

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday May 8, 2024, 9:30 AM
By Remote Participation

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Kimberly Collins	Town of East Longmeadow
Barbara Hancock	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Marcy Morrison	SVRHT Wellness Coordinator
Mark Gold	Town of Longmeadow
Jocelyn Sanchez	Town of Longmeadow
Claire Kawalic	Town of Longmeadow
Ian Coddington	Town of Longmeadow
Christina Gagnon	Hampden Wilbraham RSD
Judy Moniz	Blue Cross Blue Shield of MA (BCBS)
Sandra Ruiz	Health New England
Alysha Beaudry	Abacus Health Solutions
Elaine Wilson	Point 32 Health
Melissa Gabriel	Point 32 Health
Fred Winer	Point 32 Health
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 9:33 AM. Roll call was taken with voting attendees listed as:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Kimberly Collins	Town of East Longmeadow
Barbara Hancock	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

Approval of the minutes of the March 28th, 2024, meeting:

Dick Patullo moved approval of the minutes of the March 28th, 2024 meeting meeting as presented with correction for a date.

Motion

Barbara Hancock seconded the motion. There was a roll call vote on the motion:

Arlene Miller	Yes
Dick Patullo	Yes
Joan Iwanicki	Yes
Barbara Hancock	Yes
Aron Osborne	Abstain
Anna Bishop	Yes

The motion passed by majority vote.

Wellness Report:

Marcy Morrison presented her current Wellness Report. The Wellness Works incentive program is in the last month and has been successful. The newsletter is popular with a different theme each month. The Colonoscopy program has had 49 participants since Ms. Morrison started with the program. BCBS gift card vouchers are now being used for the program. Wellness works began in November and information is in the monthly newsletter. Health New England currently has 67 employees participating and BCBS 46. Currently there are 5 Tufts participants. April programs included Hormone Health with 35 participants, Kick Your Sugar Habit with 68, and Exercise 101 with 42 participants. May will focus on men’s health and wellness. Melanoma awareness is also a focus with sunscreen being delivered to DPW departments for employees. Health Benefit Fairs have been successful and LPVEC is still to come.

Arlene Miller asked for an explanation of the incentive program for benefit of the new Board members.

Ms. Morrison said that every month in the newsletter there is an entire description of both the Blue Cross and Health New England programs. It starts in October and runs through the end of May, It is an incentive program where employees can earn up to a \$200 in gift card vouchers for participating in specific wellness programs. Those programs are delivered by her and or delivered within the portals for Health New England and Blue Cross. Tufts has some great stuff too for free. The program was started by the previous wellness coordinator and has been very popular.

Treasurer Report:

Treasurer Paul Pasterczyk presented his March 2024 financial reports (unaudited figures). The balance at the beginning of the month was \$14.7 million. Trust premiums were down slightly but that was due to timing. Normal trust premiums are 3.1 million and there were 2.8 collected. As of today all entities have paid in full. There was a large reinsurance amount received of \$264,000 and there was a rebate from the Diabetes Care Rewards program of about \$21,000. Operating costs were stable for the month. Blue Cross now does a monthly reconcilitaton instead of quarterly. There is a \$2.6 million surplus for operations for the year. Target balance of 12% of the prior 12 months worth of claims of \$3.36 million compared to the unreserved fund balance of \$9.64 million, leaves an excess of \$6.16 million. There continues to be an up ward trend. Moving forward to April there is nothing extraordinary. There was a Health New England Rx

credit of \$198,000 that only enhances cash flow. Hopefully trend will continue through the end of the fiscal year.

GBS reports:

Joe Anderson reviewed the FY24 Funding Rate Analysis (FRA) report as of March 2024. Mr. Anderson said the expense to funding ratio through March was 91.9% resulting in a funding surplus of \$1,997,659. Every account is running below 100% except for the Tufts EPO and HNE Medi Wrap. There was a rate hold for July, so fingers crossed that if things go the other way it is just a manageable as the increase was. Looking forward there is an awareness in the Medicare world that prescription drugs costs will go up considerably. The Inflation Reduction Act is eliminating catastrophic costs for members and the burden is being placed on the carriers. There can potentially be large increases on the fully insured drug portion of Medicare renewals this year. Medicare Advantage plans have been running hot this year and drug spend looks ominous.

Paul Lazar said that the out of pocket maximum for members being reduced from \$8,000 to \$2,000 has left a large gap that is not being compensated for. Drug manufacturers and the government are cutting back on reimbursements. More information should be available as August approaches but the carriers are anticipating increases.

Karen Quinlivan reviewed the FY23 reinsurance reports. She said with data through March, there were 7 claimants with \$ 828,115.80 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$679,382.90 and there is a credit overpayment of \$1,267.10). There were 18 claimants with claims between \$125K and \$250K totaling \$ 3,303,596.79. The same report for FY24 through March had 3 claimants with \$291,037.81 in claims above the \$250K deductible. There has been \$ 124,964.59 in reimbursements and the outstanding amount due is \$ 16,073.22. There were 10 claimants having claims between \$125K and \$250K totaling \$ 1,723,711.40.

Stop loss quotes will be available for the renewal at the next meeting trend in claims is higher due to Rx costs and trend. There was also a large claimant in April of over \$1 million. It will be interesting to see where the results land.

Arlene Miller said that the group has had good experience with the exception of the one recent event.

Joe Anderson said that they will build rate not just based on local demographics but will look at national trend and adjust accordingly. It is a higher default adjusted for recent experience. The current position is the lowest funded stop loss in the group because Scantic had a really low rate. It has been normalized in the last two years

Westcomm discussion:

Joe Anderson said he sent out an email yesterday with an illustration of an example customized for Longmeadow and Westcomm as to what a sponsorship agreement that dovetails into the larger Joint Purchase group looks like. It is how it is managed out in the Berkshire Health Group where the voting members sponsor smaller units. The smaller units agree to representation, and they adhere to the rules of the joint purchase group. This has been legally vetted. It has been in place for Berkshire Health Group for many years and would take care of all the issues that surfaced with Westcomm in that there is no definition of where they fit in. Longmeadow is the sponsor. Onboarding was in 2018 and they need to look at the document and ask if anything has changed. There are things that can be adjusted as part of an ongoing dialogue to tidy things up.

Arlene Miller asked if there was anything in the Berkshire about participant limits.

Joe Anderson said that there is no hard metric with them. There are 11 voting members and 19 smaller affiliate districts. Those districts do not have the resources to send people to board meetings.

Mark Gold said that he had no preference and if Westcomm is fine with being within the confines of Longmeadow that is fine. At some point the group needs to look at the benefits of being a voting member as opposed to an affiliate. There does not appear to be a downside for the Westcomm employees to have the current relationship. A question is whether there is a downside for Longmeadow. There is a difference between Westcomm breaking out of Longmeadow and a new group coming in. There is equity in the Scantic Valley trust. If they broke out it would reduce Longmeadow's equity because they would have fewer participants.

Joe Anderson said that he anticipated legal review and feedback. If there is a desire for customization for protections and language that is not an issue. He suggested that Longmeadow take a further look at the agreement and give the group feedback. That will determine where the group goes. Membership is in the 20's and there are no retirees. The impact is very low.

Dick Patullo said that the equity issue is not there because they are so small. Representation is there from the six units that they benefit from. He did not see a downside.

Mark Gold agreed with his comments.

Dick Patullo motioned to amend the original March 21st, 2018, agreement to remove the restriction that no further communities could be added for Westcomm and remove the requirement for electronic transfers for monthly payments. The 50-employee cap would remain.

Motion

Barbara Hancock seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Joan Iwanicki	Yes
Barbara Hancock	Yes
Aron Osborne	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Barbara Hancock asked how this impacts future affiliate groups.

Joe Anderson said that just like Ludlow, no group would be allowed to join without receipt of experience for analysis.

Mark Gold said that Westcomm taking on another community would only add one or two more employees, so it is not like taking on another town. He would get back to the group with any comment on the agreement language.

Health plan and vendor reports:

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Tufts – Elaine Wilson was at a health fair but the revised version of the ASO agreement for Tufts was included in the packet for review and signature. It encompasses the fact that Point 32/Harvard Pilgrim is the carrier for active plans and taking over for Tufts.

Arlene Miller asked for a brief overview on the merger.

Joe Anderson said that Point 32 Health is basically Tufts and Harvard Pilgrim. There were 52 Tufts subscribers. Tufts is in place for retirement plans, but Harvard Pilgrim is taking over for the active plans. They have mirrored plans, but they have their own documentation that needs to be executed. Disruption is negligible and the process has been heavily supported by the carriers. The GIC has already gone through the same process. Those that do not submit a form will potentially be mapped.

Paul Lazar said that Tufts members at health fairs seemed to be pleased with the process without much concern. The migration of the GIC members of 165,000 went smoothly. The acquisition of Health New England is still in early stages. They still operate solely on their own. Legislators and regulators will finalize everything but not until 2025 or later. They have a large Medicaid and Medicare population so that will round out the portfolio.

Arlene Miller expressed her concern of diminishing local choices for the employees and convenient access to healthcare, but that is the way things seem to be going.

Fred Winer announced that after more than 25 years he is retiring in June. He has had a great relationship with all the towns and school districts for many years. He introduced Melissa Gabriel who will be carrying on with the group.

Blue Cross – Judy Moniz had nothing to add.

Health New England – Sandra Ruiz was unable to attend the meeting.

CanaRx – Jim Riley was unable to attend the meeting.

Other business:

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for Wednesday June 12th, 2024, at 9:30 AM.

Ms. Miller adjourned the meeting at 10:45 AM.

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