Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday March 26, 2025, 9:30 AM
By Remote Participation
DRAFT

Meeting Minutes

Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Barbara Hancock	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Karen Fink	Lower Pioneer Valley Educ. Collab.

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Dan Haynes	Scanlon and Assoc.
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)
Judy Moniz	Blue Cross Blue Shield of MA (BCBS)
Dan Shanahan	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
Sandra Ruiz	Health New England
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 9:30 AM. The Roll was taken with voting attendees listed as:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Barbara Hancock	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Karen Fink	LPVEC

Mark Gold asked if he could say something before the meeting began. He said that Longmeadow and every other town are facing incredible budgetary challenges these days in large part due to health care costs and he really appreciates the work that the Board did in managing a 4% rate increase for the coming plan year. He wanted to thank the Board and state that it really makes a difference.

Approval of the minutes of the February 12, 2025, meeting:

Dick Patullo moved approval of the minutes of the February 12th, 2025 meeting. | Motion

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

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

The motion passed by unanimous vote.

Wellness Report:

Marcy Morrison presented her report. She stated that what she does is out of a deep sense of purpose and if the group ever decides that they do not need her services please let her know. The newsletter for March was all about colon cancer awareness. There have been 38 colonoscopies since March of 2024. Before that there were 49 participants as of March 31, 2024, which makes for a total of 87 in two years. The incentive program is going well. At the end of May when the program ends, all numbers will be available for those that participated in the program. Some participate in only one thing which does not qualify them for incentive, but she is constantly reminding us of available programs. The weight management program is going well. The App is ready and people who have completed the online course will be directed there. There is an activity every day so they will know what to do for exercise. Meal options can be switched if they do not like the meal. The App is being Beta tested with 30 people currently. Health New England has had great webinars, and they are added to monthly options for courses as part of the incentive program. The carriers were contacted to find out what is available for tobacco cessation programs. That will be compiled into a document.

Treasurer Report:

Treasurer Paul Pasterczyk presented the February 2025 financial reports (unaudited figures). The balance at the beginning of the month was $14.4 million and ended with $13.5 million. Trust premiums were down a bit due to timing. There was a small reinsurance amount received and an HNE prescription rebate of $413,365.04. That boosted cash flow. It was an $870,000 loss for the month but for the full fiscal year the group is still up $87,000. Interest rates continue to decline on CDs and some interest had to be moved for operating expenses. A money market account is being opened at Berkshire Bank earning 4.05% and the Adams Money Market account will be closed. Trial balance will show a loss of approximately $400,000 once accruals are posted. The group ended up with a total unreserved fund balance of $8.9 million. There is an excess of the target fund balance of $5.2 million.

Dan Haynes from Scanlon Associates spoke regarding the fiscal year FY24 audit. It is still in draft form, but he can go through the numbers for the group. There was an unmodified or clean opinion with no material weaknesses. The Management Letter will mention the same significant deficiency related to the Treasurer position which has been there for some time. There have been yearly increases in reserves. In FY24 there was 34% of claims expenditures which is very healthy. Pharmacy rebates and reinsurance changes over time but it was a big year for receiving reinsurance reimbursements. Investments are currently in certificates of deposit, and they are short term because rates have become attractive. Cash and investments are insured by the FDIC, DIF or a separate collateralization agreement. Health claims expenditures were up significantly but medical inflation cost trend is up. Wellness initiatives help keep the population healthy. The Management deficiency refers to the lack of segregation of duties, but the group has considered the cost benefit of rectifying that and allows for supervision of the accounts. The group is doing a fantastic job of keeping rates affordable and available.

Mr. Pasterczyk said that once the final report is received, he would recommend the Board approve and accept it.

GBS reports:

Joe Anderson reviewed the FY25 Funding Rate Analysis (FRA) report as of February 2025. Mr. Anderson said the expense to funding ratio through February was 102.7% resulting in a funding deficit of $624,719. Medicare plans have been running collectively at about 100%.

Karen Quinlivan reviewed the FY24 reinsurance reports. She said with data through February, there were 10 claimants with $ 2,350,365.83 in claims above the $250K deductible. The $150K Aggregating Specific Deductible has been met. Total reimbursements to date were $2,350,688.793 and there is an overpayment credit of $133,913.54. There were 24 claimants with claims between $125K and $250K totaling $ 4,013,994.87. The same reports for FY25 through February have two members in excess with $ 75,678.83 in excess claims. Nine members are at the 50% level with total updated paid claims of $1,548,281.41.

Blue Cross Pharmacy Rebates and Weight Management:

Heidi Fountain said that Blue Cross will be changing and moving away from the current applied pharmacy pricing model and move to a rebate model which is similar to what the group currently has with Health New England. Today, rebates available on drugs are spread across the price of all drugs so the rebate is baked into the cost of medications. Due to transparency rules that are coming out at a legislative level, it will be difficult to make that happen. Starting 07/01/2025 the group will move to unbundled. Rebates will be received like HNE where they will offset monthly billing in the quarters in which the rebates are achieved. Rebates will happen quarterly. There is a lag in timing when they come through because rebates must be achieved, then audited, then released. The first rebate will come just after the first of the year. Everyone in the market is moving to this approach. The annual expected rebate is anticipated to be about $800,000 or $200,000 a quarter.

Joe Anderson said that the Treasurer can accrue as an asset the rebates when there is a sense of what they will be on a quarterly basis.

Ms. Fountain then introduced Dan Shanahan form the pharmacy sales team to talk about the BCBS Weight Management Program.

Mr. Shanahan said that GLP1 medication is categorized in two sections. There are Diabetic GLP1 medications and then there are those strictly for weight loss. Zepbound and Wegovy are the two drugs currently being used for weight loss. Ozempic is for Diabetes. Any member taking Diabetic GLP1 medication would not be required to enroll in this program. The goal of the program is to put extra guardrails for those members using drugs strictly for weight loss. Extra support is provided in the form of education, a dietician, a nutritionist, and an endocrinologist. Members must enroll in the program if they are taking one of these drugs and have an approved prior authorization. They must check in once a month at minimum with weight to be engaged in the program. There is no cap on engagement. If members do not enroll then they would be responsible for 100% of the cost of the medication. This ensures that members are serious about their weight loss journey. Currently there are about 60 members that are currently taking weight loss medications, and it is estimated that there could be an additional 24 that join over the next plan year. The average enrollment is expected to be 67 members per month. The fee for the program is $148 per engaged member per month so the group would be just paying for members enrolled. The estimated cost for the group is $103,000 per year. Medical savings are typically tied with reducing comorbidities. Savings have been broken down into different areas. Some members will stop taking the drug because they are not sure it is working. Some members will not take the drug for as long as initially planned. Members typically stay on the drug for 9 ½ months which is shorter than initially planned. GLP1 drugs do have rebates so members who stop will account for reduced rebates. Estimated total savings after fees are paid and rebates are received would be about $183,000 annually.

There was a question regarding current process. Currently a member must get prior authorization by demonstrating a specific BMI to be considered. The doctor must attest that you have attempted a weight management program for at least six months. The prior authorization must be renewed every 12 months. And there needs to be a 5% weight loss of total body weight. The hope with the Blue Cross program is that the members will be on the drug for a shorter period because they have been able to build permanent lifestyle changes.

Marcy Morrison said that her program strives to do much the same thing.

Christina Gagnon said that the BCBS program seems to benefit the group in that it has a cost, but it makes members more responsible and requires them to adherence or they have to pay for the drug themselves. Right now, there is no safeguard for the group.

The typical cost for this medication is about $1200 to $1500 per month and the average copay is about $50.00.

Dick Patullo said that the program would give support for the people that the group is helping pay for this drug to get better results. Secondly, it may weed out those frivolous users. The group has to go this way if it is to have control over costs. There is no way to make Marcy's program mandatory and Blue Cross is doing that for the group. The programs can complement each other.

Dick Patullo motioned to accept the Blue Cross weight loss program effective 07/01/2025. Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Karen Fink	Yes

The motion passed by unanimous vote.

Sandra Ruiz said that HNE has a similar program and can present details on that program at any time.

Health plan and vendor reports:

Harvard Pilgrim- Elaine Wilson said that as of 07/01/2025 Harvard Pilgrim will move to only cover Zepbound as the drug approved strictly for weight loss in the formulary. The Fitness Benefit can be expanded to include more items for reimbursement under a Wellness Benefit. Fitness equipment and nutrition programs like Noom are examples. The same $150 benefit amount can be offered, or it can expand to $300 per family. Something for the group to consider.

Blue Cross- Heidi Fountain had nothing further to add.

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

CanaRx – Jim Riley said that savings through February were about $177,000. Annual projections are $265,000. Individual unit potential savings reports were sent out and several units have taken HR templates that he has provided to help with increasing awareness.

Other business:

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for Tuesday May 6th, 2025, at 9:30 AM.

Ms. Miller adjourned the meeting at 10.53 AM.

Minutes prepared by Karen Quinlivan
Gallagher Benefit Services, Inc.