

# Scantic Valley Regional Health Trust (SVRHT)

## Board Meeting

Tuesday February 7, 2023 9:30 AM

Remote Participation by WebEx

**DRAFT**

## Meeting Minutes

### Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Steve Lonergan	Town of East Longmeadow
Nick Breault	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

### Guests present:

Paul Pasterczyk	SVRHT Treasurer
Marcy Morrison	SVRHT Wellness Coordinator
Jocelyn Sanchez	Town of Longmeadow
Joan Iwanicki	Town of East Longmeadow
Megan Emrick	Town of East Longmeadow
Christina Gagnon	Hampden Wilbraham RSD
Mark Gold	Town of Longmeadow
Herta Dane	Town of Wilbraham
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Judy Moniz	Blue Cross Blue Shield of MA (BCBS)
Mark Nicholson	Point 32 Health
Sandra Ruiz	Health New England
Chris Collins	CanaRx
Jim Riley	CanaRx
Patty Joyce	Abacus Health Solutions
Alysha Beaudry	Abacus Health Solutions
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

Arlene Miller, Chair, called the meeting to order at 9:33 AM. Roll call was taken with voting attendees listed as:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Nick Breault	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

**Approval of the minutes of the December 7, 2022 meeting:**

Richard Patullo moved approval of the minutes of December 7, 2022 with clarification for interest earned for the month of October on the Treasurer’s Report and minor spelling corrections.

Motion

Anna Bishop seconded the motion. There was a roll call vote on the motion:

Arlene Miller	Yes
Dick Patullo	Yes
Nick Breault	Yes
Aaron Osborne	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

**Wellness Program report:**

Marcy Morrison presented her wellness report through February. She said the Healthy Happy Holidays program ended in January with 198 employees participating in the program. January and February newsletters included information about the HNE and BCBS incentive programs and links to all Learn to Live webinars. The Colonoscopy program is continuing with the \$100 incentive for employees and family members. Gift cards have been distributed to all who completed the incentive. The Blue Cross Wellness Works incentive program is complete and will be live on February 15. Emails with program details were sent to employees and links to the program documents were included in the newsletter. The Health New England incentive program is complete and will be available for all eligible employees and family members. There is an off-site Pilates Program that offers low cost classes to employees and they receive a \$10 gift card if they take 4 out of 5 sessions. Ms. Morrison would like to modify this program as it does not align with any other incentive the group offers. Learn to Live participation had 89 users YTD of 5.3% which is an increase from the previous year of .4%. Ms. Morrison wondered if the utilization was cost effective.

Heidi Fountain said that the program is offered for all populations in SVRHT and utilization results are actually good. Lyn Fioravanti did a good job of promoting the program which utilizes Cognitive Behavioral Therapy.

Christina Gagnon said that looking back through old reports, the utilization is actually the highest it has ever been.

**Treasurer Report:**

Treasurer Paul Pasterczyk reviewed the December 2022 financial reports (unaudited figures). Overall, the group started December with \$10.5M in the bank. The interest rates have been creeping up. The Peoples

Institutional Money Market account earned 2.92% which is good. Receipts from trust premiums were \$3.9M which was higher than the normal \$3.3M. There was reinsurance received in the amount of \$48,000 and the Diabetes Care Rewards credit came in at \$25,000 during the month. Cash position at the end of the month was boosted to \$11.3M with a net gain in the month of \$836,000. For the fiscal year, the group is up \$3.2M in cash. So far January is looking good with lower than average claims. There is a large claim coming through but will be due for reinsurance shortly.

**GBS reports:**

Joe Anderson reviewed the FY23 Funding Rate Analysis (FRA) report as of December 2022. Mr. Anderson said the expense to funding ratio through June was 80.5% resulting in a funding surplus of \$3,288,293. The Medwrap plan appears to have turned the corner and is no longer a drain on the trust. All three of the Medicare plans are contributing. Things are looking good in January as well.

Karen Quinlivan reviewed the FY22 reinsurance reports. She said with data through December, there were 10 claimants with \$3,020,577 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$1,974,686 and there are outstanding reimbursements due of \$895,892. Ms. Quinlivan reviewed the FY22 “50% Report” with 21 claimants having claims between \$125K and \$250K that cumulatively totaled \$3,654,544.

The same reports for FY23 through December had 1 claimant with claims above the \$250K deductible. The amount in excess was \$ 40,795. There has been no reimbursement received yet. There were 5 claimants having claims between \$125K and \$250K totaling \$ 822,190.

**FY24 Active Renewal Rates:**

Joseph Anderson said that last year at this time the trust was not where we wanted it to be. The funding rates approved were effective in providing sufficient funding plus the first 7 months, claims experience has been good.

Fixed costs were looked at first with Blue Cross asking for a 2.5% increase in administrative charges, Health New England and Tufts both at 3%. GBS fees increased the usual 2%. The Diabetes and CanaRx programs have claims that do not show up on experience so those need to be accounted for. That results in about \$500,000. Stop Loss also needs to be accounted for. Stop loss rates increased about 50% last year because the carrier lost over \$1,000,000. A 50% cap has been assigned for this year as well.

The first plan looked at was the HNE EPO. Experience in the 2022 calendar year decreased 19.4% HNE projections for the rate based on trend was a recommended 10.9% increase for the three tier groups and a 7.6% increase for two tier groups for a total 8.3% increase. They did not take into account some of the rebates that GBS put into the calculation that can account for 4 or 5%. Rebates are not certain, but have been tracking at a steady rate for the last couple of years. GBS came up with a recommended composite increase of 1.8%.

The similar calculation for Blue Cross Network Blue had the recommended increases very close between Blue Cross and GBS of 4.2% and 4% respectively.

Other plans did not have enough enrollments to be considered credible for rating purposes. Current funding requirements based on December 2022 enrollments is 30,946,068.

Various rating scenarios were presented for consideration.

Carrier calculations of a 6.3% composite increase with no trust surplus impact

GBS calculations of a 2.9% composite increase with \$1,044,918 trust surplus impact

Composite increase of 5% with \$401,438 trust surplus impact

Composite increase of 4% with \$578,250 trust surplus impact

There was discussion. Concensus was that with tight budgets the GBS projections were favorable with perhaps an increase closer to 2%. Audited financial statements show the Trust balance higher at the end of 2022 by about \$1.3M. A 2% rate increase raises the surplus risk to \$1.329M. The decision to raise rates across the board has been a historical practice and was agreed on again.

Richard Patullo motioned to increase the FY24 active rates 2% across the board rounding to whole numbers.

Motion
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Aaron Osborne seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Nick Breault	Yes
Aaron Osborne	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

**Good Health Gateway Report:**

Patty Joyce introduced a new member of the Abacus team, Alysha Beaudry. Patty presented a brief quarterly overview of the Diabetes Care Rewards program for SVRHT. Through 12/31/2022 there were 38 % of eligible members enrolled in the program with 61% adherent members. The program is delivering greater enrollment than both the Abacus book of business and the national average. Of the enrolled members, 59% are considered high risk and of those 62% have met program requirements. There were a total of 253 prescriptions with \$4,217 in copay waivers. Rebates distributed during the period total \$24,899.83. These continue to be an excellent way to offset program fees and will increase as more become adherent in the program. There were 5 new members enrolled in the last quarter. Ms. Joyce highlighted promotions that were done in the past quarter with National Diabetes Month being the focus of promotion in November. Abacus is available for on-site benefit fairs as well as any open enrollment needs.

**Health plan and vendor reports:**

Blue Cross – Heidi Fountain said mandated benefit changes for the renewal include coverage for breast pump supplies and replacement parts 90 days after the purchase and every 60 days thereafter. Also, the state mandate for reproductive rights provides coverage for abortion and related care without cost. Two new providers, Firefly and Carbon Health are virtual care teams. Members on the HMO can select these care teams for their PCP experience. Care will be provided virtually by the PCP. There is also an optional Mind Body rider with \$300 per family for things like hypnosis and massage therapy if the group wants to add it. The short term rehabilitation limit for the group is currently 100 visits. BCBS is reducing the limit to 60 visits so the group would need to decide if they would like to reduce the number of visits or leave it the same.

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Nick Breault motioned to leave the short term rehab visit limit at 100 visits.

Motion
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Anna Bishop seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Nick Breault	Yes
Aaron Osborne	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Health New England – Sandra Ruiz said that members have until March 31 to submit for their 2022 fitness reimbursement. If anyone needs anything for open enrollment, please reach out.

Tufts – Mark Nicholson filled in for Lisa Despres and Fred Winer. He said that the pharmacy benefit change to Optum went smoothly but if anyone has issues, please contact member services. 1099HC forms have also been sent out and if anyone needs copies, contact them as well.

CanaRx – Jim Riley said that savings can now be broken out by what the employee is actually saving. Enrolled members saved on average \$468 per year. The first quarterly postcard mailing went out. Targeted campaigns will be going out every quarter.

**Other business:**

Joe Anderson said that the issue of affordability should be taken up next month with discussion on collective bargaining etc. There is no mandatory need to offer it across the board for everyone. It can be offered by each unit based on need and collective bargaining. .

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for March 29, 2023 at 9:30AM.

Ms. Miller adjourned the meeting at 11:13 AM.

*Minutes prepared by Karen Quinlivan  
Gallagher Benefit Services, Inc.*