

## West Suburban Health Group

### Board Meeting

Thursday, June 13, 2013 at 10:00 AM  
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
Dan Morgado	Town of Shrewsbury
Bill Keegan	Town of Dedham
Gerard Lane	Town of Dover
John Senchyshyn	Town of Wayland
Betty Dennis	Town of Needham
Martha White	Town of Natick
Christine Brodeur	Town of Ashland
Mary Beth Bernard	Town of Westwood
Christine Tague	Dover Sherborn RSD

#### Guests in Attendance:

Ruth Hohenschau	Treasurer
Anne Costello	Assistant Treasurer
Donna Lemoyne	Town of Wayland
Michael Herbert	Town of Ashland
Marianne Davis	Town of Natick
Stephanie Foley	Town of Holliston
Linda Loiselle	Abacus Group
Kevin Walsh	Prescription Benefits Services (PBS)
Bill Hickey	Harvard Pilgrim Health Care
Suzanne Donahue	Blue Cross Blue Shield of MA
Bill Rowbottom	Blue Cross Blue Shield of MA
Fred Winer	Tufts Health Plan
Erin Hayes	Tufts Health Plan
Rob Anderson	Fallon Community Health Plan
Carol Cormier	Group Benefits Strategies

Chair, Marc Waldman, called the meeting to order at 10:07 AM.

#### Approval of the Minutes of March 28, 2013:

Christine Brouder said the word “are” should be removed from the third paragraph, first sentence on page 5 and that the word “conscience” should be changed to “conscious” in the fifth paragraph, first sentence on page 5.

Pete Hoagland moved approval of the March 28, 2013 minutes as corrected by Ms. Brodeur.

Christine Brodeur seconded the motion. The motion passed by a unanimous vote.

Motion

**Treasurer's Report:**

Treasurer Ruth Hohenschau reviewed the Treasurer's report through May 2013 (unaudited figures). She noted a decrease in the fund balance of \$6,112,182 and said the fund balance at the end of May was \$16,634,754 compared to \$22,062,722 at the end of May 2012. She reviewed the changes in a number of the line items including an almost \$4 million reduction in member assessments from the prior year.

Dan Morgado asked if the reduction in member assessments was the result of people moving to the Rate Saver plans.

Carol Cormier said that Mr. Morgado was correct but that also the reduction was probably partially the result of retirees moving to Medicare plans based on the new mandatory Ch 32B, S.18A.

Dan Morgado moved to accept the Treasurer's Report.

Motion

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

**GBS Reports:**

Funding Rate Analysis by Plan - Ms. Cormier reviewed the FY13 Funding Rate Analysis by Plan with data through April. She said that the expense-to-funding ratio was slightly improved at 102.0% resulting in a funding shortfall on a paid basis of \$1,985,162. She said that all the plans were underfunded except for Medex, Medicare Enhance, and the HPHC Benchmark plan which has only a few members. She said these three plans are overfunded by about \$1 million. Ms. Cormier noted that when Medex and Medicare Enhance are changed to Medicare PDP plans (EGWPs) on January 1, 2014, this excess funding will go away.

Marc Waldman said the other GBS reports were included in the Board packet.

**Enrollment Audit Solutions (EAS) Report:**

Kate Sharry, EAS President, distributed and reviewed the final report on the dependent eligibility audit. She said that the audit started on Dec. 12, 2012 and ended April 29, 2013. She said that there were 10,306 dependents audited and that 90.7% were found to be eligible and 9.3%, i.e., 959 dependents, were determined to be ineligible. She reviewed the categories of ineligibility. Ms. Sharry said that there were 12,786 documents submitted to EAS and EAS received over 1,550 phone calls. Ms. Sharry said that EAS based its estimates of savings on \$4,000 in annual claims per dependent, so that based on this assumption WSHG will save \$3,836,000 as a result of the audit.

There was a discussion about the employer's responsibility to submit termination forms and the recommendation that going forward all employers collect the same documentation as required by the audit.

**Wellness Committee Report:**

Wellness Consultant procurement - Betty Dennis, Wellness Committee Chair, said that the Committee issued an RFP for a Wellness Consultant that conformed to the requirements of Ch. 30B. She said that no responses were received. She presented the Committee's recommendations on moving forward. She said that in the interim the health plan providers are requested to send contact information for their wellness staff to the Wellness Committee that will then disseminate the information to the WSHG employers. She

said Marianne Davies, Natick Public Schools, has provided examples of topics to review at a possible meeting with the health plan providers including biometric screenings, opportunities to change behaviors, annual wellness fairs, and others.

There was a discussion about the process and the type of company or individual who would be likely to respond.

Carol Cormier said that she thought it was helpful to let qualified wellness program providers know in advance about the RFP to stir up interest. She said the RFP was technically excellent but complex and could be off-putting to those not familiar with responding to such documents.

Linda Loiselle said that Abacus Group works with Wellness program providers and might be able to help generate interest in the position.

Dan Morgado said that he thinks the WSHG should re-issue the RFP but that it should be sent out to wellness program providers as well as advertised. He said that the WSHG should remain committed to the Ch.30B process for engaging a wellness consultant.

Ms. Dennis said that Town of Needham would not contact wellness providers about the RFP.

Ms. Cormier said that GBS could do this on behalf of the WSHG.

Marc Waldman agreed that WSHG should re-bid using the Ch. 30B process. He said that the RFP should be issued in September. He said that once the RFP has been revised with new dates and deadlines it should be sent to each Board member, GBS, and Abacus for distribution to wellness program providers they might know. He said this would be done in addition to the advertisement in the *Boston Globe*. He said the Wellness Committee should go forward with the interim approach suggested. He called attention to the last page of the Treasurer's report showing each governmental unit's FY13 wellness stipend and the amount it actually spent.

Betty Dennis said she would like the health plans to send her information about their Wellness programs.

Erin Hayes said that Tufts would prefer to meet with the Wellness Committee to review their programs. She said the goal should be to implement programs to change behavior and those require discussion and coordination.

Suzanne Donahue, BCBS, suggested the same type of roundtable discussion with the Wellness Committee and representatives of all the health plans as convened a couple of years ago. She requested the Wellness consultant RFP and a job description.

Betty Dennis said that with Ch. 30B there are no job descriptions but rather a scope of services.

FY14 Wellness Program allowances to employers - Marc Waldman said he told Carol Cormier to base the allowances on the same dollar amount as for FY13, i.e. \$125,000, for the current members and to allot an additional \$2,500 to So. Middlesex Voc-Tech School District which will join on July 1, 2013. He said no unit will have an allowance less than \$2,500 and no unit will receive more than \$14,000.

The Board reviewed the proposed allocations which are based on number of health plan enrollees.

Betty Dennis moved approval of the wellness program allowances to WSHG employers totalling \$127,500.

Motion
--------

Michael Boynton seconded the motion. The motion was approved by unanimous vote.

**The Abacus Group reports:**

Reports - Linda Loiselle, Abacus Group, reviewed the reports for the MMA programs, i.e. the international Rx buying program and the Alternative Savings Program (ASP) with data through March 2013. She also reviewed the report for the Diabetes Rewards program with data through March 2013. Ms. Loiselle said that the compliance for the Diabetes program is excellent with 57% of those enrolled having complied with all five recommended guidelines of care. Regarding the international Rx program she said that the actual number of scripts purchased exceeds the projections, and the savings considerably exceed projections. She said the Alternative Buying Program, substituting generic alternatives for brand name drugs that do not have generic equivalents, is behind projections in terms of purchases but on target for savings.

Proposed transition program for Medex and Medicare Enhance for January 1, 2014 – Ms. Loiselle said that 223 Medex and Medicare Enhance members use the MMA programs. She said 89 members on those plans use the Diabetes Rewards program and said that some of them are the same people that use MMA. She reviewed the detailed proposals for terminating the program for the members and for notifying them of their ineligibility once their senior plan is moved to a Medicare Part D plan (EGWP).

Mike Boynton said he wondered if moving to EGWPs is worth it.

Dan Morgado said that the savings to retiree and employer and the impact on the OPEB liability are worth it.

Carol Cormier said that there are almost 3,000 enrollees in Medex and Medicare Enhance collectively so the number using the MMA and Diabetes Rewards programs (223 and 89) is relatively small.

There was a discussion about communicating changes to the retirees.

Marc Waldman said he wants an absolute timeline for the transition to Part D plans at the September Board meeting.

Donna Lemoyne said she thought that more than 3 months advance notice is needed.

Suzanne Donahue, BCBSMA, said that the seniors do not need to hear the term “EGWP” and that “Part D plan” is the term to use. She said members do not need to do anything. She said the Medex pharmacy benefit manager will change from Express Scripts to CVS/Caremark and that plan members will carry two ID cards, one for medical and one for RX. Ms. Donahue said the employer group must send the required letter 21 days in advance. She suggested group presentations for retirees in October.

Bill Hickey, Harvard Pilgrim, said HPHC uses Coventry Health as its Medicare Part D contractor. He distributed member communications from Coventry. He said that the Part D plan is a closed pharmacy but about 90% of the drugs now available on Medicare Enhance through the open formulary will be available through the Part D plan.

**Reinsurance proposals for FY14:**

Carol Cormier reviewed the reinsurance proposals received. She said the RFP requested proposals under the current policy terms, i.e. \$300K specific deductible, \$500 ASD, 12/24. She said that the incumbent broker, Stop Loss Insurance Services (SLIS), and the incumbent reinsurance carrier, BCBSMA, had the low quotes. She said that the broker went back to BCBS and got a 1.5% reduction to the rates originally submitted. Ms. Cormier said she recommended going with the incumbent’s quotes with the \$2 million

annual max/no lifetime max. Ms. Cormier said that next year the WSHG will not have the option to have a \$2M annual max.

Michael Boynton motioned to accept the SLIS/BCBMA FY14 reinsurance rates of \$5.24 Individual and \$11.33 Family for the policy as stated and with the \$2M annual max./no lifetime max.

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

Motion

**Oral Chemotherapy mandate:**

Carol Cormier explained that this mandate on insurers requires that the plan provide chemotherapy administered orally under terms no less favorable to the member than chemotherapies administered intravenously or by injection. She said this means that the Rx copays for chemotherapies administered orally would be eliminated. She said that BCBS has added this mandate to the WSHG plans and that the other health plan providers give adoption as optional to self-funded employers.

Michael Boynton moved to adopt the oral chemotherapy mandate for the Fallon, Harvard Pilgrim and Tufts plans effective 7/1/13.

Motion

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

**Mental Health Parity testing proposed by BCBS:**

Pete Hoagland said the Steering Committee took no action on this.

Dan Morgado moved not to do the testing.

Motion

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

**New government fees:**

PCORI fees (Affordable Care Act) - Carol Cormier said that she had a memo from Atty. Mulkern stating that groups that renew on July 1 will not have to make the first PCORI fee payment until June 2014.

One-time State Assessment (MA Health Reform) – Health plan accoutn representatives gave a brief overview about how they would assess the fees.

**Health Plan Reports:**

Harvard Pilgrim Health Care – Bill Hickey said that HPHC will no longer cover compounded drugs for members 18 and older. He explained the reasoning for this decision including the fact that no compounded drugs are FDA approved. He said that although HPHC required at least one drug in the compounded drug to be FDA approved, the drugs for adults typically contained lifestyle drugs such as anti-aging ingredients. He said that there are safety issues with compounding and that these drugs are extremely expensive. He said there are 71 compounded drugs that have been filled for WSHG members. Mr. Hickey said HPHC will notify the members by letter that the drugs will no longer be covered.

Carol Cormier asked if the other health plans were looking into this issue.

Rob Anderson said that Fallon is reviewing it.

*WSHG Board meeting, 6/13/13*

**Other Business:**

Dan Morgado asked about recommendations for the annual reporting to Administration & Finance.

Marc Waldman said he used last year's report/letter and changed two numbers. He suggested that other WSHG employers could do the same.

Dan Morgado moved to adjourn the meeting.

Motion
--------

Michale Boynton seconded the motion. The motion passed by unanimous vote.

Chari Marc Waldman adjourned the meeting at 12:10 PM.

*Prepared by Carol Cormier,  
Group Benefits Strategies*