Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday October 9th, 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
Christina Gagnon	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Marcy Morrison	SVRHT Wellness Consultant
Mark Gold	Town of Longmeadow
Claire Kawalec	Town of Longmeadow
Ian Coddington	Town of Longmeadow
Megan Emrick-Laskow	Town of East Longmeadow
Gloria Congram	Town of Wilbraham
Herta Dane	Town of Wilbraham
Nick Breault	Town of Wilbraham
Jocelyn Sanchez	Town of Longmeadow
Karen Fink	Lower Pioneer Valley Educ. Collab.
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Judy Moniz	Blue Cross Blue Shield of MA (BCBS)
Kristin McKenna	Abacus Health Solutions
Amy Bickford	Abacus Health Solutions
Sandra Ruiz	Health New England
Paul Lazar	Point 32 Health
Elaine Wilson	Point 32 Health
Melissa Gabriel	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
Kimberly Collins	Town of East Longmeadow
Barbara Hancock	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

Approval of the minutes of the September 11th, 2024, meeting:

Dick Patullo moved approval of the minutes of the September 11th, 2024 meeting as presented with minor corrections for location of files being moved.

Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Kimberly Collins	Yes
Barbara Hancock	Yes
Christina Gagnon	Abstain
Anna Bishop	Yes

The motion passed by majority vote.

Wellness Report:

Marcy Morrison presented her report. The new incentive program is about to start so it is in the getting ready phase. The newsletter has been well received. Meal planning and recipe booklets are extremely popular. There has only been one additional colonoscopy in the last month. The program had 59 participants since Ms. Morrison started in September of 2022. The group won another award from Health New England and the awards ceremony was yesterday. There were only four recipients. Next year the incentive program will be standardized for 200 points across the board. Retiree benefits fairs are coming up at the end of the month. This fall, a weight management program will launch. It will have an email component and an app. The app will allow those who do not get email at work to participate. The program is free.

Christina Gagon asked if the carriers will be represented at the health fairs because they are getting lots of questions due to the letters that Tufts sent out.

BCBS, HNE and Point 32Health responded that they will all be in attendance for questions.

Longmeadow will be on the 30th at 211 Maple Ave and East Longmeadow is October 31st at the Senior Center.

Treasurer Report:

Treasurer Paul Pasterczyk presented the August 2024 financial reports (unaudited figures). The balance at the beginning of the month was $14.2 million. Trust premiums were normal. There was a reinsurance amount received of approximately $ 74,000. Operating expenses were stable. Claims for the months were a little bit higher. There were five Fridays in the month so that impacted the month for a $1,000,000 loss driven by claims. Net cash for the fiscal year was up $235,000. The group ended up with a total unreserved fund balance of $8.4 million. There is an excess of target fund balance of $4.75 million. September will see reinsurance in the amount of $428,000 and a Diabetes Reward credit of $28,000

The fiscal year FY24 audit is on the horizon and Mr. Pasterczyk will work with Dan Haynes again.

Mr. Pasterczyk said his stipend is currently $7,600 annually. The last increase was for FY23. He is aggressive chasing down CDs for the best cash flow and interest for the group. He is requesting an increase from $7,600 to $7,900 annually.

Dick Patullo moved to increase the Treasurer stipend to $7,900 annually.

Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Kimberly Collins	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

GBS reports:

Joe Anderson reviewed the FY25 Funding Rate Analysis (FRA) report as of August 31, 2024. Mr. Anderson said the expense to funding ratio through August was 114% resulting in a funding deficit of $798,849. Two months experience is not credible. The renewal was a rate hold with the notion that the trust can be put to work in the amount of about $2.7 million. Medex is running well and Tufts and HNE are running higher. That can be looked at in perspective when talking about the senior renewal.

Karen Quinlivan reviewed the FY24 reinsurance reports. She said with data through August, there were 10 claimants with $ 2,143,131.21 in claims above the $250K deductible. The $150K Aggregating Specific Deductible has been met. Total reimbursements to date were $1,285,061.93 and there is an outstanding amount due the group of $708,069.28. There were 23 claimants with claims between $125K and $250K totaling $ 4,133,951.09. The same reports for FY25 through August have no member at the 50% or excess level yet.

CY25 Senior Renewal:

Joe Anderson said that there are going to be increases that will be necessary because of the Inflation Reduction Act's impact of shifting payments. formerly made by the member or government, to the carriers. Catastrophic coverage limits were reduced from $8,000 down to $2,000 with no copay afterwards for the member. The gap has shifted costs over to the carriers who in turn have increased costs for the prescription drug piece of the renewal. Blue Cross increased 14%, HNE Med Plus 28% and Medicare Enhance actually went down because of the transfer of the population over from Tufts and the experience on the medical side. The first two months of experience showed a ratio of 135%. That is something to keep in mind when working through a pricing strategy. Fully insured rates were reviewed to show a material increase of 12.5% for Managed Blue, 3% for Medicare HMO Blue 6.9% for Tufts Medicare HMO and 2.3% for HNE Medicare Freedom.

Just the PDP portion was looked at next. Retiree First went out and sought plans for the HNE Med Plus plan. The current is Humana. RetireeFirst provided two quotes, one for Humana the incumbent and one for Express Scripts. The increases were significant at 58.1% for Humana and 46.3% for Express Scripts. Humana would not require any changes on the members part whereas Express Scripts would require new cards etc. Blue Cross assigned a book rate increase across the board to their plans regardless of experience. The average BCBS increase seen is $40. Aetna uses a hybrid approach to pricing. They looked at plan design and the experience of the members newly transferred to Aetna. Because they looked at the individual characteristics of the group and the Tufts population has been healthier, they priced attractively.

Mr. Anderson went through the individual calculation for Medex to illustrate how the GBS and BCBS rates compared. Blue Cross produced $475.54 and GBS $ 467.44. The same exercise for the HPHC Medicare Enhance showed HPHC at $351.10 and GBS at $349.30. HNE Med plus calculations were reviewed for both Human and Express Scripts as the PDP provider. With Humana, HNE came out to $518.93 and GBS $496.53. Express Scripts has HNE at $497.34 and GBS at $474.94. Although the Express Scripts was lower there would be potential disruption that may not be best at the current moment given the other moving parts this renewal season.

Four potential alternatives were presented for consideration along with the corresponding trust impact. The enrollment numbers were provided for each plan as well. Blue Cross Medex has the highest with 612 followed by HPHC Med Enhance at 456 and then HNE Med Plus at 258.

There was discussion.

Dick Patullo said that with so many moving parts, the group is not making long term policy the dynamic is going to be much different 12 months from now.

Joe Anderson agreed and said the Inflation Reduction Act was a shock to the system in the extreme and this is a band-aid to keep the trust integrity whole and protect members as much as possible.

The consensus was to use $66,000 to keep the Humana PDP for HNE to avoid disruption to the members. Since $2.7 million was used for the active plans to subsize rates, more subsidies here would put the trust at risk. The goal is to approve an increase mix that makes it bearable.

There was discussion on final formularies and possible disruption. The final formularies will be out around the 15th of October. They will be loaded on the website and sent out by Karen Quinlivan. A chart can also be drawn up for forms necessary to switch form one plan to another. Those Tufts Medicare Supplement members that want to move to the HPHC Medicare Enhance need do nothing. They will be automatically mapped.

Dick Patullo moved approval of the CY25 Senior renewal Option 3 with Medex at $453.00, HNE Med Plus w Humana at $461.00 and Medicare Enhance at $ 377.00. | Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Kimberly Collins	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Christina Gagnon moved approval of the CY25 Senior fully insured rates as presented. | Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Kimberly Collins	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Abacus Annual Report:

Alysha Beaudry presented a brief annual overview of the Diabetes Care Rewards program for SVRHT. Through 08/31/2023 there were 37 % of 238 eligible members enrolled in the program with 55% adherent members over the last 12 months. There were 40 identified high risk members of which 58% were registered and 52% were adherent. There was a total of 631 prescriptions with $13,396 in copay waivers and rebates of $86,638. The estimated annual ROI was 10.1. There were 593 letters and emails sent, 221 helpline calls and 62% received text reminders. Targeted outreach will continue as well as attendance at health fairs and open enrollment activities.

Health plan and vendor reports:

Tufts/Harvard Pilgrim – Melissa Gabriel said they will be at both health fairs. If anyone has any concerns, please direct them to her.

Blue Cross – Hedi Fountain said that they will be at both fairs. If anyone needs materials prior to a fair, please let them know.

Health New England – Sandra Ruiz said she will be at fairs. The semi-annual notice will be going out soon as well. .

CanaRx – Chris Collins said that savings through August were $45,811.48. Average monthly savings is $22,905.74. The average annual savings for employees is about $402.40 Analysis for the first six months of the program identified what the potential savings for the plan could be. There are 170 members that could be using CanaRx that are not. That is a potential for over $440,000 in savings. An email campaign would be ideal in addition to the postcard mailing that are currently being utilized. Jim Riley will be contacting people within the next week or so to get those out to see what can be done to offset costs.

Other business:

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for Tuesday November 19th, 2024, at 9:30 AM.

Ms. Miller adjourned the meeting at 10:58 AM.

Minutes prepared by Karen Quinlivan
Gallagher Benefit Services, Inc.