cormier said it would be helpful to see how many members versus how many prescriptions are purchased. She said some members are taking multiple medications.

Marie Angelides said she would like to see the report for 2015.

Prescription Benefits Services (PBS) – Carol Cormier said that PBS, the intermediary between CanaRx and Abacus Health Solutions was purchased by Abacus following the passing of PBS's previous owner.

Joe Wroblewski said that the purchase was finalized and the company will be managed in the same way as in the past. He said that the person who managed the program at PBS will now be working for Abacus. Mr. Wroblewski said Abacus will be drawing up a new PBS contract.

Erin Hayes said that Tufts will need a new PHI signed and will send Ms. Cormier the form.

GBS Reports:

Funding Rate Analysis (FRA) report - Carol Cormier reviewed the FRA report with data through April of FY16. Ms. Cormier said the expense-to-funding ratio was 103.2%. She said the estimated shortfall of funding from rate revenue was \$579K at the end of April. She said the Network Blue plans were underfunded by \$1.5M; however, other plans were over-funded through April.

Reinsurance reports – Karen Carpenter reviewed the reinsurance excess report for FY15 with claims paid through April. She said that there were six members with claims over the \$175K deductible with a total excess claims amount of \$386,640. Ms. Carpenter said reimbursements of \$236,640 were received. She said that there were 13 members with claims between 50-100% of the deductible with total claims of \$1.54M.

Karen Carpenter reviewed the excess report for the FY16 policy period and said there were four members with excess claims of \$591,489. She said the Aggregating Specific Deductible of \$150K has been met and reimbursements of \$341,977 have been received. Ms. Carpenter said there are reimbursements of \$99,512 due to the group. She said there were twelve members with claims between 50-100% of the deductible and the total claims amount was \$3.5M.

GBS proposed consulting and central benefits administration contract renewal - Carol Cormier said that she sent a copy of the proposed renewal to the Board. She said the contract was extended last year for a one-year period with no change in the fees. Ms. Cormier said that the proposed contract is a 3-year contract with a 1% increase each year with the same terms as current.

Marie Angelides said she was happy with the services of GBS, but asked if SVRHT ever put the service contract out to bid.

Carol Cormier said that SVRHT has not done that in the past and noted that another client did and no other bids were received.

Arlene Miller asked the Board members for their thoughts.

Tom Sullivan suggested a sub-committee be formed to look at putting it out to bid in the future.

Sara Menard made a motion to approve the 3-year GBS contract as proposed, with a 1% increase in fees for each of the 3 years.

Motion

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

GBS proposed online roster service agreement – Carol Cormier said that the GBS online monthly invoice and roster service agreement will expire on June 30, 2016 and said the proposed renewal is for the same fee as last year, \$130 per unit, or \$780 annually.

Tom Sullivan made a motion to approve the FY17 GBS invoice and roster agreement as proposed.

Motion

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

Reinsurance proposals for FY17:

Carol Cormier said GBS put out an informal RFQ for the FY17 Reinsurance Policy and received quotes from the incumbent carrier, HM Insurance, and from Sirius America, and BCBS of MA. She said quotes were received with the requested Specific Deductibles of \$175K and \$200K. She reviewed the pricing of the quotes and noted that the BCBS quote was high and it did not include pricing on the HNE Medplus retiree plan. She said the HM Insurance and Sirius America quotes each would result in an increase of 9.2%. She said SVRHT has had HM and Stop Loss Insurance Brokers for the last several years. She asked the Board if it wanted to consider increasing the deductible to \$200K.

There was a discussion and the Board agreed to renew with the incumbent carrier and stay at the current specific deductible and aggregating specific deductible.

Dick Patullo made a motion to approve the HM Insurance/SLIB reinsurance quote of \$15.55 per individual and \$33.53 per active family plan contract and \$3.47 per individual on the HNE Medplus retiree plan.

Motion

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

BCBS Telehealth program:

The Board took no action and asked to revisit this next year after a review of the HNE telehealth utilization report.

Health Plan Reports:

Tufts Health Plan – Erin Hayes said Tufts Health Plan is adding cost management programs such a follow-up program to ER visits and chemotherapy pain management and nutrition programs for oncology patients. She said these programs are intended to help avoid re-admissions to the hospital.

Fred Winer said he didn't have anything new to report with regards to the Tufts retiree plans.

Blue Cross and Blue Shield – Sandra Stankiewicz said the open enrollment season went well.

Other Business:

Erica Gelinas introduced Sharon Croteau, new to the Town of Longmeadow's Human Resources department. She asked the health plan representatives to schedule a meeting with her and Ms. Croteau.

There was no other business.

Tom Sullivan moved to adjourn.

Motion

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

Arlene Miller adjourned the meeting at 11:05 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*