

Scantic Valley Regional Health Trust

Board Meeting

Monday, June 10, 2013

1:00 p.m.

Wilbraham Town Hall

Wilbraham, Massachusetts

Meeting Minutes

Members and Alternates Present

Arlene Miller, Chair

Marie Angelides

Dick Patullo

Robert Weitz

Thomas Caliento

Beth Regulbuto

Town of Longmeadow

Town of Longmeadow

Town of Hampden

Town of Wilbraham

Town of East Longmeadow

Hampden Wilbraham RSD

Guests Present

Lyn Hollinger

Erica Gelinas

Michael Mazzuca

Sean Follick

Suzanne Donahue

Pat Kaplan

Erin Hayes

Fred Winer

Laura Syron

Carol Cormier

Karen Carpenter

SVRHT Wellness Coordinator

Town of Longmeadow

Hampden Wilbraham RSD

The Abacus Group

Blue Cross Blue Shield (BCBS)

Blue Cross Blue Shield (BCBS)

Tufts Health Plan (THP)

Tufts Health Plan (THP)

Health New England (HNE)

Group Benefits Strategies (GBS)

Group Benefits Strategies (GBS)

Chair, Arlene Miller called the meeting to order at 1:00 PM.

Approval of the minutes of the April 25, 2013 Board meeting:

Dick Patullo made a motion to approve the minutes of the April 25, 2013 meeting.

Motion

Robert Weitz seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Carol Cormier said that the Treasurer, Paul Pasterczyk, was unable to attend the meeting and emailed the financial worksheets and statements ending April 30, 2013 (unaudited figures) to the Board. She referred to Mr. Pasterczyk's email and said that the fund balance exceeded the target by \$2M and said that approximately \$800K was earmarked to subsidize the FY2014 rates.

Beth Regulbuto joined the meeting.

Wellness Program Report:

Lyn Hollinger, Wellness Coordinator, distributed and reviewed the Wellness Agenda and Budget through May 31, 2013. She reviewed the program participation and growth of the wellness programs from FY09 to FY13 and said that the participation has increased from 499 to 1,429. She reviewed the programs in progress which included the Mindfulness Stress Reduction program class to be held at the Longmeadow High School.

Ms. Hollinger reviewed the FY13 Wellness Budget and said that 63.33% of the budget has been utilized through May.

Carol Cormier asked Ms. Hollinger to add GBS to the email distribution for the wellness programs, newsletters, and notices.

There was a discussion about wellness programs and the role of the HIPAA regulations.

Erin Hayes, Tufts Health Plan said that THP has a webinar about this topic and she will add GBS to the distribution list.

GBS Reports:

Funding Rate Analysis by Plan - Ms. Cormier reviewed the FY13 Funding Rate Analysis by Plan with data through April. She said the expense-to-funding ratio was 96.7%, with an excess of funding over expenses on a paid basis of \$600,523. Ms. Cormier noted that the Network Blue NE plans were underfunded and require watching.

BCBS Level Monthly Deposit – Ms. Cormier said with one month into the fourth quarter, there is a balance due BCBS of \$57K at the end of April.

Reinsurance Reports - Karen Carpenter reviewed the Stop Loss reports for FY12 and said that the Group has met the Aggregating Specific Deductible (ASD) of \$150K. She said there are 4 claimants that exceeded the \$175K specific deductible and that the group has received reimbursements of \$68,736 through April 2013. Ms. Carpenter said that there are no additional reimbursements due SVRHT. Ms. Carpenter said that there are 17 claimants that have reached between 50% and 100% of the specific deductible with claims totaling \$2.14M. Ms. Carpenter said that there are 5 claimants on the FY13 report that have exceeded the specific deductible with claims totaling \$1.2M. She said that the group has received reimbursements of \$211,398 through April 2013 and said that there are total reimbursements of \$5,056 due SVRHT. Ms. Carpenter said there are 7 claimants that have reached between 50% and 100% of the specific deductible with claims totaling \$2.68M.

Reinsurance Quotes for FY14: Carol Cormier reviewed the reinsurance quotes received and said that the incumbent carrier submitted a quote to renew the current policy at the same terms and current rates. Ms. Cormier noted that the proposed reinsurance pooling arrangement mentioned at the previous meeting will not be formed for this July.

Tom Caliento made a motion to approve quote “a” from HM Insurance Company and Stop Loss Insurance Brokers at the current terms and rates (0% increase) for both the active and senior plans.

Robert Weitz seconded the motion. The motion passed by unanimous vote.

Motion

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One-time state assessment: Carol Cormier said that there are new government fees and assessments associated with the Health Care Reform and Affordable Care Act. She said that she discussed the fees at the February Board meeting. Ms. Cormier asked the health plan representatives to explain how they would be billing the one-time state assessment fee to SVRHT and their other self-funded accounts.

Blue Cross Blue Shield-

Suzanne Donahue said that the BCBS share of the \$165M statewide assessment is \$65M in total. She said the payments will be spread across a 4-year time period. She said that the share that BCBS will be passing to the self-funded accounts is 0.4% on the claims that are subject to the Health Safety Net (HSN). She said the 0.4% will be added to the HSN fees each month.

Tufts Health Plan –

Erin Hayes said that the health plans are allowed to choose whether or not they want to pay the amount in one lump sum or over a 4 year period. She said that Tufts Health Plan will be billing the account monthly over a 4-year period.

Health New England –

Laura Syron said that HNE will be billing accounts in 4 annual installments that will occur in June of each year.

Affordable Care Act PCORI Fees: Carol Cormier said that SVRHT must pay the Patient-Centered Outcomes Research Institute (PCORI) fee on the IRS form 720. She said the fee is \$1 per member, including senior plans and is due on June 31, 2013 for FY13. Ms. Cormier said that GBS will work with the health plans and inform the Treasurer of the enrollments and fee.

It was subsequently learned that the PCORI fee will not be due until June 2014.

Transitional Reinsurance Fee: Carol Cormier said that the fee for 2014 is \$5.25 per member per month, or \$61 per year and is expected to decrease each year through 2016. She said that HNE informed her it will submit the fee and will bill SVRHT. She said she does not know how the other health plans will be handling the fee.

Ms. Cormier said she will speak to the CHIA (Center for Health Information & Analysis) fees as more information is known.

Blue Cross Blue Shield:

Mental Health Parity testing - Carol Cormier said that BCBS offered to complete the mental health plan design parity testing for FY14 at no cost to SVRHT.

Suzanne Donahue said that all of the SVRHT BCBS plan designs passed the testing.

Cost Saving Option presented by BCBS:

High Tech Radiology (HTR) – Suzanne Donahue said that high tech radiology services such as MRIs, CT scans and PET scans are generally less expensive at non-hospital facilities. She said that she ran a report and found that there are several free-standing facilities in the SVRHT area. Ms. Donahue reviewed the HTR utilization report for SVRHT and said that the MRI costs varied from \$2,085 provided at an out-patient hospital visit to \$590 when provided at a free-standing facility. Ms. Donahue noted that she is speaking about scheduled services, not services provided as part of a hospital admission. She said that SVRHT can opt to add \$0 co-pay for HTR services provided at non-hospital facilities to create an incentive for members to use these less costly facilities. She distributed the list of facilities.

Laura Syron, HNE said that HNE has the ability to reconfigure its claims system to do the same with respect to HTR services.

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Erin Hayes, Tufts Health Plan said that she will check on the current coding to see if this can be done.

There was a brief discussion.

Tom Caliento made a motion to eliminate the HTR co-pay for services received at non-hospital facilities effective July 1, 2013.

Motion

Robert Weitz seconded the motion. The motion passed by a unanimous vote.

BCBS Select Home Delivery - Suzanne Donahue said the Board was interested in receiving additional information regarding the Select Home Delivery prescription program she spoke about at the last meeting. She said that after filling a one-month supply of the medication twice in a 180-day period at a retail pharmacy, the medication would only be covered when ordering through the mail service. She said members would receive a letter notifying them how their benefit would be changing and how the program works. Ms. Donahue said with the Select Home Delivery, members would have the opportunity to opt out of the program. She said that she ran a disruption report and noted that the mail order is utilized by 8.6% of members, which, she said, was low.

Arlene Miller asked the Board to consider the information for making a decision at a later date.

Rick Patullo said that he would like to see a report of the expected savings.

Suzanne Donahue said that she will bring the report to the next Board meeting.

The Abacus Group reports – Sean Follick:

Diabetes Rewards Program Report – Mr. Follick distributed and reviewed the Diabetes Program third quarter report and said that there are a total of 243 SVRHT members eligible to utilize the program. He said that 123 are currently participating, which is 51% of those eligible. He said the target set by the Abacus Group for participation is 30% and said that the program is exceeding its enrollment goal. Mr. Follick said that 50% of those participating met all of the requirements in a 12-month period and those participants are obtaining free diabetic medications and supplies. He said that these results are very good.

myMedicationAdvisor® Program – Mr. Follick distributed and reviewed the *myMedicationAdvisor®* report prepared by the Abacus Group through March 2013 and said that the total net savings for the first 3 months of the year was reported at \$57,958. He said that the employees saved \$32,835 in waived co-pays. He said that the alternative buying program is just below the projections. Mr. Follick said that the new medication lists will be coming out soon.

Mr. Follick said that representatives from the Abacus group are happy to attend the SVRHT health fairs. He said that regular communications are sent to members, and if the member chooses, he/she can receive supportive text messages. Mr. Follick said that he was looking forward to meeting Lyn Hollinger, the SVRHT's new Wellness Coordinator.

Health Plan Reports:

HNE – Laura Syron said that there is a new mobile application available from HNE that can be used to look up providers, search for urgent care centers and fax your ID card. She distributed a flyer with additional information. Ms. Syron said that HNE would like to do a presentation about their Healthy Directions program at a future meeting and suggested September.

Tufts Health Plan – Erin Hayes said she didn't have anything additional to report.

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BCBS – Suzanne Donahue distributed information about the Blue Options, Blue Precision Hospital Tiering plan. She said that BCBS also offers a limited network plan and said that she could send additional information to GBS for distribution if the Board is interested.

Carol Cormier said that SVRHT may be too small a group to add more plans.

Other Business:

The next SVRHT Board meeting was scheduled for September 12, 2013 at 9:30 a.m. to be held at the Wilbraham Town Hall.

There was no other business.

Chair Arlene Miller adjourned the meeting at 2:40 PM.

Prepared by Karen Carpenter
Group Benefits Strategies