

**West Suburban Health Group  
Board Meeting**

Tuesday, June 14, 2016 at 1:00 PM

Natick Community Senior Center  
Natick, MA

**Meeting Minutes**

**Board and Alternate Board Members in Attendance:**

|                                       |                    |
|---------------------------------------|--------------------|
| Marc Waldman, Board Chair             | Town of Wellesley  |
| Dan Morgado, Steering Committee Chair | Town of Shrewsbury |
| John Senchyshyn                       | Town of Wayland    |
| Christopher Coleman                   | Town of Needham    |
| Jim Kern                              | Town of Dedham     |
| Martha White                          | Town of Natick     |
| Richard Tranfaglia                    | Town of Natick     |
| Mary Bousquet                         | Town of Holliston  |
| Bill McAlduff                         | Dover-Sherborn RSD |

**Guests in Attendance:**

|                          |   |
|--------------------------|---|
| Ruth Hohenschau          | WSHG Treasurer                                  |
| Atty. Kevin Feeley       | Feeley & Brown, P.C.                            |
| Atty. John F. Dolan, Jr. | Lighthouse Legal Counsel (representing Needham) |
| Scott Szczebak           | Town of Wellesley                               |
| Christine Fowler         | Town of Shrewsbury                              |
| Linda Clark              | Town of Natick                                  |
| Donna Lemoyne            | Town of Wayland                                 |
| Jeff Ritter              | Town of Holliston                               |
| Keith Buday              | Town of Holliston                               |
| Kate Fitzpatrick         | Town of Needham                                 |
| David Davison            | Town of Needham                                 |
| Cherry Karlson           | Town of Wayland                                 |
| Jim Mellen               | Cafeteria Plan Advisors                         |
| Linda Loiselle           | Abacus Health Solutions                         |
| William Hickey           | Harvard Pilgrim Health Care (HPHC)              |
| Erin Hayes               | Tufts Health Plan                               |
| Fred Winer               | Tufts Health Plan                               |
| Jason Fortin             | Fallon Health                                   |
| Mike Breen               | Blue Cross Blue Shield of MA                    |
| Kate Sharry              | Group Benefits Strategies (GBS)                 |
| Carol Cormier            | Group Benefits Strategies (GBS)                 |
| Karen Carpenter          | Group Benefits Strategies (GBS)                 |

Board Chair Marc Waldman called the Board meeting to order at 1:09 PM.

**Approval of the minutes of the February 23, 2016 meeting:**

Dan Morgado moved to approve the minutes as written.

Motion

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

**Treasurer's Report:**

Treasurer, Ruth Hohenschau, distributed and reviewed the Treasurer's report through May 31, 2016 (unaudited figures). She reported a Fund Balance of \$6,223,211 and said there was a one month increase of \$294,520 for May. Ms. Hohenschau reported health claims of \$90.7K and administrative costs of \$6.19M. Ms. Hohenschau reported reinsurance reimbursements of \$1.64M. She noted that May was a 5-week month for claims payments.

Marc Waldman said that an HPHC prescription rebate credit of \$429K will appear on the invoice in the third week of June.

Dan Morgado moved to accept the Treasurer's report.

Motion

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

**Update on independent analysis of the Fund Balance:**

Carol Cormier said that WSHG requested quotes to perform an independent analysis of the group's Fund Balance. She said the Steering Committee selected Milliman to perform the analysis. She said she expects the analysis to be ready soon.

**GBS Reports:**

*Funding Rate Analysis (FRA)* – Carol Cormier reviewed the FRA with data through April 2016. She said the expense-to-funding ratio across all plans on a *paid claims* basis was 96.9% with a surplus of funding over expenses of \$2.8M and noted over \$1.6M in reinsurance reimbursements were received during the period. Ms. Cormier reviewed the HPHC funding through May and said the expense-to-funding ratio was 103.7%.

*Reinsurance reports* – Karen Carpenter reviewed the *FY16 reinsurance report* and said there were 6 members that exceeded the \$300K specific deductible with claims totaling \$2.58M. She said a total of \$349,568 in reimbursements was received. Ms. Carpenter said there was a total of \$432,222 of reimbursements due WSHG. Ms. Carpenter reviewed the *FY15 reinsurance report* and said there was an overpayment of reimbursements in the amount of \$3,545. She said a total of \$1.54M in reimbursements was received.

**Abacus Reports:** Linda Loiselle distributed and reviewed the Diabetes Care Rewards Program and myMedicationAdvisor® reports with data from January 1, 2016 through March 31, 2016.

*Diabetes Care Rewards Program* – Ms. Loiselle reported on the first quarter of 2016. She said 42% of the 487 eligible WSHG members are enrolled in the program. She said that 51% of those enrolled are meeting the five care guidelines and receiving their medications and supplies at no cost. She reported estimated net savings to WSHG for the quarter of \$42,131 and \$16,417 of waived member copays. Ms. Loiselle reviewed the program promotional efforts.

*myMedicationAdvisor® Program (MMA)* – Ms. Loiselle said the CanaRx scripts are exceeding the projections, while the Alternative Savings Program purchases are slightly behind the budgeted amount. Ms. Loiselle reported an estimated net savings of \$191,099 and \$17,761 of waived member copays for the first quarter of 2016.

*Prescription Benefit Services (PBS)* – Linda Loiselle said that Abacus Health Solutions finalized the purchase of PBS on June 1, 2016. She said she will provide a new service agreement at the time of the WSHG's renewal. Ms. Loiselle said Abacus is working with the health plan providers to insure a smooth transition with no lag in service.

Marc Waldman said that the MMA program is not available for members of Fallon Health. He said that now that the enrollments in Fallon have increased, an analysis by Abacus Health Solutions has indicated that some savings may be realized to offer the program to Fallon members. Mr. Waldman said that the Steering Committee reviewed the information, found the expected savings to be small, and voted to put the proposal on hold until the next rate setting process.

**Plan design changes for future years:**

Marc Waldman noted that the Towns of Dover and Wrentham and Accept Education Collaborative were not represented at the meeting.

Mr. Waldman said that the WSHG Board voted previously to eliminate the Rate Saver plans on July 1, 2018. He said the WSHG Benchmark plans are being brought to the level of the GIC's benchmark plan effective July 1, 2016. He said the plan is to rename the Benchmark plans and to look at options that would replace the Rate Saver plans. Mr. Waldman said that Keefe Tech is introducing a Health Savings Account (HSA) plan with a high deductible plan for FY17 through HPHC and is expecting significant savings. Mr. Waldman said the Committee asked for and reviewed health plan alternatives provided by the health plans. He said the two concepts that drew the most interest were the limited network plan and the high deductible plan with an HSA. Mr. Waldman said that the HSA-qualified plan would provide the most substantial savings of the two options. He said that the private sector has moved in the direction of the HSA-qualified plans, and the Committee is bringing the information to the Board to get a sense on what course to take. Mr. Waldman said he asked Jim Mellen from Cafeteria Plan Advisors to speak today about how HSA plans work and to answer questions. Mr. Waldman said he also asked Attorney Kevin Feeley to attend the meeting to address any legal issues and answer questions including utilization of Chapter 32B, Sections 21-22.

*Presentation on HSAs – Jim Mellen, Cafeteria Plan Advisors* – Jim Mellen distributed a handout pertaining to HSA plans and presented a review. He said that an HSA plan is a tax-advantaged account owned by the employee with the purpose of paying for eligible medical expenses. He said contributions may be made by the employer and the employee with annual contribution limits. Mr. Mellen said that HSAs are only available to individuals with a qualifying High Deductible Health Plan and not available to those on Medicare.

Mr. Mellen said that individuals cannot be on a regular FSA (Flexible Spending Account) and HSA plan at the same time. He said a limited FSA plan for vision and dental benefits can be offered along with an HSA.

Mr. Mellen said that the IRS governs which expenses the HSA can be used for without penalties. He said the employee owns the account which is held in a financial institution, and debit cards are

used to pay for expenses. He said it can also be utilized on-line. Mr. Mellen said that there is a cash account side as well as an investment account side to the HSA. He explained that the Health Reimbursement Accounts (HRA) are different from HSAs because the employer funds and owns the money in the HRA. He said HRAs are usually used to offset higher copays and deductibles, and if the money isn't used, it stays with the employer. Mr. Mellen said that the HSA is the employee's money, and the account goes with the employee should he/she leave his/her employment. He said that any unused money in the HSA rolls into the next year.

Dan Morgado said that HSA accounts incentivize individuals to be better purchasers of healthcare.

In response to a question, Mr. Mellen said that the Dependent Care FSA plan can be offered with the HSA plan.

Mr. Mellen said the HSA contributions are pre-tax, and tax documents are required. He said that the debit cards can be coded to allow only authorized medical expenses to be paid from the account. Mr. Mellen said there are employer, employee, and administrative portal options.

Marc Waldman thanked Mr. Mellen for his presentation.

Mr. Waldman referred to the Harvard Pilgrim Health Care (HPHC) exhibit included in the meeting packet.

Bill Hickey, HPHC, said the HSA plan works in conjunction with a high deductible health plan. He said that the minimum deductible currently allowed by law is \$1,300 Individual and \$2,600 Family. Mr. Hickey said on page two of his exhibit, the "HPHC Best Buy HSA", listed first on the chart, depicts the plan that Keefe Tech chose for FY17. He said the savings expected to move from the WSHG HPHC Rate Saver plan to the HSA-qualified plan is about 30% based on a 50% contribution rate. He said that employers with higher contribution rates will see a lower rate of savings. He said that Keefe Tech is contributing 50% of the deductible amounts to the HSA. Mr. Hickey said that all medical services with the exception of preventative visits are subject to the HSA deductible. He said once the deductible is met, the member would only pay copays for their prescriptions.

Mr. Hickey said the HMO Focus plans, also listed on the exhibit, are Limited Network plans, and the deductible does not apply to all services.

Marc Waldman said that the focus of the recent Committee meetings has been on these two types of plans. He said the Board will need to decide which route that the WSHG will take. Mr. Waldman said the goal is to add a plan one year prior to the elimination of the Rate Saver plans on July 1, 2018. He said he is thinking that each governmental unit can provide its own HSA and provider and negotiations.

Dan Morgado said the Board may want to set the parameters of the high deductible plan and its level of benefits. He said that units may utilize Ch. 32B, Sections 21-22 to bargain to the current Benchmark plans and then add the HSA plan.

Attorney Kevin Feeley suggested setting up guidelines or an advisory when establishing maximum contributions. He said if units opt to implement more than the Benchmark plans, they would utilize the traditional Ch. 150E bargaining. Atty. Feeley suggested presenting the information informally and coming to an agreement. He said each community will be different

based on their contribution rates. Atty. Feeley noted that it is not unusual for the employer to set an HSA contribution amount and that the limits may change due to a change of a law provision or federal law change.

Marc Waldman asked the Board of their interest in the Limited Network Plans.

The Board members agreed that they were not interested in adding Limited Network Plans to the WSHG offerings.

Christopher Coleman said that the Committee is also taking into consideration a transition to help the lower income employees.

Bill Hickey said that he contributes to his own HSA plan and will use it to help him to manage his medical expenses during his retirement.

Scott Szczebak said that he wants the employees to be conscientious healthcare consumers rather than providing incentives to employees that do not utilize the insurance. He said he doesn't think that the HSA plans are right for Town of Wellesley at this time and would like to transition to the Benchmark plans first.

Carol Cormier said that both types of plans will be available for the WSHG employers to choose, and for the employees to choose if the employer offers both types of plans.

Marc Waldman said that he is hearing that the Board wants to move towards offering both the Benchmark and High Deductible HSA-qualified plans. He said that the GIC does not release information about its benefits and rates in time for WSHG to consider making changes up to their benchmark plan until the following year.

Dan Morgado said he would favor leaving the Benchmark plan design as it stands effective 7/1/16 and putting efforts towards adding a new plan design.

Erin Hayes, Tufts Health Plan, noted that the GIC will be going out for health plan procurement in 2018.

The Board members confirmed that they would like to make the HSA-qualified plans available on 7/1/17 and to have the level of the deductible at \$2,000 Individual and \$4,000 Family and with a 4-tier closed Rx formulary. It was also noted to keep the FY17 Benchmark plan designs the same, but to re-name them.

Marc Waldman said another Steering Committee and Board meeting will need to be scheduled to vote by October.

A Steering Committee meeting was scheduled for July 12, 2016 at 1:00 PM at the Shrewsbury Municipal Office Building, Shrewsbury, MA.

Erin Hayes said she would send a new grid for the HSA-qualified plan design.

**Units withdrawing effective July 1, 2016:**

Dan Morgado made a motion to enforce the Joint Purchase Agreement (JPA) as written.

Motion

Marc Waldman seconded the motion. The motion passed by unanimous vote.

Christopher Coleman suggested sending a letter to each unit reminding them of the JPA terms.

**RDS re-opening application audits – update:**

Marc Waldman said that In-Tech Health Services was retained on a contingency fee basis, and the process is underway.

**Other Business:**

Marc Waldman said that Mike Breen, BCBS, would like to meet individually with each WSHG unit and said he did not have any objections.

HPHC Telehealth – Bill Hickey said the Telehealth business is rapidly growing, and HPHC will be adding it to the WSHG HPHC plans July 1, 2016 at no charge to WSHG. He said it is named “Doctors on Demand” and members can download an APP to their phone or tablet. He said members can have a PCP visit for certain services such as respiratory infections and earaches. Mr. Hickey said the regular PCP copay will be charged, and it may save money by ER avoidance. He said the telehealth doctors can prescribe some medications that are non-narcotic. Mr. Hickey said the program is not available yet to Medicare eligible members.

There was no other business.

Martha White moved to adjourn.

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| Motion |
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Christopher Coleman seconded the motion. The motion passed by unanimous vote.

Marc Waldman adjourned the meeting at 3:15 PM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*