

Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday October 12, 2022 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
Steve Lonergan	Town of East Longmeadow
Barbara Hancock	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Marcy Morrison	SVRHT Wellness Coordinator
Jocelyn Sanchez	Town of Longmeadow
Joan Iwanicki	Town of East Longmeadow
Christina Gagnon	Hampden Wilbraham RSD
Erica Gelinias	Town of Longmeadow
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Fred Winer	Tufts Health Plan
Lisa Despres	Tufts Health Plan
Diana Hernandez	Tufts Health Plan
Sandra Ruiz	Health New England
Jim Riley	CanRx
Patty Joyce	Abacus Health Solutions
Eric Andrews	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 9:36 AM. Roll call was taken with voting attendees listed as:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Steve Lonergan	Town of East Longmeadow
Barbara Hancock	Town of Wilbraham
Aaron Osborne	Hampden Wilbraham RSD

Approval of the minutes of the September 22, 2022 meeting:

Steve Lonergan moved approval of the minutes of September 22, 2022 with corrections.

Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Steve Lonergan	Yes
Barbara Hancock	Abstain
Aaron Osborne	Yes

The motion passed by majority vote.

Wellness Program report:

Marcy Morrison apologized for not having anything written for the meeting. There is not enough content right now. She was set up with email the day before. She sent out correspondence to the groups on breast cancer awareness and her monthly newsletter. On October 18th she will email a number of people in advance so she can come and introduce herself and say hello. She will also send out an employee interest survey so she can find out what everybody would like to see happen in the fourth quarter and then starting in January. She will be meeting with Lyn Fioravanti to go over incentives that she had in place.

Heidi Fountain from Blue Cross confirmed with Marcy her email address to connect with their health engagement strategist.

Treasurer’s report:

Treasurer Paul Pasterczyk reviewed the August 2022 financial reports (unaudited figures). Overall, the group started June with \$8.7M in the bank. The interest rate for the Peoples Institutional Money Market account is going up at the end of September. It was 2.09%. Much of the money formerly in the Peoples premium money market account has been moved into the institutional money market account. That is doing fairly well. There was a large chunk of reinsurance in the month of August of \$524,000 and there was also a Health New England credit of \$217,000. Blue Cross had it’s quarterly reconciliation. There was a credit and the group only had to pay a little over \$1,000,000. Health New England claims have gone down in August and that continues into September. The month ended with just over \$10M. There was an additional amount of cash of \$1.6M and for the year cash is up almost \$2.7M. At the end of August, unreserved fund balance was \$5.1M. Target balance is \$3.5M so the group is \$1.6M above target. September is looking good so far.

GBS reports:

Joe Anderson reviewed the FY23 Funding Rate Analysis (FRA) report as of August 2022. Mr. Anderson said the expense to funding ratio through June was 72% resulting in a funding surplus of \$1,574,141. That included a drug rebate and over a million dollars in stop loss reimbursements. Things are looking good early on for the first two months.

Karen Quinlivan reviewed the FY22 reinsurance reports. She said with data through August, there were 9 claimants with \$2,166,555 in claims above the \$250K deductible. The \$150K Aggregating Specific Deductible has been met. Total reimbursements to date were \$1,913,314 and there are outstanding reimbursements due of \$103,241. Ms. Quinlivan reviewed the FY22 “50% Report” with 22 claimants having claims between \$125K and \$250K that cumulatively totaled \$3,984,154.

The same reports for FY23 through August had 0 claimants with claims above the \$250K deductible. There were 0 claimants having claims between \$125K and \$250K.

CY23 Senior Plan Rates:

Joe Anderson showed the current and proposed rates for senior plans for CY23. In summary, the fully insured plans were illustrated with a .3% decrease for Managed Blue for Seniors, a 2.8% increase for Medicare HMO Blue, a 4.2% 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 \$147.26 for FY21 and \$167.73 for FY22. The Blue Cross projected rate was \$389.45 and the GBS projected rate was \$393.39. The current rate is \$378, therefore, the recommendation is for an increase to \$389 for the rate for CY23.

HNE and Tufts went over to a straight self-funding on the medical side only with a fully insured PDP last year. Data for HNE and Tufts is only based on 8 months of data so some assumptions were made for the basis of discussion and projection.

Tufts showed anticipated claims of 147.43 for the Preferred PDP. Admin fees of \$22.56 plus GBS fees of \$8.00 and PDP Rx costs of \$170 bring a rate of \$351.99. GBS calculated anticipated claims of \$152.99. Adding in the same fees and PDP costs comes to a rate of \$357.55. Joe Anderson recommended a rate of \$357.00.

Calculations for the HNE Med Plus plan varied between HNE and Gallagher. Anticipated claims for HNE were \$139.70 with admin fees of \$22.13 and GBS fees of \$8.00. The Humana Rx renewal rate will be \$174.21 so the calculated rate is \$344.04. Gallagher had \$199.32 as the anticipated claims. There is currently a large drug spend for a single member that is coming through the medical side of claims. Research is being done on whether this is accurate, but early indications are that it depends on where the drug is administered in terms of if it can go over to part D. That has been included in the Gallagher calculations because it will be an ongoing expense. Gallagher calculated a rate of \$403.66. Mr. Anderson recommended a rate of \$388.00. Moving from fully to self-insured had an element of uncertainty in terms of how the medical claims were going to play out.

There was discussion and it was decided to take one plan at a time for voting.

Dick Patullo motioned to accept the Medex 2 recommended rate of \$389 for a 2.9% increase.

Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Steve Lonergan	Yes
Barbara Hancock	Yes
Aaron Osborne	Yes

The motion passed by unanimous vote.

Barbara Hancock motioned to accept the Tufts Medicare Supplement w PDP recommended rate of \$357 representing a \$2.3% increase.

Motion

Aaron Osborne seconded the motion. There was a roll call vote.

Arlene Miller	Yes
Dick Patullo	Yes
Steve Lonergan	Yes
Barbara Hancock	Yes
Aaron Osborne	Yes

The motion passed by unanimous vote.

Dick Patullo motioned to accept the HNE Med Plus w Humana recommended rate of \$388 for a 4.9% increase.

Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Steve Lonergan	Yes
Barbara Hancock	Yes
Aaron Osborne	Yes

The motion passed by unanimous vote.

Dick Patullo motioned to accept the fully insured rates with the request to round the Managed Blue for Seniors Rate to \$381.30.

Motion

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

Arlene Miller	Yes
Dick Patullo	Yes
Steve Lonergan	Yes
Barbara Hancock	Yes
Aaron Osborne	Yes

The motion passed by unanimous vote.

Good Health Gateway Annual Report:

Patty Joyce presented a brief annual overview of the Diabetes Care Rewards program for SVRHT. Through 08/31/2022 there were 38 % of eligible members enrolled in the program with 48% adherent members. There was a reduction in eligible members due to the removal of the Health New England Medi-Wrap

SVRHT Board Meeting Minutes – October 12, 2022

population from the program. There were a total of 890 prescriptions with \$13,630 in copay waivers and total medication costs of \$423,505. Estimated savings to the group were \$92,472 with \$1,441,150 since 2010. Rebates distributed during the period total \$107,757.51. These continue to be an excellent way to offset program fees and will increase as more become adherent in the program.

Eric Andrews highlighted promotions that were done in the past year as well as possible plans for the coming year.

Health Plan Reports:

Tufts – Lisa Despres said that the pharmacy benefit manager will be switching from CVS Caremark to Optum effective January 1, 2023. Anybody who goes to a local pharmacy will not see a change. Everyone will receive new ID cards. Mail order prescriptions will be transferred over. The only thing they will need to update is financial info.

Fred Winer said that for the 8th year in a row Tufts received five stars from CMS. This is unprecedented and thanked the group for renewing.

Blue Cross – Heidi Fountain said The PBM will be changing from Express Scripts to CVS Caremark as of 01/01/2023. A fact sheet and tool kit were sent out to the member units. New ID cards will be issued and any impacted members will be communicated with. There is also a webinar available for October 19th with a link to the registration. She also said that wellness credits are available and the health engagement programs do have info on nutrition if Marcy Morrison wanted to collaborate

Health New England – Sandra Ruiz said the semi-annual notice with formulary and medical management changes will be shared in the coming weeks. She also congratulated Scantic Valley for being a Silver Award winner at the awards ceremony last week.

Other business:

Joe Anderson said that the issue of affordability should be taken up after rate setting with discussion on collective bargaining etc. It can be taken up again in February.

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for December 7, 2022 at 9:30AM.

Ms. Miller adjourned the meeting at 11:13 AM.

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