

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday March 23, 2022 9:30 AM

Remote Participation by WebEx

DRAFT

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Mark Gold	Town of Longmeadow
Dick Patullo	Town of Hampden
Stephen Lonergan	Town of East Longmeadow
Aaron Osborne	Hampden Wilbraham RSD
Christina Gagnon	Hampden Wilbraham RSD
Barbara Hancock	Town of Wilbraham
Anna Bishop	Lower Pioneer Valley Education Cooperative
Karen Fink	Lower Pioneer Valley Education Cooperative

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Dan Haynes	SVRHT Auditor
Lyn Fioravanti	SVRHT Wellness Coordinator
Jocelyn Sanchez	Town of Longmeadow
Jennifer Leydon	Town of Longmeadow
Christopher Lizotte	Town of East Longmeadow
Herta Dane	Town of Wilbraham
Patty Joyce	Abacus Health Solutions
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Sandra Ruiz	Health New England (HNE)
Richard Caparso	Tufts Health Plan
Fred Winer	Tufts Health Plan Senior Products
Chris Collins	CanaRx
Jim Riley	CanaRx
Lorenzo Amaya	MyTelemedicine
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

Arlene Miller, Chair, called the meeting to order at 9:30 AM. Roll call was taken with voting attendees listed as:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Stephen Lonergan	Town of East Longmeadow
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Education Cooperative

Approval of the minutes of the February 9, 2022 meeting:

Richard Patullo moved approval of the minutes as presented.

Motion

Steven Lonergan seconded the motion. There was a roll call vote on the motion:

Arlene Miller	Yes
Dick Patullo	Yes
Stephen Lonergan	Yes
Aaron Osborne	Yes
Anna Bishop	no response

The motion to approve the minutes of February 9, 2022 passed by majority vote.

Wellness Program report:

Lyn Fioravanti, Wellness Consultant, reviewed her report of the wellness budget, spending and programs. She showed participation in the following wellness initiatives: Colonoscopy incentive, Pilates, and Yoga. Current happenings include Zoom Pilates classes in Wilbraham and Longmeadow. There is a Yoga/meditation class at Center School in Longmeadow on Wednesday. Yoga on Monday will be in person beginning in April/May at the Longmeadow Adult Center. There are currently four Wellness Works programs running through May. There are HNE Where Your Health Matters webinars running mid-April through mid-May. There are also three more Wellness Concepts webinars to use up Blue Cross credits. The Learn to Live program will have sleep webinars and challenges going on in March. The April content is focused on substance abuse both for users and those who are living with those who may have a problem. May is mental health month and the webinars will focus on that. Learn to Live has budgeted for direct mailings. There has always been questions about contact addresses going to a third party.

Joe Anderson said that the mailing should come from Learn to Live.

Heidi Fountain said that they are a vendor partner through Blue Cross so they should probably look at that.

Ms. Fioravanti asked for feedback on the proposal put in the packet for the National Fitness Campaign outdoor gym.

Members said they would forward to their respective Parks and Rec Departments. The grant is interesting but seems to be urban focused.

Barbara Hancock, a voting member, joined the meeting at this time.

Auditors report on the FY21 Financial Statements.

Dan Haynes, CPA reviewed the FY21 financial statements. The statements are fairly presented and the opinion on the financials is clean and unmodified. There is a yellow book opinion included, which

indicates that there are no compliance issues with laws, regulations, contracts or grants. There are no material weaknesses in internal controls over financial reporting. There is one significant deficiency related to segregation of duties, which has been there in the past. It is prevalent in most health groups. There is a cost benefit decision in trying to overcome and has been discussed in the past.

The annual financial statement showed In FY20 there was a \$2.7 M increase in reserves. In FY21 there was a \$637,000 reduction in that reserve position. The group is staying consistent with a reserve position that is in the 20% range of health claim expenditures. Pre-Covid in 2019, there was an \$825,000 reduction in reserves. How much of the current numbers are related to deferred or avoided care is unknown. The unrestricted position of \$6.5M at the end of FY21 is still a very strong position even though it is a reduction. There was a high of \$9.6M in 2015 and through planned reductions with rate structure it was brought down to a low of \$6.1M in 2019. That has come up a bit. In FY20 there was a \$1.7M reduction in health claim expenditures and in FY21 that increased 18.5% or \$4.5M. Claims liabilities increased substantially by \$3.2M. In summary, the joint purchase model is serving the community well and it has for a long time.

Dick Patullo motioned to accept the auditor’s report as presented.

Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Stephen Lonergan	Yes
Barbara Hancock	Yes
Aaron Osborne	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Treasurer’s report:

Treasurer Paul Pasterczyk reviewed the February 2022 financial reports (unaudited figures). To put things in perspective, December was below target balance by \$1.7M. January ended below by \$1.25M. The beginning balance for the month was \$7.2 and ending balance \$5.7M. Accounts receivable were a bit behind and should catch up in March. There was a Diabetes Care Rewards credit of \$31,821. Trial balance revenues versus expenditures on a cash basis was \$(1,418,810). Fund Balance (Equity) was \$2.52M, roughly \$1,253,627 below the Fund Balance target. Reinsurance of over \$600,000 comes in March. There will also be an RDS drug subsidy payment in March of \$47,000.

GBS reports:

Joe Anderson reviewed the FY22 Funding Rate Analysis (FRA) report as of February 2022. Mr. Anderson said the expense to funding ratio through February was 101.2% resulting in a funding deficit of \$32,813. The MedWrap plan in December had claims of \$178,156. In January and February those were down to \$38,00 and \$ 54,000. There was lingering runout on specialty drug claims. HNE is working on retracting one drug claim that went through. The summary now reflects the rebates associated with the plans.

Richard Patullo thanked Joe Anderson for adding those to the reporting totals.

Christina Gaganon asked about the Tufts PDP reporting that is still missing now that is self insured for the Medical piece.

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Karen Quinlivan said that she is still waiting for reporting from Tufts.

Fred Winer said that hopefully reporting data will be available soon.

Karen Quinlivan reviewed the FY21 reinsurance reports. She said with data through February, there were 10 claimants with \$1,230,528 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$1,088,964 and there is an overpayment credit balance of \$8,436.33. Ms. Quinlivan reviewed the FY21 “50% Report” with 19 claimants having claims between \$125K and \$250K that cumulatively totaled \$3,510,644.

The same reports for FY22 through February had 4 claimants with \$2,281,254 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$0 and there is an outstanding reimbursement due of 1,131,254. Reinsurance of over \$600,000 does come in in March. There were 10 claimants having claims between \$125K and \$250K that cumulatively totaled \$1,482,031.

Health Plan Reports:

Blue Cross – Heidi Fountain said that if anyone has benefit fair dates around the corner that they are scheduling, please let Peter Cahill know. If there are needs for material, please let BCBS know so that they can provide it as well.

Health New England – Sandra Ruiz said that she echoed what Heidi Fountain said.

Tufts- Lisa Despres was unable to attend the meeting but Fred Winer introduced Richard Caparso who is replacing Rae Felts who moved to another position in Marketing. Richard has worked with the joint purchase groups before and will be an asset. He will be at health fairs coming up next month.

Canarx- Chris Collins said that they are scheduled for quite a few benefit fairs over the next several weeks.

Jim Riley said that monthly savings are averaging about \$23,000 a month where 2021 was about \$40,000. The new Canarx website is live and all marketing materials have been updated.

Arlene Miller asked for a brief summary of the program for those Board members who are new.

Chris Collins explained that the Canarx is an additional mail order prescription plan. It does not replace anything on the existing plan. It's an option where the employee can get brand name maintenance meds. All alternatives have to have been tried. They can get these medications through the mail and the employee does not pay a copay. The town saves an average of 60-80% on the cost of those medications. Drugs come from pharmacies in either Canada, Australia or the United Kingdom. The drugs are the same and come from the same manufacturer. For 2021 the program saved the group over \$400,000.

Abacus- Patty Joyce said that diabetes alert day was yesterday and Abacus put out emails and text reminders to all participants. There is also a webinar on nutrition and health since March is also National Nutrition month. The group continues to have strong participation and they are available for health fairs. Please reach out if there are any materials or supplies needed.

Other business:

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Anna Bishop asked who is managing the SVRHT website. There needs to be an update of Board members etc.

Karen Quinlivan said that she would go through the website and forward any needed updates to Jim who maintains the website. Any information updates anyone notices can be sent to her.

Karen Fink asked for an updated contact list as well.

Anna Bishop said that LPVEC was notified that they failed ACA affordability for certain employees and asked if this is something that can be looked at.

Karen Fink said that the thresholds for the Safe Harbor percentage is going down. The minimum pay for the 30% to be affordable is \$17.00 an hour. There are monitors and others that make minimum wage.

Joe Anderson said that he has begun the process to evaluate affordability. The decrements or the discount that would need to be in place to price the plan appropriately may not support the claims generated. The increase in the number of people on plans will create an additional fixed cost which will offset some of the savings of penalties paid in. He will provide an analysis as to whether it makes sense to try an offer something like this. It would have to be a high deductible plan that unions would want to negotiate on.

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for May 4, 2022 at 9:30AM.

Ms. Miller adjourned the meeting at 10:47 AM.

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