

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Thursday, September 13, 2018

9:00 AM

Wilbraham Town Hall

Wilbraham, MA

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Tom Sullivan	Town of Wilbraham
Richard Patullo	Town of Hampden
Sara Menard	Town of East Longmeadow
Howard Barber	Hampden-Wilbraham RSD

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Lyn Fioravanti	SVRHT Wellness Consultant
Jeff Beane	MyTelemedicine
Jocelyn Sanchez	Town of Longmeadow
Ashley Bard	Town of Longmeadow
Corinne Traghese	Town of East Longmeadow
Karin Decker	Town of East Longmeadow
William Kober	Hampden-Wilbraham RSD retiree
Anna Kober	Hampden-Wilbraham RSD retiree
Lisa Sternberg	Hampden-Wilbraham RSD retiree
Deborah Gormley	Hampden-Wilbraham RSD retiree
Liane Comeau	Health New England
Jonathan Payson	Blue Cross Blue Shield of MA
Erin Hayes	Tufts Health Plan Products
Fred Winer	Tufts Health Plan Senior Products
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Arlene Miller, Chair, called the meeting to order at 9:04 AM.

Approval of the minutes of the June 4, 2018 and June 26, 2018 meetings:

Dick Patullo made a motion to approved the June 4th and June 26th meeting minutes.

Motion

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

Treasurer's Report:

Treasurer Paul Pasterczyk distributed and reviewed the June and July 2018 financial reports (unaudited figures). He reported an Unreserved Fund Balance at the end of FY2018 of \$2,625,206, under the fund

balance policy target in the amount of \$519,436. The fund balance target based on the Fund Balance Policy was \$3.14 million. Mr. Pasterczyk said the loss reported is prior to the auditor's adjustments to items such as the reinsurance reimbursements. He reviewed the list of Certificates of Deposits and said the ending balance for the CDs was \$6,194,698.

Dick Patullo noted the Board worked to lower the rates through planned use of the fund balance to subsidize the FY18 health plan rates.

In response to a question about how the target fund balance was determined, Carol Cormier said SVRHT set its target based on guidelines from Milliman.

Mr. Pasterczyk reviewed the July 30, 2018 financial report (unaudited figures). He reported usual BCBS and HNE claims and reinsurance reimbursements of \$14K received. He said he renewed two CD's at higher interest rates. He said the unaudited unreserved trust fund balance was \$2,968,223 at the end of July.

Wellness Program Report:

Lyn Fioravanti, Wellness Consultant, distributed and reviewed a report of the year-to-date participation in the FY19 SVRHT Wellness Programs through September 13, 2018. She reviewed the wellness budget summary for the end of fiscal year 2018 and said the Consultant expenses exceeded the budgeted amount due to increased travel to sites and replacement of the laptop hard drive. Ms. Fioravanti said SVRHT was the recipient of the 2017 Worksite Wellness Council of MA's Bronze Award for exemplary worksite health promotion and achievements.

Ms. Fioravanti reviewed the FY19 current and upcoming program to include the meFIT, Pilates, and flu clinics. She said she included some of the feedback she received from member wellness program participants in the meeting packet.

The Board requested a copy of the proposed FY19 Budget for the next meeting to be considered.

GBS Reports

Funding Rate Analysis (FRA) report - Carol Cormier reviewed the YE June FY18 FRA report and said the expense-to-funding ratio was 97.8%. She said the HNE plans were underfunded by 5.4%, but noted the Board increased the rates for FY19.

Ms. Cormier reviewed the FY19 FRA through July and said the expense-to-funding ratio for the month was 87.3%.

Reinsurance reports – Ms. Carpenter said there were eight claimants on the *FY18 policy period* whose claims through July exceeded the specific deductible of \$200K. She said these claims totaled \$2,266,287 with excess claims of \$516,287. Ms. Carpenter said the \$150,000 Aggregating Specific Deductible has been met, and \$106,563 in reimbursements are due SVRHT. She said \$259,724 of reimbursements for this policy period have been received.

CY19 Senior plan rates:

Carol Cormier said the Medex 2 and HNE MedPlus plan rate projections are ready, but the rates for the fully insured plans will not be available until at least next week. She said the medical portion of the Medex2 plan is self-funded, while the prescription drug portion of the rate is a fully insured Medicare Part D plan. Ms. Cormier said the HNE MedPlus plan is totally self-funded and eligible for the RDS reimbursements.

Ms. Cormier reviewed the rate calculations for the Medex2 plan and said the Blue MedicareRx rate for CY19 is \$177.09. She said BCBS is proposing a rate of \$191.39 for the medical portion, for a total of \$368.48, a decrease of 0.9%. Ms. Cormier said the GBS proposed rate is \$371.90 and she recommended level funding Medex at the CY18 rate of \$372.00.

Ms. Cormier reviewed the HNE MedPlus plan rate projections and said HNE is recommending a 30.2% increase, based on expectations of steep increases in Rx trend and building into the rates and additional 11% for IBNR. She said the current rate is \$378. She reviewed the GBS calculations for HNE MedPlus noting that the expenses of this plan have run significantly under expectations and under funding for several years. She said the GBS recommendation is to increase the rate by 8.5% to \$410.

The Board discussed the information provided, and Sara Menard made a motion to approve the CY19 HNE MedPlus rate of \$410.00 as recommended by GBS.

Motion

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

Dick Patullo made a motion to approve the Medex 2 rate of \$372.00.

Motion

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

Ms. Cormier said the fully insured Medicare HMO Blue plan rate will be increasing to \$383.16 and the Managed Blue for Seniors rate is increasing to \$366.87. She said they are increasing about 3%.

Howie Barber make a motion to accept the Medicare HMO Blue and Managed Blue for senior plans with a preference to round them to the nearest dollar.

Motion

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

Carol Cormier said she would request that the rates for two fully insured BCBS Medicare plans be rounded as stated in Mr. Barber's motion.

Ms Cormeir said the Tufts senior plan rates will be presented at the next meeting.

MyTelemedicine/Access-A-Doctor – Jeff Beane:

Carol Cormier said the Board heard a presentation from Jeff Beane at the last meeting. She said currently the HNE's embedded telemedicine program using Teladoc has 0.6% utilization. Ms. Cormier said after reviewing information it is known that the embedded models of telemedicine programs generally do not get high utilization.

Ms. Cormier summarized the information Jeff Bean had presented at the last meeting. She said with MyTelemedicine/Access-A-Doctor there are no claims for SVRHT and no co-pays for health plan members. She said the plan will work for employees no matter which health insurance they are enrolled in. She said HNE charges the members a co-pay, and SVRHT is charged \$0.26 per *member* per month. She said that SVRHT also pays the claims charges with the HNE program. Ms. Cormier said the MyTelemedicine program has a cost of \$2.05 per *subscriber* per month and guarantees at least a 5% rate of utilization or \$0.20 per subscriber will be discounted off the next year's pricing.

Mr. Beane made a brief presentation.

There was a discussion and questions were asked of Mr. Beane.

SVRHT Board meeting – September 18, 2018

Dick Patullo made a motion to approve starting the MyTelemedicine program effective November 1, 2018 and discontinuing the HNE telemedicine program on January 1, 2019.

Motion

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

Health Plan Reports:

Tufts Health Plan – Fred Winer said he will have the Senior plan renewals for the next meeting.

Erin Hayes said Tufts has launched a new APP and now has communication materials available for employers on the APP. She said reminders can be sent out to members for flu shots and exams if they choose that option. Ms. Hayes said the APP is running and available now.

Blue Cross Blue Shield – Jonathan Payson said effective January 1, 2019 BCBS will require prior authorization for genetic testing.

HNE – Liane Comeau said HNE already has prior authorizations for genetic testing and said effective January 1, 2019, the fitness benefit will be increasing to \$200 per individual contract and \$400 for a family contract.

Other Business:

The next meeting was scheduled for October 3, 2018 at 9:30 AM at the Wilbraham Town Hall, Wilbraham, MA.

There was no other business.

Motion

Arlene Miller adjourned the meeting at 10:30 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*