

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday June 12, 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
Barbara Hancock	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Mark Gold	Town of Longmeadow
Claire Kawalec	Town of Longmeadow
Ian Coddington	Town of Longmeadow
Herta Dane	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Megan Emrick-Laskow	Town of East Longmeadow
Heidi Fountain	Blue Cross Blue Shields of MA (BCBS)
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 9:34 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 May 8th, 2024, meeting:

Dick Patullo moved approval of the minutes of the May 8th, 2024 meeting meeting as presented.

Motion

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

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

The motion passed by unanimous vote.

Dick Patullo said he had a conflict and would have to depart the meeting early. He asked if the action items could be moved up.

Reinsurance Renewal for FY25:

Joe Anderson said that every year Stop Loss goes out to bid. He presented a five year history of the premium paid and the amount of reimbursable claims. He showed that barring fiscal year 23, experience over the years has been well above the premium paid throughout the year. The past year the group was tracking really well but it is always at the mercy of individual large claimants. Claims really started to hit in April. There will be a few more where the projected amount of reimbursements will be \$2.3 million against \$1.6 million in premium. That is a loss of \$700,650 for the carrier. That is the best type of event from a financial standpoint for the group but the carrier will look at history for renewal calculations. Quotes were received from the current carrier arrangement with RMTS/Gallagher and from Blue Cross as well as HUB International. The current exposure is for premiums plus the \$150,000 aggregate layer for \$1.8 million. The current arrangement came in with a 44.3% increase. Although it has a rate cap with no new lasers, that is not an attractive renewal. Blue Cross came in with a renewal of 25.2%. When the rate renewal was calculated in February, an increase of 25% was used. That is right in line with what was forecast. HUB International was able to get one quote from Liberty Mutual with a lower initial premium of 8.3% but here were two lasers with an estimated total cost of \$2.5 million to the group. Both lasers were on the high cost claimant report for this year and the conditional one has the possibility of stem cell treatment. From a planning and expectation point of view, it is prudent to add that as an extra risk to assume the 40% increase.

Proposals were reviewed. Commission is at 4% for the current arrangement and Blue Cross, and HUB International is at 5% which is standard.

Anna Bishop asked is there is any long term detriment to going with Blue Cross given that is has been with Gerber.

Mr. Anderson said that the market has become diverse enough that there is no drawback. The prudent thing is to usually go for the best deal. So far, the best deal has been the 50% rate cap but the experience opened up a competitive environment.

Illustration was provided for the \$275,000 and \$300,000 specific deductible levels but the recommendation was to not increase at this time. The group decided to stay where they were and consider the options at the current level.

Joe Anderson said that Blue Cross has a program called Synergy. Genetic testing and treatment can have costs of up to \$3 million, so there is a trend in the industry that Blue Cross has started nationally to form an organization which essentially pools 100 million members that are potentially going to be receiving treatment and pooling the risk there. It means that risk won't be concentrated on one particular group.

Richard Patullo motioned to engage Blue Cross as the carrier for the FY25 reinsurance renewal at the current \$250,000 deductible level.

Motion

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

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

The motion passed by unanimous vote.

WESTCOMM discussion:

Mark Gold provided an update. At the last meeting there was a discussion about whether WESTCOMM should be a separate organization within SVRHT. The town of Longmeadow was concerned about having to split records of members for the Affordable Care Act. WESTCOMM already is billed and pays invoices separately. Based on the agreement that Gallagher can separate out the reporting, the town of Longmeadow is comfortable with continuing to represent the folks at WESTCOMM in terms of voting. WESTCOMM would not want to be a participant on the board and is comfortable with Longmeadow as their representative. The sense is that there are no additional steps required at this time.

Wellness Report:

Marcy Morrison was not in the meeting but did provide her report in the meeting packet for review.

Treasurer Report:

Treasurer Paul Pasterczyk presented his April 2024 financial reports (unaudited figures). The balance at the beginning of the month was \$14.8 million. Trust premiums were down slightly but that was due to timing. As of today all entities have paid in full. There was a reinsurance amount received of \$ 7,068 and there was an HNE Rx credit of about \$195,000. Operating costs were stable for the month. Blue Cross now does a monthly reconcilitaton instead of quarterly. There is a \$2.9 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 \$9.84 million, leaves an excess of \$6.3 million. There continues to be an up ward trend. Moving forward to May there is an increase in claims but nothing major in terms of impact to the trust..

GBS reports:

Joe Anderson reviewed the FY24 Funding Rate Analysis (FRA) report as of April 2024. Mr. Anderson said the expense to funding ratio through April was 95.7% resulting in a funding surplus of \$1,140,828. HNE

claims have gone up because of a complex medical condition that was finally adjudicated. The silver lining is there will be stop loss reimbursements to offset the large number. We anxiously await what the Medex increases are going to look like.

Karen Quinlivan reviewed the FY23 reinsurance reports. She said with data through April, there were 7 claimants with \$ 828,549.33 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 \$833.57. There were 17 claimants with claims between \$125K and \$250K totaling \$ 3,056,353.85. The same report for FY24 through April had 6 claimants with \$1,259,809.35 in claims above the \$250K deductible. There has been \$ 132,032.73 in reimbursements and the outstanding amount due is \$ 977,777.12. There were 16 claimants having claims between \$125K and \$250K totaling \$ 2,684,119.50.

Good Health Gateway Report:

Alysha Beaudry presented a brief quarterly overview of the Diabetes Care Rewards program for SVRHT. Through 04/30/2023, there were 36% of 242 eligible members enrolled in the program with 52% adherent members. Of the enrolled members, 42 are considered high risk and of those 25 are enrolled and 11 have met program requirements. There was a total of 426 prescriptions with \$8,840 in copay waivers. Rebates distributed during the period total \$42,591. These continue to be an excellent way to offset program fees and will increase as more become adherent in the program. Engagement is high and they are always available to attend health fairs, send targeted mailings, monthly email images or anything the benefits administrators require. The March quarterly mailing included an Amazon E gift card to incentivize new registration. There is also information on their YouTube site for current and past webinars.

Health plan and vendor reports:

Blue Cross – Heidi Fountain said that formulary changes will happen for 07/01/2024. She also thanked the group for placing stop loss with Blue Cross. There will be a 2.5% discount on the administration fee which amounts to about \$15,000.

Health New England – Sandra Ruiz said that members should be receiving a copy of the semi-annual notice. It is also business as usual until regulatory approval takes place on the merger with Point32 Health.

Tufts – Elaine Wilson said that health fairs were successful and the transition for 07/01 is going well. Fred Winer will be missed as he retires, and she wished him well.

Fred Winer thanked everyone for their best wishes, and it was wonderful working with the group for 19 years. He introduced Melissa Gabriel who will be taking over for him.

CanaRx – Jim Riley said that savings through April are about \$250,000. Average monthly savings is \$25,000. The average annual savings for employees is about \$453.

Other business:

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for Wednesday September 11th, 2024, at 9:30 AM.

SVRHT Board Meeting Minutes – June 12, 2024

Ms. Miller adjourned the meeting at 10:28 AM.

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