

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Tuesday, October 5, 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
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
Mark Gold	Town of Longmeadow
Jennifer Leydon	Town of Longmeadow
Patty Joyce	Abacus Health Solutions
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Michael Gauvin	Health New England (HNE)
Sandra Ruiz	Health New England (HNE)
Lisa Despres	Tufts Health Plan
Rae Felts	Tufts Health Plan
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 9:32 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
Christina Gagnon	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Education Cooperative

Approval of the minutes of the September 8, 2021 meeting:

Thomas Sullivan moved approval of the minutes with noted spelling corrections and deletion of a duplicated paragraph.

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
Christina Gagnon	Yes

The motion to approve the minutes of September 8, 2021 passed by unanimous vote.

Karen Fink joined the meeting at this time.

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 were 4 colonoscopies, 22 new Pilates participants and 11 repeats. Yoga had 15 participants. Current happenings include Zoom Pilates classes in Wilbraham, Longmeadow and South Hadley. There is a Yoga/meditation class at Center School in Longmeadow on Wednesday and Zoom Yoga on Monday. There are currently three Wellness Works programs running through May, Members complete challenges/workshops/classes for 10 points each with a max of 200 points for a \$200 gift card. Non-members can complete the majority of the same activities and earn raffle tickets for prizes. The group is piloting a new program called Levelhead with teachers in all districts. It is a practical, science based program designed to reduce stress and anxiety as well as improve focus and attention, boost self-compassion and build better life skills. It features 3-5 minute audio micro-lessons delivered through an app on a personal mobile device. The goal is to enroll 50 teachers to preview the program and provide feedback with the possibility of bringing it to all employees. There is a Learn to Live challenge for October. Any member who enrolls in any of their online programs or completes an online lesson will be entered to win a \$50 Amazon gift card. “Make Your Worksite Better” was suspended last year. The question was raised whether it should be brought back.

There was discussion. The decision was made to table the item for now due to current Covid status.

There was no change in the Wellness Budget for the month.

Arlene Miller said that the Wellness Committee is recommending a raise for Lyn Fioravanti from \$40 per hour to \$45. The average salary in Massachusetts was \$41.27.

Richard Patullo motioned to increase the Wellness Consultant salary to \$45 per hour.

Christina Gagnon seconded the motion. There was a roll call vote.

Arlene Miller	Yes
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Dick Patullo	Yes
Corinne Tranghese	Yes
Tom Sullivan	Yes
Christina Gagnon	Yes
Karen Fink	No response

Treasurer’s report:

Treasurer Paul Pasterczyk reviewed the August 2021 financial reports (unaudited figures). The beginning balance for the month was \$8.4M and ending balance \$7.9M. There were receipts for reinsurance, retiree drug subsidy and Diabetes Care Rewards in August. There was also a large quarterly BCBS reconcilitaion requiring an extra remittance. It required the liquidation of several CD’s to fulfill. Trial balance revenues versus expenditures on a cash basis was \$(891,647). Fund Balance (Equity) was \$2.7M, roughly \$884,000 below the Fund Balance target. Mr. Pasterczyk said that the auditor would be moving forward with the FY21 audit. The amount would remain stable and would be getting underway towards the month of November.

Anna Bishop joined the meeting a this time.

GBS reports:

Joe Anderson reviewed the FY21 Funding Rate Analysis (FRA) report as of August 31, 2021. Mr. Anderson said the expense to funding ratio through July was 93% resulting in a funding surplus of \$374,531.

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. Cliams have also been running higher than usual on other plans and it remains to be seen if this is a trend.

Karen Quinlivan reviewed the FY21 reinsurance reports. She said with data through August, there were 10 claimants with \$1,188,236 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$662,700 and outstanding reimbursements were \$375,536. 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 have no claimants in excess or on the 50% report yet.

Corinne Tranghese said that the reinsurer seems to be asking a lot more questions regarding eligibility.

Anna Bishop said the same thing.

Joe Anderson said that they are going through the underlying requirements to pay the claims. Getting information to them allows them to pay the claims. Chapter 32B has a different set of rules in terms of eligibility. He asked the member units to keep us posted if the requests become overburdensome.

CY22 Senior Plan Rates:

Joe Anderson showed the current and proposed rates for senior plans for CY22. In summary, the recommended Medex rate is unchanged from the current year. The HNE Med Plus will require discussion to determine if it makes sense to move towards a self-insured medical portion with HNE with the exact same network and a fully insured PDP portion with Retiree First. A discussion will be required whether to have a rider to allow for Diabetic supplies and insulin to ease disruption for those members in the Diabetes Care Rewards Program as well as whether the group also wants to allow current members using CanaRx to

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continue. Tufts will also be considered for transitioning from a fully insured model to a self-insured medical and fully insured PDP. The plan will be exactly the same to the membership but funding will change resulting in savings for the group. The fully insured plans were illustrated with a 1.2% increase for Managed Blue for Seniors, a 2.9% increase for Medicare HMO Blue, a 4.4% increase for Tufts Medicare HMO and a 0% increase for HNE Medicare Secure Freedom.

Mr. Anderson reviewed the prior two years of average claims for Medex and showed they were \$126.18 for FY20 and \$147.26 for FY21. The Blue Cross projected rate was \$371.13 and the GBS projected rate was \$377.92. The current rate is \$378, therefore, the recommendation is for no change in the rate for CY22.

Christina Gagnon said that the funding rate analysis showed the Medex plan over the 100% funding rate on claims. She was concerned that the plan might be underfunded.

Joe Anderson said that a few months of data is not a good representation of the total experience and it tends to be cyclical.

Tom Sullivan motioned to accept the Medex 2 CY22 proposed rate of \$378.

Motion

Corinne Tranghese seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Tranghese	Yes
Tom Sullivan	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

Joe Anderson then reviewed the last two years of HNE Med Plus claims with average claims of \$504.56 for FY20 and \$711.62 for FY21 for a 41% increase. HNE did a write up that showed the increase in drug cost and specifically specialty drugs that drove those claims costs. Eleven members are driving \$1.4M in specialty med costs. Calculations for proposed CY22 premium show HNE arriving at \$796.04 and GBS at \$737.61, a 65.8% and 53.7% increase respectively. The next illustration showed a fully insured PDP which takes advantage of all the government rebates with substantially lower cost to the trust. Those same specialty drug costs if funded this way, would only cost over \$500,000. SVRHT has the only fully insured Medicare plan still on the books. Retiree First has partnered with Humana and signed a contract which gives groups like the SVRHT access to Humana with competitive rates that they would not normally have if the group went direct. HNE does not have a setup for an in-house PDP yet. They are in the process of developing that but it is not an available option for renewal at this time.

Richard Patullo asked how Retiree First gets compensated.

Joe Anderson said that the compensation is built into their contract with Humana as a subset of the quoted rate.

Mr. Patullo then asked if there is any relationship between Retiree First and Gallagher.

Mr. Anderson said there is no relationship. They are not even considered a preferred vendor. They are the only one in this space with municipal experience. Gallagher is not compensated by Retiree First or Humana in conjunction with SVRHT moving to a fully insured PDP.

Christina Gagnon asked if the drug formulary supports the members currently taking the specialty medications.

Mr. Anderson said that the specialty meds are covered. There may be an overall slight disruption but the goal is to minimize it as much as possible but move towards cost savings. He also checked with Retiree First to see if a rider could be added to cover Diabetic supplies and insulin for the population that will lose participation in the Diabetes Care Rewards Program. There is an option to cover that population for an additional \$4.11. A PDP premium of \$165.88 would include the Diabetic rider. A premium of \$161.77 would leave it out.

Thomas Sullivan motioned to include the Diabetic Rider on the PDP for a premium of \$165.88

Motion

Corinne Tranghese seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Tranghese	Yes
Tom Sullivan	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

The proposed self-insured medical rate for HNE Med Plus came to \$177.84 based on estimated claims by HNE.

Joe Anderson proposed that the group could add an additional 10.00 to premium to cover the current Medicare population still using the CanaRx program. An additional \$16.28 buffer could also be built in to cover any possible new experience exposure to avoid the plan being underfunded. That would bring the rate to \$370.00.

Arlene Miller said that she did not see that the buffer would be needed if the fully insured PDP would absorb drug cost exposure.

Christina Gagnon said that she was uncomfortable decreasing premium \$110 with the possibility of having to raise it again a year later.

Mr. Anderson responded that mechanism of coverage under the PDP eliminates the risk of a shock increase. It doesn't eliminate a material increase, hence the buffer. Fixed cost savings for the PDP are projected over \$950,000.

Richard Patullo asked for a simple three paragraph explanation that the member units can provide to employees explaining the need to move to the fully insured PDP plan.

Mr. Anderson said that would be part of the process and he could certainly do that.

Richard Patullo motioned to approve a rate of \$370 for the HNE Medicare Plus with PDP.

Motion

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

Arlene Miller	Yes
Dick Patullo	Yes

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Corinne Tranghese	Yes
Tom Sullivan	Yes
Christina Gagnon	No
Anna Bishop	Yes

The motion carried by majority vote.

Tufts made a proposal for the Medicare Supplement with PDP Plus to move from a fully insured model to a self-insured medical and fully insured PDP. This would be fully transparent to the member. The Tufts Proposed rate would be \$332.02. GBS has proposed a rate of \$349 which would include a first year rate buffer of \$16.98.

Fred Winer said that the additional benefit of this funding arrangement would be that it would bring everything under the GBS umbrella for enrollment as well as result in a cost savings for the group.

Corinne Tranghese motioned to accept the GBS proposed rate of \$349 for the Tufts Med Supp PDP Plus. Anna Bishop seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Tranghese	Yes
Tom Sullivan	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

Joe Anderson then reviewed the fully insured plans again. Managed Blue for Seniors had a 1.2% increase at \$382.36, Medicare HMO Blue a 2.9% increase at \$405.31. Tufts Medicare HMO had a 4.4% increase to end at \$356.00 and HNE Secure Freedom had a zero% increase to remain at \$334.00

Corinne Tranghese asked if the request at the last meeting to explore an expanded network for the HNE Med Plus would be addressed next year.

Joseph Anderson said that it will be part of the renewal discussion with HNE next year

Thomas Sullivan motioned to accept the fully insured rates for CY22.

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

Arlene Miller	Yes
Dick Patullo	Yes
Corinne Tranghese	Yes
Tom Sullivan	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Health Plan Reports:

Blue Cross – Heidi Fountain said that the Fitness Reimbursement benefit will be enhanced beginning January 1, 2022 to include home fitness equipment. The dollar amount won't change but the expanded list will apply. A new FAQ sheet will be supplied for members. There are also some minor formulary changes

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that will be effective 01/01/2022 for the PDP. There will also be a video distributed shortly explaining how Medex works and what the plan offers. Office hours will also be available for open enrollment questions.

Health New England – Sandra Ruiz said that they are also doing formulary changes. She will forward a copy of the semi-annual notice. They are also available for any open enrollment needs.

Tufts- Fred Winer said that the plan highlights, formularies and enrollment forms will be going out this afternoon. He is also including his phone number for questions. He has started working part-time but is keeping the joint purchase groups.

Abacus- Patty Joyce mentioned the additional file feed for the Abacus program. She requested 24 months of historical claims data from Blue Cross to assist with their program. Blue Cross requires a legal release to share that information to a third party from the account. Patty Joyce said that the information helps with outreach and data analysis and is shared from other groups. There is a Business Associate Agreement in place and no confidential information is shared.

Consensus was to hold off on a decision until the next meeting.

Other business:

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for November 17, 2021 at 9:30AM.

Ms. Miller adjourned the meeting at 11.29 AM.

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