Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday February 12, 2025, 9:30 AM
By Remote Participation
DRAFT

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Audra Staples	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
Mark Gold	Town of Longmeadow
Claire Kawalec	Town of Longmeadow
Ian Coddington	Town of Longmeadow
Megan Emrick-Laskow	Town of East Longmeadow
Jocelyn Sanchez	Town of Longmeadow
Douglas Slaughter	Hampden Wilbraham RSD
Gloria Congram	Town of Wilbraham
Herta Dane	Town of Wilbraham
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Alysha Beaudry	Abacus Health Solutions
Sandra Ruiz	Health New England
Elaine Wilson	Point 32 Health
Melissa Gabriel	Point 32 Health
Chris Collins	CanaRx
Jim Riley	CanaRx
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

Arlene Miller, Chair, called the meeting to order at 9:34 AM. Roll call was taken with voting attendees listed as:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Audra Staples	Town of East Longmeadow

Barbara Hancock	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Anna Bishop	LPVEC

Approval of the minutes of the January 22nd, 2025, meeting:

Christina Gagnon moved approval of the minutes of the January 22nd, 2025 meeting.

Motion

Audra Staples seconded the motion. There was a roll call vote on the motion:

Arlene Miller	Yes
Dick Patullo	Yes
Audra Staples	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Wellness Report:

Marcy Morrison presented her report. The email sent to HR folks for the newsletter is now including all the current programs that are going on. February is Heart Health Month which is presenting information on heart health through exercise and nutrition. Many are participating in the Wellness Works incentive program. Tracking individual participation is a big part of Ms. Morrisons time on programs for BCBS. HNE helps track so it is easier. HNE monthly webinars are being used, and people can get points for watching those. The weight management program has seen enthusiastic participants. Members are calling and giving feedback and surveys will go out with a raffle to get additional feedback. The focus is to get increased numbers going through a program like this before asking for weight loss drugs. The goal is to decrease the spend in this area. Ms. Morrison shared her screen and went through a demonstration of the program.

Christina Gagnon asked if the program would be listed in the newsletter every month.

Ms. Morrison said yes, people can join anytime.

Dick Patullo said that last month Ms. Miller asked for numbers for program participation in the colonoscopy and other programs and he reinforced that request.

Treasurer Report:

Treasurer Paul Pasterczyk presented the January 2025 financial reports (unaudited figures). The balance at the beginning of the month was $15.4 million and ended with $14.4 million. Trust premiums were down a bit due to timing. Operating expenses were stable. Claims for the month were average but it was a five-week month. Trial Balance shows that the group is operating at a slight loss through January of $504,866. The group ended up with a total unreserved fund balance of $8.6 million. There is an excess of target fund balance of $5.4 million.

The fiscal year FY24 audit has been started and should be available in March

GBS reports:

Joe Anderson reviewed the FY25 Funding Rate Analysis (FRA) report as of December 2024. Mr. Anderson said the expense to funding ratio through December was 102.9% resulting in a funding deficit of $498,320. Scantic has benefited from stop loss on extremely large claims. For FY24, total premiums were $1.65 million and there will be over $2 million coming back.

Karen Quinlivan reviewed the FY24 reinsurance reports. She said with data through December, there were 10 claimants with $ 2,304,695.01 in claims above the $250K deductible. The $150K Aggregating Specific Deductible has been met. Total reimbursements to date were $2,350,265.83 and there is an overpayment credit of $195,570.82. There were 24 claimants with claims between $125K and $250K totaling $ 4,007,166.64. The same reports for FY25 through December have one member in excess with $ 64,844.48 in excess claims. Four members are at the 50% level with total updated paid claims of $726,167.75.

FY26 Active Rate Renewal:

Joe Anderson said that he sent out an email with high level information as to what the market is experiencing across the state and nationally. MIIA had an average increase of 14.8%. The GIC had not set rates yet, but they are expected to be in double digits. One of the benefits of having a joint purchase group is that there is a supporting trust and IBNR. The IBNR is the first layer of protection against the runout of claims. The trust is the second layer. The targeted trust balance is formulaic in that it is 12% of the previous 12 months of claims. Any amount in excess of that builds a buffer for years such as this when the board may decide to subsidize rates in years when the market turns. Last year it was anticipated that the group would use $2,000,000 in trust balance based on projections. Interest from CD investments has been helpful in lessening that impact. The drug spend is going up in double digits. Weight loss drugs as well as the contractual tug of war between carriers and providers has had a large impact.

A fixed component of rates is the carrier administration fees. Blue Cross increased 2.5%, HNE 5% and Harvard Pilgrim 2%. Mr. Anderson asked Sandra Ruiz to go back to the underwriter and ask for some relief. Stop Loss has been a friend to Scantic, but pricing is hard. The increase was figured conservatively at 25% for the renewal calculation. The HNE HMO plan was reviewed first when looking at a calculation example. Claims increased over a 24-month period by 15.2%. A 9% trend was applied to reflect the rate of medical inflation. Fixed costs of admin fees, GBS fee, stop loss, diabetes and alternate Rx fees are added in to then arrive at a calculated rate. HNE calculated

a 10.1% increase and GBS an 8.7% increase. The same calculation process was reviewed for BCBS. Blue Cross calculated a 19.1% increase and Gallagher a 19% increase on the HMO. Harvard Pilgrim did not have a projection based on its limited size and lack of credibility for rating purposes. Current funding was displayed to point out that annual funding is $31,102,404. Different scenarios were put forth for review. The carriers' calculations would net an average increase of 14.5% and require an increase in funding of $4,508,889. A Gallagher calculation would have an average increase of 13.6% and an increase in funding of $ 4,233,844. Three additional scenarios were illustrated at average increases of 9%, 8% and 7%. In comparison to the Gallagher calculation last year, this year increased 8% from 5% up to 13%. It is reasonable to assume that next year, in light of trends in the marketplace there needs to be an increase. If claims take a turn for the worse, and the group undershoots too much this year, the group could be setting itself up for an unmanageable increase next year.

There was discussion on the amount of trust balance to put at risk given the current projections. The desire was to start at 7% and go down from there. Discussion on drug trend and the fact that is it increasing year over year played a large part of discussion. Giving the largest increase possible versus longevity in the years that the group can subsidize was weighed.

Anna Bishop motioned to approve an average 4% increase leaving $2.43 million in excess of target fund balance. Motion

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

Arlene Miller	Yes
Dick Patullo	No
Audra Staples	Yes
Barbara Hancock	No
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by majority vote.

It was agreed that the rates will be in whole dollars only.

Health plan and vendor reports:

Blue Cross- Heidi Fountain said that Blue Cross has a weight loss program targeting those on GLP1 medications. Utilization has been on the rise, and this is a program aimed at targeting the population with a program aimed at assisting and promoting compliance. She asked for a place holder at the March meeting for presentation. Please send meeting dates for open enrollment to Judy Moniz and she can also send out any required materials.

Health New England – Sandra Ruiz said that if anyone has open enrollment needs, please contact her.

Tufts/Harvard Pilgrim – Elaine Wilson said that they can provide an update on GLP1 medications. They are also available for any open enrollment needs.

Melissa Gabriel said that 2024 fitness and weight reimbursements need to be submitted by March 31st.

CanaRx – Jim Riley said that savings through December were about $133,000. Annual projections are $265,000. Individual unit potential savings reports are now available for distribution. There are 190 potential users that could be taking advantage of the program for an additional potential of $625,000. He asked if there would be a possibility of offering a $50 incentive for new enrollments. The cost is usually made up for in savings on the first prescription.

Dick Patullo motioned to approve a $50 incentive for the CanaRx program for new enrollees. | Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Audra Staples	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Other business:

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for Wednesday March 26, 2025, at 9:30 AM.

Ms. Miller adjourned the meeting at 11.12 AM.

Minutes prepared by Karen Quinlivan
Gallagher Benefit Services, Inc.