

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday, March 24, 2021 9:30 AM

Remote Participation by WebEx

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Tom Lachusua	Town of Longmeadow
Dick Patullo	Town of Hampden
Tom Sullivan	Town of Wilbraham
Corinne Tranghese	Town of East Longmeadow
Aaron Osborne	Hampden Wilbraham RSD

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Dan Haynes, CPA	SVRHT Auditor
Lyn Fioravanti	SVRHT Wellness Coordinator
Herta Dane	Town of Wilbraham
Jocelyn Sanchez	Town of Longmeadow
Christina Gagnon	Hampden Wilbraham RSD
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
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
Corinne Tranghese	Town of East Longmeadow
Tom Sullivan	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD

Approval of the minutes of the March 24, 2021 meeting:

Dick Patullo moved approval of the minutes as presented.

Motion

Corinne Tranghese seconded the motion. There was a roll call vote on the motion:

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Tranghese	Yes
Tom Sullivan	Yes
Aaron Osborne	Yes

The motion to approve the minutes of February 9, 2021 passed by unanimous vote.

Wellness Program report:

Lyn Fioravanti, Wellness Consultant, reviewed her report of the wellness budget, spending and programs. She showed participation in the wellness initiatives: Colonoscopy incentive, Pilates, Yoga, Wellness Works, and Thrive Workshop. There were many webinars available for view. HNE had a financial wellness challenge that 5 members attended. Ms. Fioravanti sent out a quick survey asking what people would like to see. Only 13 people responded but webinars are lined up for the spring. Current happenings include Zoom Pilates classes in Longmeadow, Wilbraham and South Hadley. Zoom Yoga continues with Janine. The Wellness Works Program is continuing through May. HNE is offering a mental health wellness challenge in March on WebMD. Ms. Fioravanti also recorded another 2 segments for National Nutrition Month for the website. The newsletter has been provided every month since January. Based on survey responses, there are eight more webinars starting at the end of April through May. So far, 33.2% of the total annual budget has been spent.

Treasurer’s report:

Treasurer Paul Pasterczyk reviewed the February 2021 financial reports (unaudited figures). The beginning balance for the month was \$10.7M and ending balance \$9.5M. There was a lower amount of trust premium received for the month due to timing. A Diabetes Care Rewards Program check was received in the amount of \$35,504 as well as an HNE pharmaceutical credit of \$232,563. Mr. Pasterczyk said that to obtain a higher interest rate he opened an account at Adams Community bank and closed an account at Peoples United Bank. Trial balance revenues over expenditures on a cash basis was \$1.35M. Health New England pharmaceutical rebates contributed the major portion of that amount. Fund Balance (Equity) was \$5.36M, roughly \$2.2 million above the Fund Balance target. March reports so far are looking good. At the last meeting, Mr Pasterczyk informed the Board that he will be retiring as Finance Director in Longmeadow. He stated the he would be willing to continue in the capacity of Treasurer as a retiree.

Arlene Miller asked for a motion to retain Paul Pasterczyk as Treasurer of SVRHT going forward.

Dick Patullo asked if Mr. Pasterczyk needed any office resources to continue as Treasurer post retirement.

Mr. Pasterczyk said that no additional equipment is required.

Dick Patullo motioned to retain Paul Pasterczyk as Treasurer for one year through July 1, 2022.

Motion

Tom Sullivan seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Tranghese	Yes
Tom Sullivan	yes
Aaron Osborne	Yes

The motion carried by unanimous vote.

Auditor’s report on the FY20 Financial Statements:

Dan Haynes, CPA reviewed draft copies of the FY20 Audited Financial Statements and a presentation summary of the results. He said the financial statements are fairly stated and a clean opinion has been issued. Mr. Haynes said there were no compliance issues reported. He said there were no material weaknesses in controls over the financial reporting. Mr. Haynes said the management letter has one deficiency related to segregation of duties.

Mr. Haynes reported an unrestricted Net Position of \$7,130,919 on June 30, 2020, an increase of \$2,780,084 from last year. He said the claims expense was \$24,595,845, a decrease of 9% over FY19.

Tom Sullivan asked if the deficiency related to segregation was tested each year.

Mr. Haynes responded that he goes through every ledger and looks at cash. If there is a weakness, that is where it creates an issue. A bookkeeper would have to be hired to keep the books apart and separate from the person who is reconciling the bank statement. Whereas the group as a whole is not handling cash, the risk for something untoward to happen is greatly lessened.

Arlene Miller asked if Dick Patullo had account access to look at the bank statements.

Mr Patullo responded that he did but had not been as vigilant as he could have been.

Lyn Fioravanti asked about the amount for Wellness Program fees listed on the audit for 2020 and why it increased from 2019 by such a large margin.

Mr Haynes respnded that the amount was from Abacus Diabetes rewards incentives but did not list them separately as such.

The Board thanked Mr. Haynes and he congratulated Mr. Pasterczyk on his retirement.

Thomas Sullivan motioned to accept the Audit report.

Motion

Corinne Tranghese seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Tranghese	Yes

Tom Sullivan	Yes
Aaron Osborne	Yes

The motion carried by unanimous vote.

GBS reports:

Joe Anderson reviewed the FY21 Funding Rate Analysis (FRA) report as of February 28, 2021. Mr. Anderson said the expense to funding ratio through October was 94.3% resulting in a funding surplus of \$1,177,318.

Mr. Anderson said that the HNE MedWrap plan would be a plan that needs to be looked at in terms of sustainability going forward. The rebates do not make up for the annual deficit.

Karen Quinlivan reviewed the FY20 reinsurance reports. She said with data through February, there were \$1,431,540 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$1,279,886 and outstanding reimbursements were \$1,634.10. A credit from FY19 that was moved forward to FY20 leave an actual amount due of \$605.35. Ms. Quinlivan reviewed the FY20 “50% Report” with 17 claimants having claims between \$125K and \$250K that cumulatively totaled \$3,064,166.

The same reports for FY21 through the month of February showed 1 claimant with claims above the \$250K deductible in the amount of \$ 25,056. The amount in excess was applied to the \$150K Aggregating Specific Deductible. The FY21 “50% Report” showed 13 claimants having claims between \$125K and \$250K that cumulatively totaled \$2,087,227.

COVID-19 update:

Tufts, BCBS, and HNE presented their reports on COVID-19 cases and utilization through February.

Health Plan Reports:

Blue Cross – Heidi Fountain said that formulary updates were recently sent out. Information on a new Cancer Care program was also distributed. BCBS is available for supplies or any information required for open enrollment as well as support for virtual health fairs.

Health New England – Sandra Ruiz said that HNE is prepared to offer Acupuncture for 12 visits per calendar year with a copay of \$20. They are also offering Massage Therapy for member reimbursement for two 1-hour visits per calendar year. They have to be licensed providers. Scantic Valley would need to vote to add these services for a 07/01/2021 effective date.

Dick Patullo motioned to add Acupuncture as an HNE approved benefit effective 07/01/2021.

Motion

Tom Sullivan seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Tranghese	No
Tom Sullivan	Yes
Aaron Osborne	Yes

The motion passed by majority vote.

SVRHT Board Meeting Minutes – March 24, 2021

Tom Sullivan motioned that the group add Massage Therapy effective 07/01/2021.

Dick Patullo seconded the motion.

There was discussion.

Joe Anderson asked how the network is defined in terms of providers the members can go to.

Sandra Ruiz responded that the provider had to be licensed within the HNE network.

Mr. Anderson asked if there were estimates of utilization from the fully funded side that could be shared.

Ms. Ruiz responded that the benefit has only been offered since January and cost and utilization reports were not yet available.

There was a roll call vote.

Arlene Miller	No
Dick Patullo	No
Corinne Traghese	No
Tom Sullivan	Yes
Aaron Osborne	Yes

The motion failed by majority vote. Given the unscheduled introduction of this topic, follow up information was to be provided by Joe Anderson next Board Meeting for a more well informed review and discussion of both the HNE Massage Therapy and Acupuncture benefit.

Tufts- Rae Felts said that the merger with Harvard Pilgrim is now complete. There are no expected changes to plan offerings for probably two to three years.

Fred Winer said that it appears it will take time for claims to accelerate because doctors are still only accepting so many patients per day. Perhaps health fairs in the fall might come back if things progress regarding Covid-19.

Abacus Health - Patty Joyce said there is one-minute promotional video posted to the SVRHT website. They are happy to provide support for any materials needed for open enrollment or virtual presentations.

CanaRx- Chris Collins said that they will be available for Zoom meetings or send any open enrollment material that may be needed. CanaRx has created a new division called the Customer Success Team. Mr. Collins introduced Jim Riley who will be working directly with employer groups to meet any of their direct needs to promote CanaRx and increase participation.

Other business:

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for May 12, 2021 at 9:30 AM.

Ms. Miller adjourned the meeting at 10:59 AM.

SVRHT Board Meeting Minutes – March 24, 2021

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