

West Suburban Health Group

Board Meeting

Tuesday, February 19, 2013 at 1:00 p.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
William Keegan	Town of Dedham
Debbie Deegan	Town of Dedham
Mary Bousquet	Town of Holliston
Dan Morgado	Town of Shrewsbury
David Ramsay	Town of Dover
Gerard Lane	Town of Dover
John Senchyshyn	Town of Wayland
Karen Jelloe	Town of Wrentham
Betty Dennis	Town of Needham
Christopher Coleman	Town of Needham
Rose Bragdon	The Education Cooperative
Maria Rosado	Accept Education Collaborative
Christine Brodeur	Town of Ashland
Martha White	Town of Natick
Mary Beth Bernard	Town of Westwood
Christine Tague	Dover Sherborn RSD
Cheryl Ingersoll	Dover Sherborn RSD

Guests in Attendance:

Ruth Hohenschau	Treasurer
Anne Costello	Assistant Treasurer
Linda Clark	Town of Natick
Donna Lemoyne	Town of Wayland
Jim Purcell	Town of Ashland
Hans Larsen	Town of Wellesley
Bill Dowd	Holliston Resident
Bill Hickey	Harvard Pilgrim Health Care
Suzanne Donahue	Blue Cross & Blue Shield of MA
Erin Hayes	Tufts Health Plan
Christine Field	Tufts Health Plan
Rob Anderson	Fallon Community Health Plan
Joe Anderson	Fallon Community Health Plan
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Marc Waldman, called the meeting to order at 1:05 PM.

Approval of the Minutes of November 27, 2012:

Karen Jelloe moved approval of the November 27, 2012 minutes.

Motion

Mary Bousquet said that the minutes need to be amended to include the discussion regarding the fund balance policy.

Marc Waldman said that on page 3, the word “enrollments” was duplicated and one should be removed.

Betty Dennis seconded the motion as amended.

The motion passed by a unanimous vote.

FY12 Audited Financial Statements:

Pete Hoagland made a motion to accept the FY12 Financial Statements as presented.

Motion

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

Treasurer’s Report:

Treasurer Ruth Hohenschau did not review the reports as they were presented at the Steering Committee meeting which everyone at the board meeting attended. She said that the December financial statements are included in the meeting packets and the January statements were distributed.

Steering Committee’s Recommendation to adopt a Fund Balance Policy:

Pete Hoagland made a motion recommending to the Board to adopt a fund balance policy and to include in that policy a fund balance target range of 8% to 12% of projected yearly claims based on the average month of claims to be determined from the monthly claims from July 1 to January 31 divided by 7 and multiplied by 12.

Motion

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

Wellness Committee Report:

Betty Dennis said that Maryann Davis is interested in becoming a member of the Wellness Committee and has volunteered to help. Ms. Dennis said that Ms. Davis is going to solicit others who may be interested in joining the Committee. Ms. Dennis said that she is going to contact other JPG Wellness Coordinators for information as to how they solicited for a contracted Wellness Coordinator.

Carol Cormier said that the Scantic Valley Regional Health Trust recently went through the process and suggested that Ms. Dennis may want to contact the Board Chairperson.

In response to a question, Ms. Cormier said that 30 hours per week is the typical maximum hours that a JPG Wellness Coordinator works.

GBS Reports:

Carol Cormier did not review the reports as they were presented at the Steering Committee meeting, which everyone was in attendance.

Fund Balance Policy and ways to bring the balance in targeted range: premium holiday, rate reduction, RDS distribution:

Marc Waldman said that the Steering Committee discussed implementing a fund balance policy and is recommending a target range of 8% to 12% of the July to **January** claims annualized. He said everyone was in attendance at that meeting and asked if there were any questions or further discussion.

There were no additional comments.

Mr. Waldman said that there will be a written policy document distributed prior to the next Board meeting and that the vote on the policy will take place at the next Board meeting.

FY14 Rate Projections – review and recommendation to the Board:

Pete Hoagland made a motion on the Steering Committee’s recommendation to the Board to approve the funding based on B-1 Scenario with full funding of the Legacy plans and 3.2% increases to the Rate Saver and Benchmark plans.

Motion

Michael Boynton seconded the motion.

Carol Cormier said it was her recollection that there was no subsidy from fund balance in the FY13 rates and that the supposed full funding was not supporting the expenses.

Mary Beth Bernard found the Board minutes from last year and read aloud that the Board used \$1.85 M from fund balance.

Dan Morgado said that the Board projected that \$1.85M of the trust fund surplus would be used towards the FY13 rates and said that it was not used. He thanked Ms. Bernard for finding the Board minutes that included that motion.

It was subsequently discovered following the meeting that the \$1.85 M use of fund balance was not the final motion on this issue of subsidizing FY13 rates and that the final motion was to use no money from the fund balance to subsidize FY13 rates..

Marc Waldman said that he would favor a 4% increase to the Rate Saver and Benchmark plans based on the claims experience over the past years.

Dan Morgado and David Ramsay agreed that a 3.2% increase would be too aggressive and had concerns about a rate spike in FY15.

Bill Keegan made a motion to amend the motion to increase the Rate Saver and Benchmark plan rates by 4% and fund the Legacy plans as shown on Scenario B with expected use of \$5.9M of trust fund balance and to round the rates up to the next dollar.

Motion

Dan Morgado seconded the amendment.

Dan Morgado spoke about the OPEB Commission and the new Section 18 requirement of retirees to sign up for Medicare Part B and enroll in senior plans. He said that the OPEB Commission proposed changes to the minimum age or years of service and pro-rating retiree premiums based on service. He said those changes did not go through. Mr. Morgado said that everyone worked well together and encouraged the Board to read the report.

There was a discussion about the GIC and when they would announce their rates for FY14.

Marc Waldman noted that all of the WSHG municipalities were represented at the meeting.

A vote was taken on Mr. Hoagland's motion as amended by Mr. Keegan. The motion passed by a majority vote of 9 in favor and 7 against.

Other Business:

Marc Waldman said that the invoice for the meeting lunch totaled \$196.11 and asked for a motion to approve payment.

Bill Keegan made a motion to authorize payment of the lunch invoice in the amount of \$196.11.

Motion

Dan Morgado seconded the motion. The motion passed by a unanimous vote.

Fallon Community Health Care (FCHP) - Rob Anderson said that FCHP will be hosting a seminar on March 26th at the Sheraton Tara Hotel, Framingham, MA about municipal healthcare issues.

Tufts Health Plan (THP)– Erin Hayes said that there are two Erin Hayes at THP and said that Erin Nicole Hayes works with Fred Winer on the senior plan products. Ms. Hayes said that Reliant Medical Group will be exclusive for the Tufts Medicare Preferred HMO effective January 1, 2014 and that they will no longer be accepting Fallon Senior Plan. She said that Reliant Medical Group and Tufts Health Plan will be sending out communications about the change.

Marc Waldman asked to add the FY14 Reinsurance Board authorization to the Steering Committee to the next Board Meeting.

There was no other business.

Michael Boynton made a motion to adjourn.

Motion

John Senchyshyn seconded the motion.

Marc Waldman adjourned the meeting at 2:23 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*