

**West Suburban Health Group
Board Meeting**

Tuesday, June 20, 2017 at 10:00 AM

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
Jim Kern	Town of Dedham
Martha White	Town of Natick
Mary Bousquet	Town of Holliston
William Ketcham	Town of Wrentham
Christopher Coleman	Town of Needham
Rachel Glisper	Town of Needham
Donna LeMoyne	Town of Wayland

Guests in Attendance:

Ruth Hohenschau	WSHG Treasurer
Anne Costello	WSHG Asst. Treasurer
Michele Craemer	Wellness Consultant
Bryan Adams	NFP
Attorney Leo Peloquin	Collins, Loughran, & Peloquin, P.C.
Sue Shillue	Cook & Co.
Christine Fowler	Town of Shrewsbury
Kristen Las	Town of Shrewsbury
Jeff Ritter	Town of Holliston
Linda Clark	Town of Natick
Marianne Davis	Natick Public Schools
William Chenard	Town of Natick
John Townsend	Town of Natick
Julie Skipper	Town of Natick
Kate Fitzpatrick	Town of Needham
David Davison	Town of Needham
Chuck Murphy-Romboletti	Town of Needham
Debbie Deegan	Town of Dedham
Tricia Schmitt	Dover Sherborn Reg. School District
Brad Crozier	Town of Wayland
Blythe Robinson	Town of Wellesley
Scott Szczebak	Town of Wellesley
Dawn Fattore	Dover Sherborn Reg. School District
William Hickey	Harvard Pilgrim Health Care (HPHC)
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan – Senior plans

Julia LeBrun
Joe Anderson
Jonathan Payson
Carol Cormier
Dan Craig

Fallon Health
Fallon Health
Blue Cross Blue Shield of MA (BCBSMA)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Board Chair Marc Waldman called the Board meeting to order at 10:05 AM.

Mr. Waldman asked the attendees to introduce themselves.

Mr. Waldman announced that this was Steering Committee Chair Dan Morgado's last meeting. Mr. Waldman said he reviewed several years of meeting minutes, and he provided a brief history of Mr. Morgado's participation and contributions to the WSHG. He thanked Dan Morgado and wished him well in his retirement as Town Manager, Town of Shrewsbury.

Approval of the minutes of the May 8, 2017 meeting:

Dan Morgado moved to approve the minutes of the May 8, 2017 meeting.

Motion

Mary Bousquet seconded the motion. The motion passed by a unanimous vote.

Treasurer's Report:

Treasurer, Ruth Hohenschau, distributed and reviewed the financial reports through May 31, 2017 (unaudited figures). She said the Fund Balance decreased \$1 million in May to \$2,147,126. She said that the Fund Balance on June 30, 2016 was \$6,236,679. Ms. Hohenschau said that the Total Claims and Premiums net of reimbursements was \$103.99 million at the end of May and member assessment revenue was \$105.1 million.

Dan Morgado asked Ms. Hohenschau if there was any information on why May claims were so high.

Ms. Hohenschau said that May was a five week month for claims payments.

Motion

Dan Morgado made a motion to accept the Treasurer's report.

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

GBS Reports:

Funding Rate Analysis (FRA) – Carol Cormier reviewed the FRA with data through May 2017. She said the expense-to-funding ratio across all plans on a *paid claims* basis was 100.4% with a shortfall of funding of \$331K. She said the report included over \$2.1 million in reinsurance reimbursements.

Reinsurance reports –

Ms. Cormier reviewed the *FY17 policy period* reinsurance report with reimbursements through May 8th. She said that six members incurred claims totaling \$3,223,238 with claims above the stop loss deductible ("excess claims") totaling \$1,423,238. She said WSHG has received \$1,222,527 in reimbursements so far and is owed \$200,665.

Carol Cormier reviewed the *FY16 policy period* excess claims report with 11 members having total claims of \$4.92 million and excess claims of \$1.62 million. She said reimbursements as of May 8th were \$1.6 million. She said another \$24,300 is owed to WSHG.

Wellness Committee Report:

FY18 Proposed Wellness Budget - Michele Craemer, Wellness Consultant, reviewed her handout describing the Wellness Committee's FY18 budget request. She said that the Committee tried to cut the budget and did to an extent, but said with wellness programs you have to spend money upfront in order to get savings later on. She said that it is proposed to continue the \$6,000 stipends per unit for wellness efforts.

Marianne Davis said that the Wellness Consultant allotment has been reduced by \$2,000 to bring it to \$40,000.

Ms. Craemer said the total FY18 Wellness budget request is \$116,000.

Jim Kern moved to approve the FY18 wellness budget proposal as presented.

Motion

Chris Coleman seconded the motion. The motion passed by unanimous vote.

Alternative Prescription Drug Purchasing Programs:

Dan Morgado presented the Steering Committee's recommendation on the issue of the service provider for the CanaRx international prescription drug buying program. He said the Committee recommends terminating the PBS/Abacus contract effective October 1, 2017. He said WSHG has been using Abacus and PBS for many years and paying monthly fees for their services. He said now CanaRx is able to provide the services and does not charge an extra fee. He said CanaRx's compensation is built into the per pill costs and WSHG has been paying it all along. He said the Committee met with the Abacus team and separately with the representative from CanaRx before deciding on its recommendation.

Marc Waldman said that PBS/Abacus had made a new contract proposal in which they would add specialty medications to the drug lists and take 20% of additional savings in addition to their per subscriber fees.

Dan Morgado moved to terminate the PBS contract and Abacus services effective October 1, 2017.

Motion

Martha White seconded the motion.

Carol Cormier noted that the motion does not affect the Diabetes Rewards program administered by Abacus. She said this is under a separate agreement. She also noted that the motion will affect the Alternative Savings Program (ASP), a retail pharmacy program which is administered by Abacus under the same PBS contract that covers the CanaRx program. She said there are very few scripts filled through the ASP program and that it would not continue if the WSHG terminates the PBS contract. She said she would ask Abacus for the information to inform the ASP participants of the change.

Ms. Cormier noted that only the employee/member who is purchasing prescription drugs from CanaRx would enter into a contract with CanaRx. She said WSHG has never had a contract with

CanaRx and would not have one under the new arrangements proposed in Dan Morgado's motion.

There was a vote on Mr. Morgado's motion. The motion passed by unanimous vote.

Vote on motion

Benchmark plans:

Marc Waldman said that the *Rate Saver* plans will be eliminated at the end of FY18. He said that then only the *Benchmark* plans and the *HSA-qualified High Deductible Health Plans (HDHPs)* will be offered by WSHG. He said that Bryan Adams from NFP will give a presentation about HSAs and HDHPs. He asked Ms. Cormier to speak briefly about the *Benchmark* plans.

Ms. Cormier called attention to the FY18 WSHG plan comparison chart. She said the WSHG *Benchmark* plans are similar in features to the GIC's benchmark plan as it was two years ago. She said she highlighted the plan features on the comparison chart that are different for the *Benchmark* plans than for the *Rate Saver* plans. She said that the main feature is that the *Benchmark* plans have deductibles and *Rate Saver* plans do not. She said there are also differences in copays and said that with the highlighting the readers will be able to identify the differences in the plans easily.

Marc Waldman mentioned that the GIC will probably be making changes for FY19 and will be issuing an RFP to the health plans fairly soon.

HSA plans and High Deductible Health Plans (HDHPs):

Marc Waldman said that Dedham is the early adopter in the WSHG and asked Jim Kern to introduce the speaker, Bryan Adams.

Jim Kern gave the background on Town of Dedham's efforts to offer the HSA-qualified HDHPs. He said the Town is offering these plans to non-union employees and that the adoption rate was better than 65%. He explained Dedham's contributions to the HSAs and after-tax additional contributions.

Mr. Kern introduced Bryan Adams from NFP whom he said helped the town in the educational process.

Mr. Adams distributed Powerpoint slides and reviewed the information about HSAs. He emphasized that one needs to hear this information multiple times in order for it to sink in. Mr. Adams reviewed some examples of expenditures for health care services used by a member with an HDHP and how they worked out for the member with an HSA. Mr. Adams called attention to the frequently asked questions and answers section of the handout. He answered questions from the audience.

There was a question about the HDHPs and the CanaRx prescription drug purchasing program.

Carol Cormier said she prepared a one-pager on this topic and put it in the Board packet.

Informational sessions about HSAs and HDHPs:

There was a discussion about how to get the word out about the new plans, the timing and the initial target group.

It was agreed that it is important to inform the union leaders early on and that the initial informational sessions should be held with Union representatives.

Health Plan reports:

Bill Hickey said that *Harvard Pilgrim* is moving its specialty drug program to CVS/Caremark.

Fred Winer, *Tufts Senior plans*, said that prescription drug trend is high among the senior plans nationwide and so wanted the group to be aware of this prior to release of the senior plan rates in the early fall.

Erin Hayes, *Tufts Health Plan*, said there will be changes to the Tufts Wellness program in the Fall. She said it will be an enhancement with the addition of free online coaching.

Town of Sherborn issue:

Dan Morgado said, “Mr. Chairman: I move that the West Suburban Health Group (WSHG) Board go into executive session pursuant to General Laws Chapter 30A, Section 21(a)(3) in order to discuss strategy with respect to litigation as an open meeting may have a detrimental effect on the litigating position of the West Suburban Health Group (WSHG). The litigation matter involves the Town of Sherborn’s financial obligations under the WSHG Joint Purchase Agreement. I further move that the Board not return to open session.”

Motion

Martha White seconded the motion.

Marc Waldman called for a roll call vote on Mr. Morgado’s motion.

The roll call vote was as follows:

- Martha White – Yes,
- Dan Morgado – Yes,
- Marc Waldman – Yes,
- Jim Kern – Yes,
- Chris Coleman – Yes,
- William Ketcham – Yes,
- Mary Bousquet – Yes,
- Donna LeMoyne – Yes.

Chairman Marc Waldman said the Board was in Executive Session and would not return to Open Session.

*Prepared by Carol Cormier
Group Benefits Strategies*