

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday March 29, 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
Barbara Hancock	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Dan Haynes	SVRHT Auditor, Scanlon & Assoc.
Marcy Morrison	SVRHT Wellness Coordinator
Mark Gold	Town of Longmeadow
Christina Gagnon	Hampden Wilbraham RSD
Karen Fink	Lower Pioneer Valley Educ. Collab.
Jocelyn Sanchez	Town of Longmeadow
Megan Emrick	Town of East Longmeadow
Herta Dane	Town of Wilbraham
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Lisa Despres	Tufts Health Plan
Fred Winer	Tufts Health Plan
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
Barbara Hancock	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

Approval of the minutes of the February 7, 2023 meeting:

Richard Patullo moved approval of the minutes of February 7, 2023 meeting.

Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Barbara Hancock	Abstain
Aaron Osborne	Yes
Anna Bishop	Abstain

The motion passed by Majority vote.

Wellness Program report:

Marcy Morrison presented her wellness report through March. The March newsletter focused on Colon Cancer Awareness and HNE and BCBS incentive programs. A QR code has now been established for the newsletter as well. The colonoscopy screening and incentive program is continuing and incentive gifts cards were mailed to those who earned incentive between July and February. Resolution Reset is a program created with a specialist that focuses on re-committing to New Year’s resolutions and other wellness related goals. Three webinars through the BCBS/Wellness Concepts are focusing on subjects like cholesterol, blood pressure, women’s health and men’s health. Webinars will continue on the BCBS and HNE incentive programs. The HNE program continues to have high participation. Ms. Morrison is working on a healthy living membership for all employees and family members. Those who join receive emails twice a week with healthy living tips, challenges, recipes, workout programs, etc., with a goal of establishing a wellness community.

FY22 Audit:

Dan Haynes, CPA reviewed the FY22 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 FY22 there was an unrestricted net position of over \$6.9M. That represents 24% of health expenditures. Pharmacy rebates and reinsurance reimbursements have helped the group tremendously with over \$3.1M. There was over \$7M in cash and short term investments which represents a healthy liquidity. Member contributions increased by 5.72% or \$1.8M. Health claims expenses decreased slightly but there was an increase in fixed costs. Claims liabilities moving forward (IBNR) are usually conservative for estimates. In 2022 it was 6.82% of claims expense.

Treasurer Report:

Treasurer Paul Pasterczyk reviewed the January and February 2023 financial reports (unaudited figures). Overall, the group started January with \$11.3M in the bank. The interest rates have been creeping up. Receipts from trust premiums were \$2.3M which was lower than the normal \$3.3M due to timing. There was reinsurance received in the amount of \$5,470.93 and the HNE Rx credit came in at \$227,228 during the month. Cash position at the end of the month was \$11.3M. February had almost \$13,000 in interest as well as a large reinsurance reimbursement of \$841,125.65 for one large claimant. Monthly reconciliation with Blue Cross has \$753,000 coming back to the group. For the fiscal year, the group is up \$3M in cash. So far February is showing an unreserved fund balance of almost \$7.1M and that is \$3.8M above target balance. March is looking good with claims on target.

GBS reports:

Joe Anderson reviewed the FY23 Funding Rate Analysis (FRA) report as of February 2023. Mr. Anderson said the expense to funding ratio through February was 87.4% resulting in a funding surplus of \$2,831,748. The Blue Cross Medex plan appears to have a spike because of annual deductible renewal.

Karen Quinlivan reviewed the FY22 reinsurance reports. She said with data through February, there were 10 claimants with \$2,820,053.93 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$2,014,085.53 and there are outstanding reimbursements due of \$665,968.40. Ms. Quinlivan reviewed the FY22 “50% Report” with 21 claimants having claims between \$125K and \$250K that cumulatively totaled \$3,665,940.45.

The same reports for FY23 through February had 2 claimants with \$336,350.02 in claims above the \$250K deductible. There has been no reimbursement received yet. There were 10 claimants having claims between \$125K and \$250K totaling \$ 1,788,426.57.

Affordability issue:

Joseph Anderson said that in the fall there was discussion on the employer shared responsibility penalty that is issued when groups receive a 226J penalty letter. The plan was to offer on a non mandatory basis an affordable plan that would allow member units to avoid penalty. The cheapest possible plan that met qualifications was from Blue Cross and carried a premium of \$593. The percentage of monthly income that is deemed to be acceptable is 9.12%. That percentage has been decreasing while premium has been increasing. Lower compensated employees under \$20 per hour are at risk. Many other units are finding that the plans offer no protection and have not adopted but it is up to each individual unit. Plan design is much poorer with a \$5,000 deductible. Units avoid the penalty but the member has a degraded plan.

There was discussion on the population this mandate applies to. ACA mandates apply to employees working 30 hours or more. Employees working between 20 and 30 hours are considered benefit eligible but are not included in ACA mandates. Those employees can be reported using code 1G or 2B which designates them as retirees and or part-time employees. This coding would help remove this population from the pool of employees considered for the mandate review and help avoid penalty.

The consensus was that if the coding resolves liability, the group would not move forward at this time.

Health plan and vendor reports:

Blue Cross – Heidi Fountain said that if groups have any requirements for open enrollment, please contact Judy Moniz or herself.

SVRHT Board Meeting Minutes – March 29, 2023

Tufts – Fred Winer said that everything was going well and there were no updates.

Lisa Despres said that she is working on providing materials requests for open enrollments.

Health New England – Sandra Ruiz said they are available for fairs and if anyone needs anything for open enrollment, please reach out.

CanaRx – Chris Collins said that employee savings have been added to the reports. The employee savings show a decrease even though overall savings went up because there might be one less prescription filled or it is a more expensive medication. Jim Riley said that there is an increase in the enrolled members that filled scripts in the last 12 months. The quarterly postcard mailing is showing a success rate with people calling in to inquire about the program. Targeted campaigns will be going out every quarter.

Good Health Gateway – Alysha Beaudry said that they are available for health fairs and if anyone has any open enrollment needs, please reach out.

Other business:

There was no other business.

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

Ms. Miller adjourned the meeting at 10:56 AM.

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