

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday, September 8, 2021 9:30 AM

Remote Participation by WebEx

Meeting Minutes

Board Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Tom Sullivan	Town of Wilbraham
Corinne Tranghese	Town of East Longmeadow
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Education Cooperative

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Lyn Fioravanti	SVRHT Wellness Coordinator
Christina Gagnon	Hampden Wilbraham RSD
Karen Fink	Lower Pioneer Valley Education Collab.
Jocelyn Sanchez	Town of Longmeadow
Joan Iwanicki	Town of East Longmeadow
Patty Joyce	Abacus Health Solutions
Jonathan Payson	Blue Cross Blue Shield of MA (BCBS)
Sandra Ruiz	Health New England (HNE)
Lisa Despres	Tufts Health Plan
Rae Felts	Tufts Health Plan
Fred Winer	Tufts Health Plan Senior Products
Rosie Hoganson	Learn to Live
Scott Dinwiddie	Learn to Live
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 9:35 AM. Roll call was taken with voting attendees listed as:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Corinne Tranghese	Town of East Longmeadow
Tom Sullivan	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Education Cooperative

Approval of the minutes of the June 15, 2021 meeting:

Thomas Sullivan moved approval of the minutes as presented.

Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Tranghese	Yes
Tom Sullivan	Yes
Aaron Osborne	Yes
Anna Bishop	Yes

The motion to approve the minutes of June 15, 2021 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 wellness initiatives: Colonoscopy incentive, Pilates, Summertime Challenge, and Learn to Live. There were 3 colonoscopies, 22 new Pilates participants and 11 repeats. The Summertime Challenge had 15 participants. Learn to Live had a July promotion with 20 people registered. The Learn to Live webinar introduction was not well attended by supervisors. Another promotion will occur in October. Two people met their weight loss goal and lost 10% of their body weight. One person went from a BMI of over thirty to under twenty five. Current happenings include Zoom Pilates classes in Longmeadow and South Hadley. There is a Yoga/meditation class at Center School in Longmeadow. A six month program named “Weight Loss for Life” was purchased and starts October 1st and January 1st. It was paid for through BCBSMA wellness credits form FY21. Ms. Fioravanti asked for a consensus of whether it should be offered free of charge or for a fee for all employees and Trust members.

There was discussion.

Corinne Tranghese motioned to provide the “Weight Loss for Life” program free of charge to all employees of Scantic Valley and their eligible dependents.

Motion

Tom Sullivan seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Tranghese	Yes
Tom Sullivan	Yes
Aaron Osborne	Yes
Anna Bishop	Yes

Ms. Fioravanti worked with Blue Cross Blue Shield and Health New England to finalize the FY22 Wellness Works incentive program which will run from October through May with a max of \$200 for SVRHT members. The 2 –page Benefits and Incentives flyer was laminated and delivered to every site

along with the newsletter, incentive program information, Learn to Live and the Diabetes Program info. SVRHT won Gold for the third year in a row at the HNE Well Worth It Awards. Ms. Fioravanti was interviewed by a PR consultant for HNE with a goal to inspire other groups on how to implement successful wellness programs and to apply for the reward. The awards ceremony will be on Wednesday, October 6 on the pool deck of the Sheraton Springfield Monarch Place Hotel. Some great prizes were given for winning and will be given as incentives throughout the year and Ms. Fioravanti was given a 1-year membership to the Worksite Wellness Council of MA.

It was decided in the interest of time to forego the Learn to Live presentation and opt for another opportunity to connect with Benefits Administrators.

Treasurer’s report:

Treasurer Paul Pasterczyk reviewed the June 2021 financial reports (unaudited figures). One CD was liquidated in the month of June to fund increasing claims as well as low interest rates. The beginning balance for the month was \$8.1M and ending balance \$8.3M. The June 30 Trial balance revenues over expenditures on a cash basis was \$422,555. Fund Balance (Equity) was \$3.9M, roughly \$381,500 above the Fund Balance target. That amount has decreased sharply. Had it not been for Health New England rebates, there would be a significant year-end deficit. Comparing FY21 to FY20 on the Balance Sheet showed Unreserved Fund Balance decreasing by almost \$1M even though revenues went up by over \$422,000. This is due to large increases in IBNR. Excess vs. target has decreased from \$1.7M to only \$381,500. July so far has reinsurance of \$147,00 and an HNE Rx credit of \$280,000 but HNE claims were \$2.3M, nearly double what the month has historically been. Revenues vs. expenses for July so far show a loss of \$316,000 and the target balance has a deficiency of \$523,238. Mr. Pasterczyk asked if the Board would authorize moving forward with the FY21 audit.

Richard Patullo motioned to authorize Paul Pasterczyk to get ahead and engage the auditor at a fee to be approved by the chairman.

Motion

Tom Sullivan seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Traghese	Yes
Tom Sullivan	Yes
Aaron Osborne	Yes
Anna Bishop	Yes

GBS reports:

Joe Anderson reviewed the FY21 Funding Rate Analysis (FRA) report as of July 31, 2021. Mr. Anderson said the expense to funding ratio through July was 91.1% resulting in a funding surplus of \$240,295.

Mr. Anderson said that the HNE MedWrap plan continues to be a plan that needs to be looked at in terms of sustainability going forward. The rebates do not make up for the annual deficit. Claims have been running higher than usual and it remains to be seen if this is a trend.

Karen Quinlivan reviewed the FY21 reinsurance reports. She said with data through July, there were \$1,153,445 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$526,938 and outstanding reimbursements were \$626,507. Ms.

Quinlivan reviewed the FY21 “50% Report” with 19 claimants having claims between \$125K and \$250K that cumulatively totaled \$3,508,319.

The same reports for FY22 have no claimants in excess or on the 50% report yet.

HNE MedPlus alternative discussion:

Joe Anderson said that last year when the renewal was discussed, the rates were renewed at \$480. Given the Covid environment, it was decided that the amount of education required to switch from the MedPlus Plan at that time would be prohibitive given lockdown. This year there is an even more pronounced claims run. At that time HNE could not support a stand-alone medical piece with a fully insured PDP. In the last 12 months, rebates were reported separately from monthly activity. Comparisons are based on Funding, claims and rebates. For CY21, there was funding for 258 subscribers plus, RDS and HNE Rx rebates for a total of \$1,826,080 in total funding. Estimated claims are \$2,200,000 leaving a deficit of \$373,920. The trust has fallen below the preferred target and there is a confirmed trend of a financial deficit for the HNE senior plan. Many other groups are going to a self-insured medical piece and a separate fully insured PDP. Rebates then get factored into the actual price. A proposal for consideration is for HNE to administer the medical piece of the plan and separately a prescription drug plan will be partnered with it. It will require an education for the members because there will be two separate touch points. If they have a medical issue they will contact HNE. If there is a prescription drug issue, Retiree First will be the service provider for the prescription drug piece. For CY22, the fully insured PDP costs would be \$500,840. The net Rx costs for CY21 are over \$1,000,000. This would be a savings to SVRHT of over \$500,000. The groups would still receive \$150,000 in Rx rebates and \$40,000 in RDS rebates in CY22 that would benefit the Trust. Monthly rates could possibly decrease from \$480 to \$380(illustrative) and at a 50% contribution rate the members would save \$50 per month. That would also save the Trust \$154,800 annually in funding requirements. Some of the items that would be disrupted would be those that are currently taking advantage of the Diabetes Care Rewards program. There are currently 17 members on the HNE Med Wrap plan that would lose that benefit. CanaRx is also used by those members and that program could be frozen so current senior members may continue but new members would not.

Corinne Tranghese asked whether the plan offered by HNE would be comparable to Blue Cross Medex because the current Med Wrap plan is a limited network HMO.

Joseph Anderson said HNE would be submitting a proposal for a self- insured medical piece that mirrors Medex.

Mr. Anderson introduced the regional Director for Retiree First, Kelly Hartnett to make presentation.

Ms. Hartnett provided company background, clients and history. Their niche is on the Medicare transition moving a self- insured plan to a fully-insured. The goal is capitalizing on savings along with CMS compliance. They have over 200 clients and service all 50 states with a team of over 70 Medicare specialists headquartered in New Jersey with regional offices in Minnesota. They have a 100% retention rate. They have contracts with the various carriers in the marketplace. They vet those agreements every 2 years to ensure compliance. Humana came back most competitive on the pharmacy piece. Retirees and member units of the Trust would still call Retiree First not Humana for questions. The Client Service Team at Retiree First provides all customer service. There is a group devoted phone number and special handling of high touch members.

Richard Patullo asked if Retiree First did the quoting.

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Joe Anderson said that Retiree First has the preferential block of business with the carriers to retain competitive rates and draw their fees. They source the quotes.

Richard Patullo said he needs the actual quote from HNE and the comparison with what they offer on the new plan as opposed to the old in order to make an informed decision.

Sandra Ruiz, HNE said they would quote both the existing plan and the new Med Supp option so she would provide the differences at the time of quoting.

Joe Anderson asked Kelly Harnett for the preferable time frame for a decision.

Ms. Hartnett said that October 1st would be optimal but the 15th of October is the latest.

Health Plan Reports:

Blue Cross – Heidi Fountain said that the Medex renewal will be ready shortly. Trend is running at about 4%. There is a self-insured medical portion and fully- insured drug portion. The PDP portion will decrease by .7%. Underwriters will do expected claims projections for Scantic Valley.

Health New England – Sandra Ruiz said that they are offering on-site Flu Shot clinics. Bay State Health is also offering on-site Covid vaccine clinics. If anyone is interested, contact them and they can forward information.

Tufts- Fred Winer said that the group has gotten larger so they are proposing a self-funded medical supp portion for renewal.

Other business:

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for October 5, 2021 at 9:30AM.

Ms. Miller adjourned the meeting at 11.02 AM.

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