Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Tuesday February 3, 2026, 9:30 AM
By Remote Participation

Meeting Minutes

Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Kim Collins	Town of East Longmeadow
Barbara Hancock	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Marcy Morrison	SVRHT Wellness Consultant
Nick Breault	Town of Wilbraham
Karen Fink	LPVEC
Claire Kawalec	Town of Longmeadow
Ian Coddington	Town of Longmeadow
Jocelyn Sanchez	Town of Longmeadow
Douglas Slaughter	Hampden Wilbraham RSD
Sophia Bletsos	Town of Wilbraham
Audra Staples	Town of East Longmeadow
Tara Fafard	NFP
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Judy Moniz	Blue Cross Blue Shield of MA (BCBS)
Alysha Beaudry	Abacus Health Solutions
Sandra Ruiz	Health New England
Paul Lazar	Harvard Pilgrim Health
Amy Bickford	Abacus Health Solutions
Chris Collins	CanaRx
Jim Riley	CanaRx
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)
Patrick Flattery	Gallagher Benefit Services, Inc. (GBS)

Arlene Miller, Chair, called the meeting to order at 9:32 AM. The roll was taken with voting attendees listed as:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Kim Collins	Town of East Longmeadow
Barbara Hancock	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Anna Bishop	LPVEC

Approval of the minutes of December 3rd, 2025, meeting:

Dick Patullo moved approval of the minutes of December 3rd, 2025.

Motion

Barbara Hancock seconded the motion. There was a roll call vote on the motion:

Arlene Miller	Yes
Dick Patullo	Yes
Kimberly Collins	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Wellness Report:

Marcy Morrison presented her report. The newsletter was released for February. It is Heart Awareness Month, so a lot of information is provided on heart health. The colonoscopy program has been slow. There was one new person in the last month. The Wellness Works program is now in full force, and the Resolution Reset and Dry January programs were released. A neuroscience nurse practitioner was brought in to help folks learn about managing change and behavior change. There were positive comments. The Healthy Fit Family Fitness App added 10 new members. The program gives three daily menu options along with tailored fitness programs to help participants achieve results within the 6-week program access. The group continues to work with Health Trax on the Elevate 6 program that gives members access to the Health Trax facilities, two of them in the local area and four sessions with a personal trainer for $59. That can be used towards the fitness reimbursement at the end of the year also. Tobacco cessation info is in every newsletter and there are about 20 resources showing people how they can quit smoking. Health fairs will be coming up in East Longmeadow and Longmeadow and if anyone has a health fair need, please reach out.

Arlene Miller asked how many participants there were in various programs.

Ms. Morrison said that there were 74 participants in Healthy Happy Holidays and the fitness app had 30. Resolution Reset had 45.

Treasurer Report:

Treasurer Paul Pasterczyk presented the November and December 2025 financial reports (unaudited figures). The balance at the beginning of November was $12.3 million. There were lower premiums on target. There was reinsurance money received of approximately $56,000. Overall, for the month it was a net loss of cash of $1,000,000. The month ended with $11.2 million in cash. The unreserved fund balance stood at $5.6 million with $1.5 million above the target balance of $4.1 million. December started at $11.2 million and ended at $11.6 million. There was a Diabetes rebate in the amount of $25,165.44, however there were high claims in the month of December which will impact the bottom line. Some CD's had to be liquidated for cash flow purposes. The unreserved fund balance stood at $5.06 million and the excess over target was down to $848,505.49. Total loss for the year is about $1.99 million. Blue Cross claims are up 21% for the year so far, HNE is up 2% and HPHC is down 7%. The audit was started at the end of October. It is slow going with workload and resource time.

GBS reports:

Joe Anderson reviewed the FY26 Funding Rate Analysis (FRA) report as of December 31st, 2025. Mr. Anderson said the expense to funding ratio through December was 110.5% resulting in a funding deficit of $1,898,291. Trust will be placed on Paul's numbers as the guiding light to inform the decisions on the renewal.

Karen Quinlivan reviewed the FY25 reinsurance reports. She said with data through December, there were 8 claimants with $ 2,640,783.26 in claims above the $250K deductible with $640,783.26 in excess claims. The $150K Aggregating Specific Deductible has been met. Total reimbursements to date were $448,515.54 and there is an amount due of $ 42,267.72. There were 16 claimants with claims between $125K and $250K totaling $ 2,731,627.89. The same reports for FY26 have 1 member in excess with Updated total paid claims of $297,300.49 and excess of $47,300.49. That will go towards the aggregating specific so there are no reimbursements due. There were 5 members at the 50% level with updated paid claims of $ 993,657.58.

FY27 Active Plan Renewal:

Joe Anderson first addressed the 10-year renewal history for SVRHT from FY17 through FY26. The last five years of the approved rate versus the calculated rate were also illustrated along with the projected trust deficit. Scantic has outperformed the marketplace. Trend during this time has been in the neighborhood of 8% and the group has had good experience. Now the group is faced with a different dynamic. The trust balance post COVID was low and then increased due to good experience. In December of 2024 it peaked at $8.6 million. That is what the group was looking at when calculating the FY26 renewal. The calculation came in at 13.6% and the group approved 4%. Since last December, the trust balance has gone down $3.6 million. Excess over target is now down to $848,000. Claims activity is marching higher. IBNR claims have been going up to where there is a higher target and a lower trust. That has a double hit on reserves. So far, this fiscal year

the group is down about $2 million. In fiscal year 25 the trust started to erode for the first time and now there is a more direct correlation between the calculation and the direction of the trust. Halfway through the FY26 fiscal year there is a decline of $2 million, and the full year decline was projected at $3 million. The full year may be down $4 million which is above projection. Stop loss changed as well. There were years that the carrier paid more in reimbursements than was paid in for premium. Activity over the excess level seems to have diminished, therefore the group is not getting the same level of money back. Finally, the GLP1 market has been exceedingly dynamic. The renewal calculation backed out the GLP1 activity. Carriers are no longer covering as of 07/01. Blue Cross had a net operating loss of $400 million for 2025. As an option, the carriers are allowing an additional rider for groups to cover the drugs for weight loss, but they would be assuming the financial burden. If the group were to add that coverage it would increase the renewal from the calculated increase to 24.7%. Year over year expenses for these drugs are exploding. Manufacturers are now offering direct service to consumers. They can protect a revenue stream for a drug that they would have charged double for to an insurance carrier. Financially speaking, the coverage for groups is cost prohibitive. Most groups are deciding not to cover the drugs. The market situation will be closely monitored to see where things go.

Current funding was reviewed. The current annual funding is $32,538,132. The GBS calculation came in at a total funding increase of 17%. The carrier's calculation was roughly the same with HNE coming in higher than GBS and HPHC lower. Medical trend was 9.47%. Contracts with providers play into it as well as Rx trend. Three illustrations were shown with differential pricing between Blue Cross and Health New England of 2% and 1% based on experience. HNE performed better than Blue Cross, so they had the lower percentage. Mr. Anderson was prepared to do additional scenarios with a pricing tool he had at hand.

The consensus of concern was that if the HNE plans were priced lower, there would be a migration from BCBS to HNE for the lower priced option.

There was discussion. All are facing difficult budget seasons. A subsidy would be helpful but that will result in a deficit that will have to be made up somehow next year and rates could be higher if trend continues. A compromise of 12% would mean a $1.6 million draw down of the trust. Given that the anticipation was $2.9 million this year and it might be higher, it means that last year's 13% calculation should have been more like 17% to break even. Being below target will mean that Paul will need to pay the bills and may need to liquidate investments. Hampshire County Group Insurance faced the prospect of insolvency. They had to have an off-anniversary rate increase of 20% and they removed GLP1 drugs at that time. The key is to have liquidity to pay the bills.

Joe Anderson shared his rate illustration tool for all to see on screen and the numbers were played with.

Dick Patullo motioned for a 9% increase to HNE, and 11% increase to BCBS NWB, 15% to Blue Care Elect and a 15% increase to Harvard Pilgrim for a 10.2% average increase.

Motion

Barbara Hancock seconded the motion. There was a roll call vote.

Arlene Miller No

Dick Patullo	Yes
Kimberly Collins	No
Barbara Hancock	Yes
Christina Gagnon	No
Anna Bishop	Nos

The motion failed.

Kimberly Collins motioned 12.1% and there was not a second.

Barbara Hancock motioned 11.1% and there was not a second.

Anna Bishop motioned 10.7 % and there was not a second.

Anna Bishop motioned a 10.5% increase to HNE, and 11.5% increase to BCBS NWB, 15% to Blue Care Elect and a 15% increase to Harvard Pilgrim for a 11.2% average overall increase.

Motion

Christina Gagnon seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	No
Kimberly Collins	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by majority vote.

The next consideration was whether the group should add a rider for GLP1 medications for weight loss.

Dick Patullo motioned not to add a rider for GLP1 medication for weight loss.

Motion

Christina Gagnon seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Kimberly Collins	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Joe Anderson said that at the next meeting he can provide materials regarding programs and costs that may assist with the transition from GLP1 medication. It will be important to know what is available and if it can be up and running prior to open enrollment.

Health plan and vendor reports:

Blue Cross- Heidi Fountain said that looking at data for the last 12 months there were a lot of lower cost claims that seem to be adding to the overall claim costs. Inpatient costs did not increase, and high-cost claims did not either.

In the interest of time, all other reports were deferred.

Other business:

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for Thursday March 19th, 2026, at 9:30 AM.

Ms. Miller adjourned the meeting at 11:33 AM.

Minutes prepared by Karen Quinlivan
Gallagher Benefit Services, Inc.