

Scantic Valley Regional Health Trust

Board Meeting

Tuesday, December 14, 2010

9:30 a.m.

Wilbraham Town Hall
Wilbraham, Massachusetts

Meeting Minutes

Members and Alternates Present

Arlene Miller, Chair	Town of Longmeadow
Tom Sullivan	Town of Wilbraham
Anna Bishop	Lower Pioneer Valley Education Collaborative
Tom Caliento	Town of East Longmeadow
Beth Regalbuto	Hampden Wilbraham Regional School District

Guests Present

Paul Pasterczyk	SVRHT Treasurer
Amy Higgins	SVRHT Wellness Coordinator
Erica Gelinas	Town of Longmeadow
Christina Gagnon	Hampden Wilbraham Regional School District
Corinne Tranghese	Town of East Longmeadow
Pat Kaplan	Blue Cross Blue Shield
Laura Syron	Health New England (HNE)
Heidi Fountain	Health New England (HNE)
Fred Winer	Tufts Health Plan (THP)
Rob Anderson	Fallon Community Health Plan (FCHP)
Kate Sharry	Enrollment Audit Solutions (EAS)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Chair, Arlene Miller called the meeting to order at 9:37 a.m..

Approval of the minutes of the November 10 2010 Board meeting:

Beth Regalbuto made a motion to accept the minutes of November 10, 2010.

Motion

Anna Bishop seconded the motion. The motion was approved by unanimous vote.

SVRHT Independent Auditor's Report on the FY10 Financial Statements – Dan Haynes, CPA:

Dan Haynes, CPA, from Scanlon & Associates, LLC distributed and reviewed the draft of the "FY10 audited Financial Statements and Management Discussion and Analysis with Required Supplementary Information, Years Ended June 30, 2010 and 2009".

Mr. Haynes reported year-end Net Assets of \$5,200,793 which he said was down approximately \$650K from the prior year. He noted that approximately \$4M of the Net Assets are investments in longer term Certificates of Deposit. Mr. Haynes said the claims liability increased to \$1.8M in 2010.

Mr. Haynes reviewed the Management Letter which included the recommendation that the Group work towards adopting a formal risk assessment policy and documenting policies and procedures to provide guidance to the Group in case the Treasurer were to become unable to perform his duties.

Arlene Miller said that Tom Caliento has been reviewing all of the bank statements each month at the request of the Board. Ms. Miller asked if this would satisfy the segregation of duties deficiency.

Mr. Haynes said that it was a good mitigating step, but said that a separate reconciliation would be needed to satisfy the deficiency.

Mr. Haynes said that he noticed that the Board is considering hiring a sister company to GBS to perform a dependent eligibility audit and suggested documenting the procurement for conflict of interest.

Ms. Cormier said that this service was put out for competitive quotes in accordance with the MA Procurement Law.

Mr. Haynes also recommended sending a list of wellness incentive recipients to the Treasurer to improve the system of internal controls.

The Board agreed that they are satisfied with the current accounting arrangement and review process.

Mr. Haynes recommended that reconciliations be performed on a periodic basis between the amounts paid by the Treasurer and the detail claims data maintained by GBS.

Carol Cormier noted that the health plans have annual SAS70 reports and provide them to the Group.

The Board thanked Mr. Haynes and he left the meeting.

Treasurer's Report:

Treasurer Paul Pasterczyk reviewed the Treasurer's Worksheets for November 2010 (unaudited figures). Mr. Pasterczyk said that the Unreserved Fund Balance was \$3.8M as of November 30, \$1.4M above the Fund Balance target.

Wellness Report:

Amy Higgins reviewed the Wellness Budget to date and said that 36% of the overall wellness budget has been spent year-to-date.

Ms. Higgins reviewed the completed wellness programs and noted that 43% of the 986 BCBS members listened to the entire BCBS Televox message and an additional 39% went to voicemail. She said that the Televox message was made to promote usage of the Blue Care Line.

Ms. Higgins said that the Wellness Committee is considering promoting the BCBS and HNE personal Health Risk Assessments (HRAs) on-line to members and offering incentives for members to complete the HRAs.

Carol Cormier suggested speaking to the Berkshire Health Group's Wellness Coordinator and said that they are doing something similar.

Arlene Miller asked Ms. Higgins to obtain all of the information and present a proposal to the Board.

Ms. Higgins reviewed the costs of the Tobacco Cessation program and asked the Board if \$2,800 of the approved Wellness Budget could be used towards incentives and to pay a nurse to conduct saliva tests.

Tom Sullivan made a motion to approve using up to \$2,800 of the approved Wellness Budget toward the Tobacco Cessation program.

Motion

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

Tom Caliento arrived at the meeting at this time.

GBS Reports:

Ms. Cormier reviewed the Funding Rate Analysis by Plan and the BCBS Level Monthly Deposit Quarterly Accounting report with claims paid through October 2010.

There was a brief discussion about the effects of the June 2010 Premium Holiday and the Trust Fund balance.

Karen Carpenter reviewed the stop loss report with claims paid through October 2010..

Carol Cormier reviewed the myMedicationAdvisor® report through October provided by Abacus Health Solutions and said that the Import and Generic prescription drug programs are doing better than the projections.

Paul Pasterczyk said that the \$5K that was transferred from the program into the SVRHT account has not been used yet.

Carol Cormier said that the program is not billing for incentives and noted that a balance of \$952 remains in the SVRHT's account..

The Board asked Ms. Cormier to contact Abacus and ask them to send the balance to the Treasurer.

Carol Cormier reviewed the Diabetes Rewards Program and said that she would forward the program contact information to Ms. Higgins in case members ask her about the program.

Dependent Eligibility Audit:

Carol Cormier said that she requested a second round of quotes from all of the respondents and reviewed their quotes. Ms. Cormier said that one of the respondents did not revise its original quote and Enrollment Audit Solutions fee was the lowest at \$15,000. Ms. Cormier said that the third company that quoted did not report experience with auditing Mass. Municipalities.

Anna Bishop made a motion to engage Enrollment Audit Solutions (EAS) to perform the SVRHT Dependent Eligibility Audit.

Motion

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

Arlene Miller that she wants to be sure that the employees will be treated fairly and with dignity. Ms. Miller asked Kate Sharry to give the Board a brief outline of the process.

Ms. Sharry said that the audit will target family and two-person subscribers. She said that the first letter will give the members information about the audit, and she recommended that it be printed on SVRHT letterhead. Ms. Sharry said that the second letter would be similar to the first, but will be the first request for documents. She said that the second letter would be on EAS letterhead. Ms. Sharry said that the third letter will be a reminder letter to those who have not responded and she said a fourth letter would be the final deadline letter.

Ms. Sharry said that she recommends spelling out who SVRHT is and offered to conduct an instructional meeting with the SVRHT Benefits Administrators so that they will be aware of how the audit will be conducted.

Erica Gelinás requested a letter that could be used to send electronically to the employees by their employers as well as the first letter.

Kate Sharry distributed the sample letters and reviewed them with the Board. She said that the letters could be customized. Ms. Sharry distributed the proposed dates that the letters would be sent out and proposed a date for the meeting with the Benefits Administrators.

There was a discussion about the timing of the letters and the date of the letter with the first request for documents was changed to January 24, 2011.

An enrollment termination date of April 1, 2011 for those dependents of employees that do not respond was approved by the Board.

The Patient Protection and Affordable Care Act (PPACA) - Grandfathering:

Carol Cormier gave an overview of Grandfathering health plans and said that health plans in effect on March 23, 2010 and that have not had any benefit changes made to them are eligible to be grandfathered and exempt from certain provisions of PPACA. Ms. Cormier said that there are several ways to lose the grandfathered status such as raising co-pays and contribution percentages by more than a specified level. She said that by not grandfathering, some preventative services would need to be changed to \$0 co-pays and adult children up to age 26 would have to be covered regardless of whether or not there is an offer of health plan coverage by the adult child's employer. Ms. Cormier said that in 2014, all plans will lose their grandfathered status.

Carol Cormier said that it is her understanding that employers that make plan benefit changes or reduce contributions beyond the stated limits of the grandfathering rule would need to change to a non-grandfathered plan. She said that according to the health plans now, non-grandfathering could increase rates by 2% or more. Ms. Cormier said that should the Group choose to grandfather its plans, employers would need to inform the SVRHT of any changes in contributions or plan offerings. She said that all of the plan documents will need to state that the plans are grandfathered.

Ms. Cormier said that Group Benefits Strategies would provide an affidavit that the employers can give to their employees stating that they attest that their dependent child does not have an employer offer of health insurance.

There was a discussion about the pros and cons of grandfathering.

Anna Bishop made a motion to approve grandfathering the SVRHT health plans.

Motion

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

Erica Gelinás asked that the grandfathering language be sent to all employers.

Discussion about FY12 Rates:

Arlene Miller asked to move this item to the next meeting agenda. She said that a 10% to 12% number could be used for budget purposes.

Health Plan Reports:

Tufts Health Plan – Fred Winer said that Medicare eligible retirees with income levels at \$85K or higher will now be billed at a higher rate for Medicare Part D as well as for Medicare Part B. He said that this change will not affect many municipal retirees.

Health New England – Laura Syron introduced Heidi Fountain and said that she will be the new HNE Account Manager for the SVRHT. Ms. Syron suggested that the Group communicate to the Town Clerks that they will be conducting a dependent eligibility audit. She said they will be getting an increase in requests for birth and marriage certificates.

Other Business:

The next SVRHT Board Meeting was scheduled for January 20, 2011 at 1:00 p.m. to be held at the Wilbraham Town Hall.

There was no other business.

Arlene Miller adjourned the meeting at 11:37 a.m.

*Prepared by Karen Carpenter,
Group Benefits Strategies*