

# Scantic Valley Regional Health Trust (SVRHT)

## Board Meeting

Wednesday June 15, 2022 9:30 AM

Remote Participation by WebEx

## 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
Barbara Hancock	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD
Christina Gagnon	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Education Cooperative
Karen Fink	Lower Pioneer Valley Education Cooperative

### Guests present:

Paul Pasterczyk	SVRHT Treasurer
Lyn Fioravanti	SVRHT Wellness Coordinator
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)
Peter Cahill	Blue Cross Blue Shield of MA (BCBS)
Richard Caparso	Tufts Health Plan
Chris Collins	CanaRx
Jim Riley	CanaRx
Patty Joyce	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 9:32 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
Aaron Osborne	Hampden Wilbraham RSD
Karen Fink	LPVEC

**Approval of the minutes of the May 5, 2022 meeting:**

Aaron Osborn moved approval of the minutes of May 5, 2022 with corrections for clearer sentence structure in the ACA paragraph.

Motion
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Richard Patullo seconded the motion. There was a roll call vote on the motion:

Arlene Miller	Yes
Dick Patullo	Yes
Stephen Lonergan	Yes
Barbara Hancock	Yes
Aaron Osborne	Yes
Karen Fink	Abstain

The motion to approve the minutes of May 5, 2022 passed by majority 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. Current happenings include Zoom Pilates classes in Wilbraham. There are currently seven Wellness Works programs running with good attendance. Ms. Fioravanti was pleased with the activities people did and many were new and exciting. Three people this year lost 10% of their body weight. There were 21 that completed the Microbiome Challenge and 19 that completed the Less Dementia. There was good feedback from both. Ms. Fioravanti asked if there was a transition to a new coordinator.

Arlene Miller said that the Wellness Coordinator position was posted about a week ago. There has been no update on applicants as of yet but she appreciates Ms. Fioravanti’s offer to help as consultant in the transition.

Ms. Fioravanti said she would do a July newsletter as her final item of business.

Arlene Miller asked for contact information so that the HR department can reach out when a new person is selected.

Lyn Fioravanti asked about the laptop belonging to the health group. It is nine years old and very slow. The printer she purchased but doesn’t remember how much the trust paid for it and would like to keep it because it works well.

Paul Pasterczyk said that the group should vote how to dispose of it so there is no question that Ms. Fioravanti has authority to keep it.

Dick Patullo asked if any data files could be copied for the new Wellness Coordinator.

Ms. Fioravanti said she would download everything to a drive and give it to them. It has all the forms that she has designed.

Richard Patullo motioned to empower Lyn Fioravanti to dispose of the computer and printer in a reasonable manner.

Motion

Stephen Lonergan seconded the motion. There was a roll call vote.

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

The motion passed by unanimous vote.

The last item to report was that 50% of the Wellness budget has been used.

Arlene Miller asked if anyone would be willing to help with interviews for the new coordinator.

Stephen Lonergan said that time permitting he would be willing to help.

**Treasurer’s report:**

Treasurer Paul Pasterczyk reviewed the April and May 2022 financial reports (unaudited figures). Overall, the group started April with \$6.9M in the bank. April ended with \$7.8M, a gain of \$1M in cash for the month. There was a small amount of reinsurance of \$21,000 and a check was received for the HNE pharmacy credit for \$619,000. That is still \$463,000 cash down for the fiscal year. As of the end of the month, there was a \$1.0M loss for the fiscal year.. Higher claims are dropping off so things should improve. May began with \$7.7M in cash. Reinsurance money in the amount of \$300,000 came in along with the Diabetes Care Rewards quarterly amount of \$23,000. The month closed out at \$7.6M. It was a slight loss of cash only because of timing differences on trust premiums. The unreserved fund balance is \$3.6M at the end of May which is 857,000 above target. Progress is being made as time goes on.

Mr. Pasterczyk said that his stipend is \$7,000 annually the last increase was in 2019. He proposed an amount of \$7,600 moving forward for FY23. It is an increase of \$600 or 8.6% over the three year time frame since the last increase. There is no reimbursement for mileage or postage.

Stephen Lonergan motioned to increase the Treasurer’s stipend by \$600 to \$7,600 annually.

Motion

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

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

The motion passed by unanimous vote.

**GBS reports:**

Joe Anderson reviewed the FY22 Funding Rate Analysis (FRA) report as of April 2022. Mr. Anderson said the expense to funding ratio through February was 97.8% resulting in a funding surplus of \$589,128. The Medex plan and Medwrap plans were above the projected amounts as well as Tufts and HNE HMO Those for the Med Wrap plan should be diminishing. There is a prescription that flows through the medical side of things that is hitting monthly or bimonthly. High cost medically administered drugs will be something to look at if it begins to trend.

Christina Gagnon asked about the inclusion of Tufts Medicare PDP number on the report.

Karen Quinlivan responded that reporting numbers were just beginning to be provided but there is initial concern in confidence in the numbers. Work will be done to include those numbers going forward.

Karen Quinlivan reviewed the FY21 reinsurance reports. She said with data through April, there were 10 claimants with \$1,230,523 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$1,088,970 and there is an overpayment credit balance of \$8,447.24. 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 April had 4 claimants with \$1,527,618 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$622,622 and there is an outstanding reimbursement due of 754,996. There were 17 claimants having claims between \$125K and \$250K that cumulatively totaled \$2,998,740.

Paul Pasterczyk pointed out a formula error on the 50% report.

Ms. Quinlivan said she would send a revised report that brought the total increase in line.

Ms. Quinlivan introduced the Gallagher Roster and Invoice contract that is an annual contract allowing for download of rosters and invoices from the secure Gallagher portal. It is an annual fee of \$162.00 per unit for a total contract amount of \$972. The contract runs from July 1, 2022 through June 30, 2023 and represents no increase from the prior contract year.

Anna Bishop motioned to accept the contract of \$972 for the FY23 contract year.

Motion
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Richard Patullo seconded the motion. There was a roll call vote.

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

The motion passed by unanimous vote.

**FY23 Reinsurance Renewal:**

Joe Anderson said that SVRHT has a \$250,000 specific deductible meaning any claim over \$250,000 is paid by the Stop Loss carrier after the \$150,000 aggregating specific is met. The current arrangement includes a 50% cap meaning that whatever is calculated there will never be more than a 50% increase year over year. It also includes what is called a no new lasers clause for any high cost claimants. It is an extremely hard market out there right now. A lot of the hard market conditions are driven by the high cost

of prescription drugs, especially specialty medications. There have been reimbursements in excess of premiums by about \$2M. For this year it is \$1.3M on a \$740,000 spend so far. H&M would not quote at the current deductible level. The quote was at \$400,000 deductible with an aggregating specific of \$150,000. The premium is higher than the 50% rate cap on the current carrier quote. Clearly a non starter. Blue Cross did not submit a bid because they did the analysis and realized that they would not be competitive. What that means is that the quote from the current carrier RTMS proposes a 50% increase. That is below the market calculation with all other factors considered and with Scantic current morbidities and three year track record considered. Increasing the deductible to \$300,000 will not change the rate at all. Recent experience and market conditions make this a fair renewal.

Heidi Fountain thanked the group for the opportunity to bid but backed up what Joe Anderson said and they would appreciate the opportunity to bid again another year.

Arlene Miller asked what the increase would be.

Joe Anderson said that it's going up from \$16.94 to \$25.45 for individual and from \$52.86 to \$79.26 for family.

Stephen Lonergan asked for a historical illustration of rate increases.

Joe Anderson said he would provide outside of the vote.

Richard Patullo motioned to accept the RTMS Stop Loss renewal bid for FY23.

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

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

The motion passed by unanimous vote.

**Abacus Good Health Gateway dashboard report:**

Patty Joyce reviewed the Dashboard Report covering the period 9/1/2021 – 04/30/2022. She said that there were 91 enrolled members with 74 (81%) adherent members. There were 611 prescriptions filled through the program with \$295,470 prescription drug spend and with \$9,370 waived in member copays. She said the estimated savings to SVRHT for the period are \$62,257. Rebates distributed during the period total \$55,727.59 Ms. Joyce also provided updates on communications and reminders sent out.

**Health Plan Reports:**

Blue Cross – Heidi Fountain said that there will be webinars on the transparency coverage rule. 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. The pharmacy benefit manager will be switching to CVS Caremark effective January 1, 2023. There will be webinars on that as well.

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Health New England – Sandra Ruiz was not able to attend the meeting.

Tufts- Richard Caparso said that there were no updates at this time.

CanaRx- Jim Riley said that savings for the group are averaging just over \$26,000 per month. That is down from the prior year so the group agreed to do a quarterly mailing and one did go out in April.

Arlene Miller asked about the newer drugs not ending up on the formulary.

Chris Collins said there is usually a lag time between when the FDA approves a drug when they are available outside of the country. Specialty medications that require refrigeration and REMS medication that requires a lot of doctor supervision usually don't qualify.

**Other business:**

Joe Anderson said that at the last meeting there was robust discussion regarding the ACA affordability. He wanted to point out that legal opinion was that the need for bargaining depends on the nature of the local arrangement. The plan can be offered at the local level and nobody is forced to take it.

There was discussion.

The consensus was to go forward and explore rates for an affordable option with the carriers.

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for September 22, 2022 at 9:30AM.

Ms. Miller adjourned the meeting at 10:57 AM.

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