

WEST SUBURBAN HEALTH GROUP

Board Meeting

Tuesday, January 24, 2012 at 9:30 a.m.
Wellesley Town Hall
Wellesley, Massachusetts

Meeting Minutes

Board Members Present:

Marc Waldman, Board Chair	Town of Wellesley
Pete Hoagland, Steering Committee Chair	Town of Sherborn
Michael Boynton	Town of Walpole
Elizabeth Dennis	Town of Needham
Christine Tague	Dover Sherborn RSD
Cheryl Ingersoll	Dover Sherborn RSD
Bill Keegan	Town of Dedham
Debbie Deegan	Town of Dedham
Mary Bousquet	Town of Holliston
Daniel Morgado	Town of Shrewsbury
Maria Rosado	Accept Education Collaborative
Gerard Lane	Town of Dover
John Senchyshyn	Town of Wayland
Michael DiPietro	Town of Wayland
John Petrin	Town of Ashland
Martha White	Town of Natick
Karen Jelloe	Town of Wrentham
MaryBeth Bernard	Town of Westwood

Guests in Attendance:

Ruth Hohenschau	Treasurer
Anne Costello	Assistant Treasurer
Mariellen Murphy	Town of Dedham
Chris Howell	Town of Dedham
Linda Clark	Town of Natick
Richard Tranfaglia	Town of Natick
Donna Lemoyne	Town of Wayland
Hans Larsen	Town of Wellesley
Stephanie Foley	Town of Holliston
Fran Rush	Dover Sherborn RSD
Bill Hickey	Harvard Pilgrim Health Care
Suzanne Donahue	Blue Cross & Blue Shield of MA
Emily Savaria	Tufts Health Plan
Fred Winer	Tufts Health Plan - Senior Products
Rob Anderson	Fallon Community Health Plan
Beth Helenius	Fallon Community Health Plan
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Marc Waldman, called the meeting to order at 10:36 AM.

Approval of the Minutes of December 15 2011:

John Petrin moved approval of the December 15, 2011 minutes.

Motion

Martha White seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Treasurer Ruth Hohenschau reported an increase in the unrestricted Fund Balance of \$2.164M. Ms. Hohenschau reported Total Administrative costs of \$4.6M and \$857K received for the Retiree Drug Subsidy. She said the financials have been updated to reflect the audit.

GBS Reports:

Carol Cormier said that the reports were emailed to the Board and said to contact Group Benefits Strategies with any questions.

Retiree Drug Subsidy (RDS) Memorandum of Understanding (MOU) for FY12 and FY13 –

Michael Boynton made a motion to approve the Steering Committee recommendation to approve the GBS RDS MOU for FY12 and FY13 with a fee of \$16,000 for each fiscal year.

Motion

Bill Keegan seconded the motion. The motion was passed by unanimous vote.

Fallon Dental Benefit:

Carol Cormier said that the proposed Fallon ASO fees to include the dental benefit is \$41.36 Individual and \$112.10 Family per the email received from Jason Fortin.

Dan Morgado made a motion to approve the ASO fees as proposed and to continue offering the Fallon dental benefit.

Motion

John Petrin seconded the motion. The motion passed by unanimous vote.

Fallon Community Health Plan - Rob Anderson said that the Direct Care plan, MNHG's lowest cost plan, is a limited network HMO. He said the network has expanded which he expects to create more interest in the plan. He suggested that the Fitness Allowance on Direct Care only be increased to \$250 per member/\$500 per family and open it up to exercise equipment purchased for the home. He said currently the benefit is \$200/\$400.

There was a discussion.

Bill Keegan moved to increase the Fitness Allowance on the Direct Care plan to \$250 per member/\$500 per Family effective June 1, 2012.

Motion

Martha White seconded the motion.

Dan Morgado said that he is opposed to adding benefits when the pressure is on to reduce costs.

Carol Cormier said that this type of benefit promotes healthy behaviors that lower costs.

Beth Helenius said that this would be an incentive for members to enroll in a limited network plan with lower costs.

Bill Keegan said that he favors spending money on wellness and healthy behaviors that have the potential to lower claims costs.

A vote was taken and the motion passed by a majority vote of 9 in favor of increasing the fitness allowance and 3 were opposed.

Tufts Disease Management:

Emily Savaria distributed and reviewed information about the Alere Disease Management programs that will be replacing the Healthways programs that Tufts currently provides. She said that Tufts is terminating its relationship with Healthways. Ms. Savaria said that the programs with Alere are more robust packages with a greater savings than the Healthways programs. Ms. Savaria said that the difference between packages numbered One and Two is the coaching benefit. She said that the coaching is an outreach that adds a charge of \$42 per month per engaged member. She said if the member is no longer utilizing the coaching, the charge is not billed. Ms. Savaria said that both package One and Two offer disease management, an asthma program, care alerts, a 24/7 nurseline and web/wellness tools. She said that the current Healthways package that WSHG is utilizing costs \$6.82 per employee per month, while the Alere packages with or without coaching would cost WSHG \$2.53 per employee per month. She said the estimated savings for the package without the coaching would save the group an estimated \$70K over its current DM program costs.

John Senchyshyn made a motion to approve the Alere Package #1 to include coaching.

Michael Boynton seconded the motion.

Motion

There was a discussion.

A vote was taken and the motion passed by a unanimous vote.

Health Plan Rates for FY13:

Marc Waldman said that the Steering Committee reviewed the FY13 rate projections and said that Carol Cormier will send the full rate package to the Board. Mr. Waldman said that the Committee requested additional scenarios following a review of the projections. He said that the Committee is recommending a 0% rate increase to the Rate Saver plans and to set the rates for the Legacy plans based on claims experience. He said that the projections of Group Benefits Strategies (GBS) and the health plans were not close to each other this year. He said that the Committee is utilizing the GBS scenarios and discussed using trust fund surplus.

Mr. Waldman said that the recommendation of the Steering Committee to the Board is Scenario B3 which is a 0% increase for the Rate Saver plans, and rating the other plans based on their claims experience and utilizing approximately \$1.85M trust fund surplus. He said that the Committee discussed distributing one or two years of the Retiree Drug Subsidy to the employers.

In response to a question asked, Ms. Cormier said that the subsidy will be applied to the FY13 rates evenly. She said that the Rate Saver plans have been subsidized for the past several years. She said the RS rates are 15% lower than the Legacy plan rates but that 5% of that was discounting. She said that Scenario B3 will restore the 10% actuarial-based differential. She said that Scenario B4 combines the 0% increase to the Rate Saver plans and the B1 rates for the Legacy plans. She said that the PPO and POS plans will increase by 10% in this scenario.

John Petrin made a motion to approve Scenario B4 with the POS and PPO increase of 10%.

Martha White seconded the motion.

Motion

There was a discussion.

Michael Boynton moved to amend the motion to reduce the HP EPO Rate Saver and Network Blue Rate Saver plans by -2%.

Motion

Karen Jelloe said she would like to retain a 10% differential between the Rate Saver and Legacy plans and made a motion to amend the motion.

The amendment was not seconded.

A vote was taken on the amended motion to approve Scenario B4, with the POS and PPO increase of 10% and the decrease of -2% to the HP EPO Rate Saver and Network Blue Rate Saver plans by -2%, passed by a majority vote. Michael Boynton was against the motion.

Pete Hoagland made a motion to round the FY13 rates up to the nearest dollar.

Motion

MaryBeth Bernard seconded the motion. The motion passed by unanimous vote.

Carol Cormier said that she would email the approved rates to the Board.

Plan Design Changes for FY13 – Benchmark Plans- Marc Waldman said that the Board approved adding a new menu of plans at a previous meeting. He said that all of the plans have a suggested rate differential of 4% compared to the Rate Saver plans, except the Network Blue Benchmark and Tufts EPO Benchmark plan which have suggested rates that are 3% lower than the Legacy plans. He said that he would like the Board to consider a 3.5% differential across all of the Benchmark plans to be consistent.

Pete Hoagland moved to approve a 3.5% differential for the Benchmark plans.

Motion

John Senchyshyn seconded the motion. MaryBeth Bernard, Michael Boynton, and Bill Keegan abstained. The motion passed by a majority vote.

Other Business:

Marc Waldman tabled the Retiree Drug Subsidy distribution discussion until after three additional months of financial data become available.

There was no other business.

Michael Boynton made a motion to adjourn.

Motion

Pete Hoagland seconded the motion.

Marc Waldman adjourned the meeting at 12:09 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*