

# Scantic Valley Regional Health Trust (SVRHT)

## Board Meeting

Wednesday May 4, 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
Christina Gagnon	Hampden Wilbraham RSD
Barbara Hancock	Town of Wilbraham

### Guests present:

Paul Pasterczyk	SVRHT Treasurer
Lyn Fioravanti	SVRHT Wellness Coordinator
Joan Iwanicki	Town of East Longmeadow
Jocelyn Sanchez	Town of Longmeadow
Jennifer Leydon	Town of Longmeadow
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Sandra Ruiz	Health New England (HNE)
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 9:31 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
Barbara Hancock	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD

### Approval of the minutes of the March 23, 2022 meeting:

Richard Patullo moved approval of the minutes with corrections for a duplicate

Motion

word and capitalization.

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

Arlene Miller	Yes
Dick Patullo	Yes
Stephen Lonergan	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes

The motion to approve the minutes of March 23, 2022 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 following wellness initiatives: Colonoscopy incentive, Pilates, and Yoga. There have been Benefit Fairs in East Longmeadow/Longmeadow on 04/28/22 and LPVEC will be 05/19/22. 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 two HNE Where Your Health Matters webinars running mid-April through mid-May. They were not very well attended but people are watching the recording which is good and hopefully they will see the Wellness Concepts recordings as well.

The Learn to Live program utilization is 4% for the first quarter. Blue Cross is very pleased with that number as it is the highest that they have seen. May is mental health awareness month. There is a challenge in May and it was included in the newsletter and on the website. So far, 42% of the budget has been used.

**Treasurer’s report:**

Treasurer Paul Pasterczyk reviewed the March 2022 financial reports (unaudited figures). The trust premiums came in a bit healthier than the average monthly accounts receivable. Overall, the group started March with \$5.7M in the bank. March ended with \$6.8M, a gain of \$1.1M in cash for the month. That is still \$1.4M cash down for the fiscal year. As things move forward that should improve. As of the end of the month, there was a \$1.0M loss for the fiscal year but as of February it was \$1.27M. The unreserved fund balance is 856,000 below target. Progress is being made as time goes on. There was a reinsurance amount of \$601,247 that came in and a RDS subsidy of \$46,686 that helped enhance the position. By May, hopefully the target balance will be less than the actual fund balance.

**GBS reports:**

Joe Anderson reviewed the FY22 Funding Rate Analysis (FRA) report as of March 2022. Mr. Anderson said the expense to funding ratio through February was 97.6% resulting in a funding surplus of \$579,335. The Medex plan was the only outlier. The summary reflects the rebates associated with the plans. Those for the Med Wrap plan should be diminishing. Reinsurance is anticipated to have a 50% cap on the plan that the group currently has. Claims have risen above premium and the group is already in line to receive over \$1.3M. It will go out to bid but there may be no better renewal options.

Karen Quinlivan reviewed the FY21 reinsurance reports. She said with data through March, 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 \$2,466,504 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$601,347 and there is an outstanding reimbursement due of 715,257. There were 14 claimants having claims between \$125K and \$250K that cumulatively totaled \$2,337,793.

#### **ACA Affordability:**

Joseph Anderson said at the last meeting Anna Bishop had mentioned that affordability is a concern. There is an item called the 226J letter that is sent out by the IRS and it is sent to large group employers who have had folks on the MA Health Connector for subsidized health insurance because employees do not receive affordable insurance through their municipality. It seems arbitrary due to random audit for those that have received a penalty and it is concerning because it is not a budgeted expense. Affordability is based on a formula where your employee can't have premium exceed 9.61% of their adjusted gross income. Municipal groups that contribute lower amounts are placed in jeopardy of penalties. For a \$771 premium, anyone that is making less than \$18.51 an hour is deemed to not have been offered affordable insurance. In order to escape the penalty, the group only needs to offer an affordable plan that meets minimum coverage requirements. For the member, these plans usually have higher deductibles and copays and are less attractive. Plan designs were requested from HNE and Blue Cross but are really stripped down. HNE had a \$3,450 deductible on a high deductible plan with copays. Blue Cross had a \$3,000 deductible but high patient copays for inpatient and outpatient services. It would alleviate penalties for the municipality but make plans less attractive for those lower paid employees. Because they have an affordable plan, they would lose subsidies through the Health Connector. It may be a recruitment and retention issue. The penalty issue for employers will get worse if the affordability percentage goes down. There may also be an issue of union negotiation. The plans could be offered without a health savings account. Scantic could offer the plan and allow each unit to decide for themselves whether or not it makes sense for them.

The group decided to take the information under advisement and keep the discussion moving forward for future meetings.

#### **Health Plan Reports:**

Blue Cross – Heidi Fountain said that there will be formulary changes coming for July. New ID cards will also be issued for all Blue Cross members to accommodate ACA transparency rules requiring deductible and out of pocket max info on cards.

Health New England – Sandra Ruiz said that the semi-annual notice will be going out soon which will include any type of medical management or formulary changes.

Tufts- Lisa Despres was unable to attend the meeting but Fred Winer said it was good to get back to in-person health fairs.

#### **Other business:**

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There was no other business.

The Chair, Arlene Miller, set the next Board meeting for June 15, 2022 at 9:30AM.

Ms. Miller adjourned the meeting at 10:26 AM.

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