

Scantic Valley Regional Health Trust

Board Meeting

Thursday, September 12, 2013

9:30 a.m.

Wilbraham Town Hall

Wilbraham, Massachusetts

Meeting Minutes

Members and Alternates Present

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Nick Breault	Town of East Longmeadow
Michael Mazzuca	Hampden Wilbraham RSD
Cheryl Decoteau	Lower Pioneer Valley Educ. Collaborative
Tom Sullivan	Town of Wilbraham

Guests Present

Paul Pasterczyk	SVRHT Treasurer
Lyn Hollinger	SVRHT Wellness Coordinator
Linda Loiselle	The Abacus Group
Erica Gelinis	Town of Longmeadow
Audra Staples	Town of Longmeadow
Herta Dane	Town of Wilbraham
Corinne Tranghese	Town of East Longmeadow
Pat Kaplan	Blue Cross Blue Shield (BCBS)
Erin Hayes	Tufts Health Plan (THP)
Fred Winer	Tufts Health Plan (THP)
Laura Syron	Health New England (HNE)
Christopher Jasinski	Health New England (HNE)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

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

Approval of the minutes of the June 10, 2013 Board meeting:

Tom Sullivan made a motion to approve the minutes of the June 10, 2013 meeting.

Motion

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

HNE “Healthy Directions” presentation:

Christopher Jasinski, HNE Health Management Program Manager, distributed and reviewed the HNE Healthy Directions Employer Wellness Program. Mr. Jasinski said that Healthy Directions was designed to establish a culture of health at the workplace and to encourage employees to make healthy lifestyle choices to improve their health. He said that the program removes the administrative burden from the employer. He said that the program allows employers to take advantage of the premium differentials

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available under the Affordable Care Act and incentives under the MA Wellness Tax Credit Incentive Program.

Mr. Jasinski said that the program highlights health assessments, which can be done on-site and/or at health fairs. He said that some screenings are provided by HNE free of charge, including bone density and smoking testing, while others can be offered at a cost. Mr. Jasinski said that the blood screening results are sent directly to the participant's home. Mr. Jasinski said that the program begins with a kick-off event to include biometric screenings, interactive health education, and raffle prizes. He said the HNE can complete health assessments and individual goals will be set based on results. Mr. Jasinski said that health coaches will engage the participants with activity challenges, nutrition, and prevention education.

Michael Mazzuca said that the program will need the support of each unit's management team.

Mr. Jasinski agreed that there needs to be a culture of health established and the support of all management for the program to be successful. He noted that premium differentials given as incentives usually will produce the best results. He said minimum participation is not required.

Carol Cormier said that premium differentials may not be possible with MA municipal clients, but said the SVRHT could provide other rewards or incentives to participate in the program.

Arlene Miller thanked Mr. Jasinski for his presentation and said that the Board will take the program into consideration.

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the Treasurer's financial worksheets and statements ending June 30, 2013 (unaudited figures). Mr. Pasterczyk said that the unreserved fund balance was \$4.3M and said that there was an excess of \$2.2M over the fund balance policy target. He said that member assessments are paid in full. Mr. Pasterczyk said that there was a total paid claims of \$21M in FY13, the first year cycle of the new plan design implementation. He noted that the FY12 paid claims total was \$23M.

Arlene Miller asked how much of the fund balance excess that was planned to be used towards the FY13 rates was actually used.

Ms. Cormier said she would provide that information at the next meeting.

Mr. Pasterczyk reviewed the July worksheet and said that \$12,792 of Retiree Drug Subsidy was received in July. He noted that \$47K of reinsurance claims reimbursements was received in August and said that he will have updated July and August reports for the next meeting.

Wellness Program Report:

Lyn Hollinger, Wellness Coordinator, distributed and reviewed the Wellness Agenda and Budget through August 2013. She reviewed the recent and upcoming programs which include line dancing, Zumba and yoga classes, healthy cooking series, maintain campaign and the Great American Smoke-Out. She said that 6 employees attended the Mindfulness workshop, and 21 employees attended the Longmeadow DPW Derma-scan. Ms. Hollinger said that Jillian Kiernan from The Abacus Group attended the MRHS teacher orientation. Ms. Hollinger said that she and Jim Moran will be revamping the SVRHT Wellness website to designate pages and sections for Wellness and another for insurance and employer information.

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The Abacus Group Diabetes Rewards Program® – Linda Loiselle:

Linda Loiselle reviewed the Diabetes Rewards Program report and said that the five care requirements are recommended by the American Diabetes Association (ADA). Ms. Loiselle said that the report represents three years of data and said that the SVRHT group's statistics are very good. She said that SVRHT exceeds the municipal average in both participation and compliance. Ms. Loiselle said that the municipal average enrollment is 36% of those eligible to participate, and SVRHT's enrollment is at 46%. She said the municipal average compliance rate is 50%, and SVRHT's compliance rate is 54%. Ms. Loiselle said the employer total estimated program savings over the past 3 years is \$279,645. She said that the total medication cost is \$187,897 and noted that the group would have incurred the medication expenses without the program, with the exception of the waived co-pays, the amount of which was \$23,843. Ms. Loiselle said that she looks forward to working with Ms. Hollinger to expand the program.

Ms. Loiselle reviewed the program promotions and outreach letters and phone calls conducted by The Abacus Group. She said that the health plan carriers have diabetes programs as part of their disease management programs. She said that this program compliments those programs by also adding an incentive to members to comply with the ADA care guidelines.

Corinne Tranghese asked how many of the participants are retirees and would they still be eligible for the program should the Board vote to change the Medex plan to a Medicare Part D plan.

Carol Cormier said that if the Board decides to change Medex to a Medicare Part D plan, the Medex members would no longer be eligible for the diabetes program. She said they would be paying a lower premium which would help to pay for their medications.

GBS Reports:

Funding Rate Analysis by Plan - Ms. Cormier reviewed the FY13 Funding Rate Analysis by Plan with data through June. She said the expense-to-funding ratio was 95.8%, with an excess of funding over expenses on a paid basis of \$593,026.

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

Paul Pasterczyk said that the LMD had been updated which was not reflected on the report.

Ms. Cormier said she would have that corrected on the report.

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 \$68,788 through June 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 6 claimants on the FY13 report that have exceeded the specific deductible with claims totaling \$1.4M. She said that the group has received reimbursements of \$263,639 through June 2013 and said that there are total reimbursements of \$9,128 due SVRHT. Ms. Carpenter said there are 14 claimants that have reached between 50% and 100% of the specific deductible with claims totaling \$1.6M.

Senior Plan Rates if available & Medicare Part D plan vs RDS discussion:

Carol Cormier said that the Board has been reviewing information about Medicare Part D plans and exploring moving the senior health plans to a January renewal date. Ms. Cormier reviewed the GBS exhibit comparing the Medex 3 *status quo* renewal with a Jan. 1 effective date with the proposed Medex 2

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with Medicare Part D proposed rates. She said that the premium savings would be \$156 per contract. Ms. Cormier said that the status quo Medex 3 renewal rate based on the GBS projections is \$468.26 and \$492.17 based on BCBS projections. Ms. Cormier said that the Medex 2 rate proposed is \$312. She said the FY13 Medex 3 rate is currently \$462. Ms. Cormier said that there would be a direct savings to both the members and employers if the Board decides to change to Medex 2 with the BCBS Medicare Part D plan called "Blue Medicare RX".

Ms. Cormier said that Medex 2 members would not be eligible to participate in the Diabetes Rewards Program and myMedicationAdvisor® programs. She said the group will not receive the Retiree Drug Subsidy (RDS) as they would be receiving the savings through the lower rate. Ms. Cormier said that the current prescription drug plan design has a \$25 deductible, then free generic drugs and a coinsurance of 20% for brand names. She said that can be costly for the retiree. Ms. Cormier said that the employer's OPEB liability would be reduced by moving to the Medex with Part D plan.

Erica Gelinis said that a move to a January renewal may be an administrative challenge with a second open enrollment.

Carol Cormier said that several other clients have made the move and liked that they could devote the time to their retirees.

Pat Kaplan, BCBSMA, said that the members will receive one ID card for medical services and one card for prescription drugs. She said that CVS Caremark is the mail order vendor and noted that the member could still use any network pharmacy for retail medication purchases. She said that the members also receive a 20% discount with the CVS Caremark card at participating pharmacies. Ms. Kaplan said that the Managed Blue for Seniors plan can be changed to a Medicare Part D plan as well and noted that the coinsurance for prescriptions on that plan can be high. She said that the plan design would be changed to Rx co-pays.

Arlene Miller said that the Board would like to wait until seeing the Managed Blue for Seniors rates before taking a vote on that plan.

Carol Cormier suggested holding regional retiree health fairs.

Tom Sullivan made a motion to move the Medex 3 plan to the Medex 2 Medicare Part D plan with a January 1 renewal date to be effective January 1, 2014.

Motion

Dick Patullo seconded the motion.

Carol Cormier suggested holding the current HNE MedWrap plan rate for 18 months and moving that plan to a January renewal. She said that expenses for HNE Medwrap were running considerably under the funding.

Laura Syron, HNE, said that would not be a problem.

Carol Cormier noted that SVRHT would still receive the RDS money for the HNE Medwrap plan.

A vote was taken on Mr. Sullivan's motion and passed unanimously.

Tufts Senior Health Plan Rates - Fred Winer said that the Tufts Medicare Prime HMO plan rate for 2014 increased to \$252 from \$240. He said that the fees associated with the Affordable Care Act were responsible for \$7 of the \$12 rate increase. Mr. Winer said that the eyewear reimbursement remains at \$150 for members receiving services at EyeMed facilities. He said that there is now a \$90 reimbursement for members who obtain glasses or contact lenses from providers other than EyeMed providers. Mr.

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Winer said that Tufts has contracted with Hearing Care Solutions (HCS) for additional hearing aid discounts added to the current \$500 hearing aid benefit.

Mr. Winer said that the Tufts Medicare Supplement with PDP Plus plan rate increased to \$334 for 2014, up from \$331. Mr. Winer said that there are no plan design changes to this Medicare Supplement plan.

Tom Sullivan made a motion to approve the Tufts Medicare Preferred HMO and the Tufts Medicare Supplement Plan with PDP Plus rates as presented.

Motion

Michael Mazzuca seconded the motion. The motion passed by unanimous vote.

End of Commonwealth Choice Voluntary Coverage with pre-tax Section 125 plans for Non-Benefit Eligible Employees:

Carol Cormier said that the Massachusetts Health Care Reform law requires employers to offer access to a pre-tax S. 125 plan for benefit plans that the employee purchases on an employee-pay-all basis (voluntary plans). She said that the Health Connector will no longer offer the Voluntary plans after Jan. 1, 2014 because this conflicts with the ACA. Ms. Cormier said that employers need to find another source to obtain the voluntary plans. Ms. Cormier said that Mosaic Health Insurance Exchange is offered through the Small Business Service Bureau (SBSB) and seems to be the logical replacement for the Connector's voluntary plans. She said SBSB actually administered the Connector's voluntary plan program. Ms. Cormier said that the Commonwealth/GIC has recently entered into an agreement with Mosaic and said that GBS is looking into whether or not the municipalities can obtain the plan with the same participation fees as the GIC has under its new contract with Mosaic. She said she will inform the SVRHT employers as soon as she has this information. She said that the Notice prepared by the MA Health Connector to be sent by employers to employees notifying them of the Health Insurance Marketplace (MA Health Connector) contains information about the S.125 plans.

Dependents of Dependents:

Carol Cormier said that the SVRHT Board voted not to cover dependents of dependents since it is not required by the ACA. She said that the benefit administrators have been communicating this to employees who inquire about it. Ms. Cormier said that the BCBS member service department is advising members that the grandchildren are eligible because that is BCBS's policy and position.

Erin Hayes, Tufts Health Plan, said that the MA regulations require health insurers to cover dependents of dependents. She said that for Tufts self-funded clients, they let them make the decision whether to offer the coverage or not. She said that the GIC also covers them. She said that she will obtain additional information for the Board to review.

Health Plan Reports:

HNE –Ms. Syron said that HNE has finished configuring its systems to waive the co-pay for members who obtain high tech radiology services at free standing facilities. She said a notice will be sent to all members.

BCBS – Pat Kaplan said that it is mandatory that retirees sign up for Medicare Part B when they are first eligible and enroll in a Medicare senior plan. She said that the exception was if the retiree was on a family plan with dependents. She said that they would still be required to sign up for Part B, but would be able to remain on a family plan. Ms. Kaplan said that there is one unit who has a retiree who is on a family plan but did not sign up for Part B. She said that BCBS will pay as if the member has Part B and they will pay 20% of the services provided. In this case, she said that the member is being billed for

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services in the amount of approximately \$4K. She said this member has now signed up for Part B, but it will not go into effect until July 1, 2014. Ms. Kaplan asked the Board for direction on how to handle this.

Corinne Tranhese said that the Town of East Longmeadow's attorney advised that these members are not required to sign up for Part B and can stay on the family plan until the dependent ages out.

Erica Gelinas said she was unaware of the BCBS payment process in these cases and said that the town takes full responsibility.

Pat Kaplan said that BCBS sends out communications to the members, but the communications went out prior to this member's eligibility.

Carol Cormier explained that this has happened in other joint purchase groups. She said that the groups voted that it is the employer's responsibility to communicate to its retirees and it is up to each unit as to whether they want to pay these claims or leave it as the member's responsibility. Ms. Cormier noted that the units are not required to cover retirees who do not provide their Medicare eligibility/non-eligibility status to the employer.

Michael Mazzuca asked that the Board delay its vote on this until each unit can discuss it with their unit's appropriate authority.

Arlene Miller said that the Board will make its determination at the next meeting.

Other Business:

The next SVRHT Board meeting was scheduled for October 2, 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 11:30 AM.

Prepared by Karen Carpenter
Group Benefits Strategies