

## West Suburban Health Group

### Board Meeting

Tuesday, September 10, 2013 at 10:00 AM  
Natick Community Senior Center  
Natick, 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
Gerard Lane	Town of Dover
John Senchyshyn	Town of Wayland
Debbie Deegan	Town of Dedham
Betty Dennis	Town of Needham
Martha White	Town of Natick
Mary Bousquest	Town of Holliston
Karen Jelloe	Town of Wrentham
Mary Beth Bernard	Town of Westwood
Christine Tague	Dover Sherborn RSD
Kirsteen Leveillee	So. Middlesex RSD
Maria Rosado	ACCEPT Collaborative

#### Guests in Attendance:

Ruth Hohenschau	Treasurer
Michael Herbert	Town of Ashland
Anthony Schiavi	Town of Ashland
Kathy Arsenault	Town of Ashland
Cheryl Ingersoll	Dover Sherborn RSD
Linda Clark	Town of Natick
Sophie Grintchenko	Town of Needham
Donna Lemoyne	Town of Wayland
Stephanie Foley	Town of Holliston
Debbie Nichols	Town of Holliston
Debbie Reynolds	Town of Sherborn
Mandy Brigham	Town of Shrewsbury
Susan Colton	So. Middlesex RSD
Carolyn Collins	Town of Westwood
Linda Loiselle	Abacus Group
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
Jason Fortin	Fallon Community Health Plan
Robert Cannon	Fallon Community Health Plan
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Marc Waldman, called the meeting to order at 10:04 AM.

**Approval of the Minutes of June 13, 2013:**

Michael Boynton moved approval of the June 13, 2013 minutes as written.

Pete Hoagland seconded the motion. The motion passed by a unanimous vote.

Motion
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**Treasurer’s Report:**

Treasurer Ruth Hohenschau reviewed the Treasurer’s report through June 2013 (unaudited figures). She reported a decrease in the fund balance of \$5.5M and said the fund balance at the end of June was \$17,278,700 compared to \$22,746,936 at the end of June 2012. She said the funding was sufficient to cover claims but not the administrative expenses which were funded from the Fund Balance.

Carol Cormier said that the rates proposed are always presented with the administrative costs included, but the Board may chose not to fully fund the expected expenses if it wishes in order to reduce the fund balance. She said that was the case with the FY13 rates the Board adopted.

**GBS Reports:**

Funding Rate Analysis by Plan - Ms. Cormier reviewed the year-end FY13 Funding Rate Analysis by Plan and said that there was a data problem with the FY14, one-month, report. She said that it appears that there is about a \$1.5 million shortfall after one month into FY14. She said that she would send the report to the Board by email once all the data was in.

Reinsurance Reports - Karen Carpenter reviewed the FY12 and FY13 Stop Loss reports. She said that between the two policy periods there was only about \$100K outstanding in reimbursements.

Multi-Level Reinsurance Pooling Arrangement (MLRPA) - Marc Waldman said that there is still interest in the previously proposed reinsurance pooling across joint purchase groups. He said this would be similar to the pooling and self-funding within the WSHG. He said that he and chairs from CCMHG and MNHG were invited to participate in an advisory committee in early September, and the hope is to get the pool operational by July 1, 2014.

Carol Cormier explained that there was a change in the model for the MLRPA and that AIG is not involved in the new model. She said that the pool manager would not be an insurance carrier in the new model.

**Wellness Committee Report:**

Betty Dennis, Wellness Committee Chair, said that the Committee will re-issue the RFP for a Wellness Consultant by the end of September. She said that no responses were received to the original issuance of the RFP. She said that the Committee may downsize the RFP this time. She said in the meantime, units are running wellness programs independently.

**The Abacus Group reports:**

Linda Loiselle, Abacus Group, reviewed the reports for the Diabetes Rewards program report for the period 1/1/13 – 6/30/13. She said that 36% of those identified as having diabetes enrolled in the program and of those, 58% are compliant, i.e. have fulfilled all five care requirements recommended by the American Diabetes Association. She said total claims costs were \$398,462 and estimated savings of \$185,206. Ms. Loiselle reviewed the program promotions done by Abacus.

**Senior Plan Rates for January 1, 2014:**

Marc Waldman reminded the Board that all the senior plans were previously moved to January 1 renewals and that the Board had previously approved changing Medex, Medicare Enhance, and Managed Blue for Seniors to Medicare Part D plans, also known as Employer Group Waiver Plans (EGWPs).

Carol Cormier said that rates are available for review for BCBS Medex, Fallon Senior Plan, and the two Tufts plans, i.e. Tufts Medicare Preferred HMO and Tufts Medicare Supplement with PDP Plus. She said that Harvard Pilgrim Medicare Enhance and Managed Blue for Seniors rates are not available. She said proposed Medex rates and Fallon rates were in the Board packet.

Medex CY14 proposed rates: Ms. Cormier reviewed the Medex rates with the self-funded medical plan (Medex 2) and fully insured Medicare Part D plan (Blue Medicare RX). She showed the comparison of what the rates would be on Jan. 1 if the group had not decided to change Medex to a Part D plan. She said the change creates a 26.5% rate reduction. Ms. Cormier said the Medex Level Monthly Deposit will be reduced to \$265K.

Marc Waldman said that the WSHG will no longer receive a Retiree Drug Subsidy for plans moved to Part D plans but that the savings through the rates will be significant.

Peter Hoagland moved to approve the proposed Medex rate of \$311.63 for January 1, 2014 – December 31, 2014.

Motion
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Michael Boynton seconded the motion. The motion passed by unanimous vote.

Fallon Senior Plan CY14 rate: Bob Cannon, Fallon, reviewed the plan's fully insured rate with no plan design changes. He said the rate was increase to \$307 from \$279. He presented a plan design option of higher office visit co-pays, i.e. \$15 for PCP, PT, OT, urgent care facility and \$25 for a specialist visit compared to the current co-pays of \$10/\$20. Mr. Cannon said that with this option, the rate would decrease to \$278, one dollar less per month than current rate.

There was a discussion.

Michael Boynton motioned to adopt the option with Office Visit co-pays of \$15/\$25 and a monthly rate of \$278 for CY14.

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

Tufts Senior plans CY14 rates: Fred Winer, Tufts Health Plan, distributed materials describing the CY14 rates and plan changes.

Tufts Medicare Preferred HMO - Mr. Winer said that the HMO rate would increase from \$240 to \$252 for CY14. He said that the rate for Tufts Medicare Prime Supplement with PDP Plus would decrease from \$332 to \$320. He reviewed a new out-of-network vision benefit for 2014 saying that members continue to have the \$150 allowance to purchase eyeglasses or contacts at an EyeMed provider but as of 1/1/14 can get up to \$90 reimbursement when using any eyewear vendor.

Mr. Winer said that starting January 1 the Reliant Medical Group has chosen to partner exclusively with one Medicare Advantage HMO plan and that is the Tufts Medicare Preferred HMO. He said Reliant will continue to accept all Medicare supplement plans.

Tufts Medicare Supplement with PDP Plus – Mr. Winer said that CMS is making adjustments to Part D coverage effective Jan. 1 and reviewed the new initial coverage stage and catastrophic coverage stage. He said that there are no plan design changes to this supplement plan but that Tufts is now contracting with Hearing Care Solutions (HCS) to provide discounts on hearing aid products and services to members.

Michael Boynton asked to see rates from Tufts and HPHC with higher copays for Office Visits at the next Board meeting.

Mr. Winer said that Tufts has already filed its plan design options with CMS and could not make changes for CY14.

Marc Waldman said the Board would vote on the Tufts rates later in the meeting.

**Affordable Care Act and other health benefits legislation:**

MA law requiring employers to provide Section 125 pre-tax plans to all employees including non-benefit eligible employees - Carol Cormier said that the Massachusetts Health Care Reform law requires employers to offer access to a pre-tax S. 125 plan to all employees including those not eligible for benefits. She said that the Health Connector has been providing voluntary plans for non-benefit eligible employees but will not be doing so after Dec. 1, 2013 because this conflicts with the ACA's requirements of state health exchanges. Ms. Cormier said that employers need to find another source to obtain the voluntary plans. Ms. Cormier said that Mosaic Health Insurance Exchange is offered through the Small Business Service Bureau (SBSB) and seems to be the logical source to replace the Connector's voluntary plans. She said SBSB administered the Connector's voluntary plan program. Ms. Cormier said that the Commonwealth/GIC has recently entered into an agreement with Mosaic and said that GBS is looking into whether or not the municipalities can participate in the GIC's contract with Mosaic. She said she will inform the WSHG employers as soon as she has this information. She said that the Notice prepared by the MA Health Connector to be sent by employers to employees notifying them of the Health Insurance Marketplace (MA Health Connector) contains information about the S.125 plan requirement.

It was subsequently learned that MA municipalities and certain other public entities are eligible to participate in the Commonwealth's contract with Mosaic Health Insurance Exchange.
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Health Exchange Notice to Employees – Carol Cormier reviewed the employer requirement to provide notice of the Health Insurance Marketplace (Exchanges) to all employees. She said she had distributed much information on this topic via email.

Marc Waldman said the next big thing to be aware of with the ACA may be the so-called Cadillac Tax.

Carol Cormier said the Cadillac tax is scheduled to go into effect in 2018.

Michael Boynton suggested that each unit write to its Senators asking them to clarify exemptions to the Cadillac Tax.

**Health Plan Reports:** All the health plan Account Executives reported that their organizations were busy working on the issues related to the Affordable Care Act (ACA).

Bill Hickey said that HPHC is building limited networks and developing a Medicare Advantage plan that will be rolled out to the non-group market in January.

Erin Hayes said that Tufts is working on a defined contribution plan

**Communications to Medex and Medicare Enhance members using My Medication Advisor programs and Diabetes Rewards Program:**

Marc Waldman said that when Medex and Medicare Enhance change to Medicare Part D plans with fully insured Part D prescription drug plans, the members will no longer be eligible for the My Medication Advisor® (MMA) RX programs or the Good Health Gateway (GHG) Diabetes Rewards Program®.

Linda Loiselle from the Abacus Group which owns MMA and GHG, distributed the proposed transition plan. She said that 197 Medex and Medicare Enhance members use the MMA international RX program and 45 use the Alternative Generic Savings program. She said 51 members are enrolled in the Diabetes Rewards program. She said some of the members are participating in more than one program. Ms. Loiselle said that Abacus suggests employers send letters to members in late Sept./early Oct. informing them of the upcoming changes. She said as soon as this has been done, Abacus will send the letters in the packet she distributed, if approved. She said the letters inform members that they may order prescriptions through Dec. for a 90 day fill but that after that fill has expired they will have to use their health plan pharmacy benefit and that they will need to get a new prescription from their doctor.

Carol Cormier said she would draft a letter for employers to send to Medex and Medicare Enhance members informing them of the changes that will occur on January 1 including the loss of eligibility for the MMA and GHG programs.

Marc Waldman said employers will probably want to send the letters with the new senior plan rates which will be finalized at an October Board meeting.

Marc Waldman set the next Board meeting for October 9 at 3 PM at Natick Community Senior Center (location subject to approval).

Dan Morgado said he will meet with Town of Shrewsbury's IAC after the Board meeting, then send impact letters, and then send the notices to members.

**Vote on Tufts proposed CY14 Senior Plan rates:**

Michael Boynton moved acceptance of the Tufts Medicare Preferred HMO CY14 rate of \$252 and Tufts Medicare Prime Supplement with PDP Plus CY14 rate of \$320.

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

**Training session for Board and Benefit Administrators on transition to Medex and Medicare Enhance with Part D:**

***Blue Cross Blue Shield***

Suzanne Dohanue, BCBS, encouraged employers to have presentations at senior health fairs and suggested that seniors bring lists of their medications to the health fairs.

Ms. Donahue said the following of the change to the Medex plan –

- there will be premium reduction,

- no change to retail RX component,
- Mail Order will change from Express Scripts to CVS Caremark,
- no benefit changes or co-pay changes,
- two plans, i.e. Medex 2 for Medical and Blue Medicare RX, the PDP RX plan,
- Separate ID cards each of the above,
- new RX list –all current covered drugs are covered on Blue Medicare RX except for Folic Acid, Vitamin D, and lifestyle drugs such as Cialis and Viagra.
- co-pay tiers may change for some drugs.

Suzanne Donahue said the following of the change to the Managed Blue for Seniors plan –

- there will be premium reduction,
- Rx plan design will go from coinsurance to co-pays \$5/\$30/\$50 retail and \$10/\$30/\$60 mail order,
- Mail Order will change from Express Scripts to CVS Caremark,
- Two ID cards, one for medical and one for pharmacy,
- new RX list –all current covered drugs are covered on Blue Medicare RX except for Folic Acid, Vitamin D, and lifestyle drugs such as Cialis and Viagra.

Ms. Donahue discussed mailings required by CMS and forms. She said that there will be new customer services numbers for members. She talked about the CVS Fast Start program. She said that with the CVS Extra Care card members will get a 20% discount on CVS brand items.

#### ***Harvard Pilgrim Health Care***

Bill Hickey, Harvard Pilgrim Health Care, said HPHC will attend all retiree health fairs and said the following applies to the change to Medicare Enhance Part D plan:

- there will be premium reduction,
- Rx co-pays are on a 4-tier system and will be \$5/\$10/\$25/\$25 for retail and \$10/\$20/\$75/\$75 for mail order,
- 90-day supply at retail will be available at the mail order co-pay rates,
- First Health Part D will be the Part D prescription drug plan,
- Fewer than 1% will be affected by co-pay tier changes,
- Two ID cards, one Medicare Enhance card for medical and First Health ID for pharmacy,
- Medicare Enhance members will be auto-enrolled into the Medicare Part D plan unless they disenroll from Enhance to join another carrier's plan,
- Member Services available 24/7.

Marc Waldman asked BCBS and HPHC to look at the timeline and the CMS requirements.

#### **Other Business:**

There was no other business.

Chair Marc Waldman adjourned the meeting at 12:30 PM.

*Prepared by Carol Cormier,  
Group Benefits Strategies*