

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Tuesday, September 15, 1:30 PM

Remote Participation by WebEx

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo,	Town of Hampden
Tom Sullivan	Town of Wilbraham
Corinne Tranghese	Town of East Longmeadow
Anna Bishop	Lower Pioneer Valley Education Collaborative (LPVEC)
Aaron Osborne	Hampden Wilbraham RSD

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Lyn Fioravanti	SVRHT Wellness Coordinator
Jocelyn Sanchez	Town of Longmeadow
Herta Dane	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Cheryl Wiblyi	Lower Pioneer Valley Education Collaborative (LPVEC)
Patty Joyce	Abacus Health Solutions
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Jonathan Payson	Blue Cross Blue Shield of MA (BCBS)
Sandra Ruiz	Health New England (HNE)
Lisa Despres	Tufts Health Plan
Rae Felts	Tufts Health Plan
Fred Winer	Tufts Health Plan Senior Products
Chris Collins	CanaRx
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

Arlene Miller, Chair, called the meeting to order at 1:30 PM. Roll call was taken with voting attendees listed as:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Corinne Tranghese	Town of East Longmeadow
Tom Sullivan	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Education Cooperative (LPVEC)

Approval of the minutes of the June 11, 2020 meeting:

Tom Sullivan made a motion to approve the June 11, 2020, meeting minutes with corrections. Lyn Fioravanti’s name needed correction as wells as the elimination of a period on page 4.

Corinee Tranghese seconded the motion. The motion passed by unanimous vote.

Motion

Arlene Miller	yes	Dick Patullo	yes
Corinne Tranghese	yes	Tom Sullivan	yes
Aaron Osborne	yes	Anna Bishop	yes

Arlene Miller welcomed new board member Aaron Osborne from Hampden Wilbraham Regional School District and asked him to introduce himself and say a few words.

Wellness program report:

Lyn Fioravanti reviewed her report that included the year-to-date budget for FY20. Total YTD spending was 67.1% through June 30th. Summer Challenge participation had 43 registered participants with 24 completions. There have been 7 preventive colonoscopies and 14 participants in Pilates classes. Currently there are 2 Zoom Pilates classes offered in Longmeadow and 3 Pilates classes (2 in-studio and 1 Zoom) offered in Wilbraham. The *Wellness Works!* Program begins in October and runs through May. All programs are virtual with the exception of Pilates. SVRHT members can complete up to 15 activities for \$150; benefit-eligible employees can complete up to 10 activities for raffle tickets (gift cards, fitbit zips, magazine subscriptions). Activities include health-risk assessments, classes, live webinars, personal challenges (physical activity, nutrition, stress management, kindness), weight loss and Mediterranean eating programs, and workshops. Ms. Fioravanti applied for the HNE Well Worth it Award and won Gold Level for the 2nd year in a row. There will be a virtual ceremony on October 14th at 10:00 AM. Prizes that go along with the Gold-level award for employees include two thirty minute Zoom healthy cooking demos with Bill Bradley. R.D, three Fitbits, four \$25 Amazon gift cards, one year access to WebMD ONE portal wellness challenges, and pocket-sized hand sanitizer for the employee population. The current FY21 budget has seen 5.7% of the budget used through the end of August. There are a lot of wellness credits available through Blue Cross so those will be utilized to keep costs down.

There was discussion on putting together public service announcements relating to best practices regarding Covid 19. Lyn Fioravanti agreed to put something together and submit it to Arlene Miller for review.

Treasurer’s Report:

Treasurer Paul Pasterczyk reviewed his report of June 30, 2020 (unaudited figures). He reported a new bank account in column 4 because interest rates have plummeted on his normal operating account. Mr . Pasterczyk pointed out a large reinsurance reimbursement of \$381,121 as well as a Diabetes Care Rewards credit of \$12,370. HNE claims dropped substantially for the month of June. The ending Fund Balance at the end of June was just under \$8M. At the end of the year there were \$5.6M in CDs with \$16,000 worth of interest reported. Revenues over expenditures were \$1.6M. The year end balance sheet showed an Unreserved Fund Balance of \$4.8 M. That amount was \$1.8 M above the Policy Target of 12% of the previous 12 months of claims of \$3,070,000. Two year comparison of trial balances of FY19 and FY20 showed a change in Target Fund Balance from a deficit in FY19 of \$937,502 to an excess of \$1.7 M in FY20. The July report again shows an excess of \$1.8M. August reports so far show a significant reinsurance receipt of \$382,361 and a retiree drug subsidy of \$66,644. The Cash Balance at the end of the month was \$ 9.4M

GBS reports:

Ms. Cormier reviewed the Funding Rate Analysis Report with data through July. She pointed out that the figures for Tufts were missing from the report due to recent reporting problems that Tufts had been having. She said that she thought the group would still be interested in the report since there is very low Tufts enrollment, and so it will not effect overall numbers that much. She said that the composite expense-to-funding ratio is 85.5%. She said she is recommending looking at options to replace or modify the plan design of the HNE Medwrap plan. That will be discussed later in the agenda. It was underfunded for the month of July by 8.1%. She pointed out the Retiree Drug Subsidy (RDS) of \$65,249 for CY20 received on the HNE Med Plus Plan. It is the only senior plan left on the menu that self-funds the prescription drug part of the benefit. The summary for FY20 showed a composite expense-to-funding ratio of 91.5%. Plans underfunded were the Network Blue Deductible plan but not the Network Blue Standard Plan. Those two plans combined were funded almost exactly at the level of expenses. The Medex plan was 82.2%, Tufts Plans 85.7% and Health New England active plans 83.1%. The MedPlus plan ended the year underfunded at 121.1% expense-to-funding ratio.

Karen Quinlivan reviewed the reinsurance reports. She said for the FY20 policy period there were 8 claimants with claims exceeding the \$250K specific deductible. She said their total claims were \$3,275,418 with excess claims of \$1,275,418. She said that the \$150K aggregating specific deductible (ASD) has been met and there have been \$652,363 in reimbursements received to date. Total outstanding reimbursements are \$473,055

Ms. Quinlivan said that for the FY21 policy period, there are no claims yet to report.

Carol Cormier also pointed out an Abacus report on Diabetes Rewards program total spend for the months of July and August that was provided showing total spend of \$34,240 and \$39,856 respectively. At the October meeting Abacus will be giving a full report.

HNE Issues:

Carol Cormier said that the members of the Board that will be voting were sent a copy of the confidential HNE Rx rebate agreement. Right now there are HNE rebates that the group could have realized for the FY19 period that totaled \$677,475.52 had a signed agreement been in place. About 30% of that amount is attributable to the prescription drug claims in the Med Plus program. Once the agreement is signed, HNE will release the money to the SVRHT. That will help the expense-to-funding ratio for that plan on the FY20 Funding Rate Analysis. A number of the health plans, Harvard Pilgrim, Tufts for example provide rebates to the client. Blue Cross typically does not. They lower drug prices instead. Some give as much as 70 to 90% of rebates to the client. The HNE agreement is proprietary on the pricing of their rebates. They are going to give at least 90% of the rebates they give to the group. This contract is retro to July of 2019. Ms. Cormier is recommending the signing of the agreement. Pricing is for the year 2019. That will allow them to release the money applicable to 2019. There will be an update for the year 2020. Money going forward will be released on a quarterly basis once the agreement is in place.

Tom Sullivan motioned to accept the HNE Rebate Agreement.

Motion

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

Arlene Miller	yes	Dick Patullo	yes
Corinne Traghese	yes	Tom Sullivan	yes
Aaron Osborne	yes	Anna Bishop	yes

SVRHT Board Meeting Minutes – September 15, 2020

Carol Cormier recommended that the total HNE contract be reviewed by legal counsel and discussed at a future meeting.

Ms. Cormier said that she also wanted entered into the record that Health New England had offered a \$20,000 contribution to help with the expenses on the Med Plus plan. That payment has been received by the GroupShe said it shows that HNE values the business of the SVRHT.

The final issue for discussion is the replacement of the MedPlus Plan. The hope is that there can be a similar plan with a Medicare part D prescription drug benefit incorporated to replace the self-funded prescription drug amendment. That will be discussed at the next meeting when senior plan rates are discussed.

Senior Plan rates:

Ms. Cormier said that so far the Blue Cross rates have been received and look good. Thr HNE renewal rates have not been received yet. Rates will be discussed at the October meeting.

Covid-19 update:

BCBSMA – Heidi Fountain said that there were 12 confirmed cases of Covid-19 totaling \$96,320 through July. There were 103 suspected claimants totaling \$518,430.

HNE- Sandra Ruiz said that there were 269 suspected Covid 19 members. Of those members, 247 had testing done and 18 tested positive. Of those 18 members, there were 3 inpatient admissions.

TUFTS- Lisa Despres said that there were only 4 suspected and 5 negative cases. Total amount spent amounted to \$1,335. Treatment was minor with no interventions.

Projects for the Fall of 2020:

Carol Cormier said that the SVRHT should be aware of what options there are going forward for the group. One item is the possible introduction of High Deductible HSA Qualified Plans. Plan design and rates is something to be worked on as well as education. She said these are complicated plans and require much employee education as well as incentives to join. SVRHT is currently the only one of her clients that still has standard non-deductible plans. It is perhaps a time to change to all deductible plans and possibly to raise the deductible on the deductible plans. Another item is to look for a replacement for the HNE MedPlus plan. Information will need to be in place by October for a January senior plan renewal. The last item is chiropractic coverage. Currently there is not chiropractic coverage for Blue Cross or Health New England with the exception of Lower Pioneer Valley Education which came into the group already having chiropractic coverage. They were allowed to keep the benefit. Tufts does have a chiropractic benefit of 12 visits per year. There would be a 1 to 2% increase in expenses to add the benefit for all plans. This could be added on anniversary so it should be decided by the end of the year for renewal rates next year.

Health Plan reports:

BCBSMA – Heidi Fountain said there are pharmacy formulary changes that are going into effect for 10/01/2020

Tufts Health Plan, Senior Plans – Lisa Despres said that they are moving ahead with the Tufts/HPHC merger and are waiting for regulatory approval. They are hoping for the first quarter of 2021. It will take several years to integrate product. They will be moving to Canton once the merger is complete.

SVRHT Board Meeting Minutes – September 15, 2020

Fred Winer said that they are working on senior plan rates. There are no senior health fairs this year and he said he is wondering about thoughts on member communication.

Health New England –Sandra Ruiz said HNE as of August 1, 2020 expanded its network in Conn. to include Trinity Health of New England Connecticut hospitals and their physician network to include St. Francis Hospital, St. Mary’s Hospital, and Johnson Memorial Hospital in network. They have also contracted with Quest diagnostics for testing within Massachusetts and Connecticut.

CanaRx- Chris Collins said that postal delays in Australia were associated with Covid 19, so a process was put in place where people are being called earlier than usual regarding their prescription renewals. Medications are being delivered on time even with postal delays in the U.S.

Other business:

The next meeting was set for Wednesday October 14, 2020 at 1:30 PM.

Arlene Miller, Chair, adjourned the meeting at 2:48 PM.

*Prepared by Karen Quinlivan
Gallagher Benefit Services, Inc.*