

**West Suburban Health Group
Board Meeting**

Thursday, September 18, 2014, 10 AM

Natick Senior Community Center
Natick, MA

Meeting Minutes

Board Members in Attendance:

Marc Waldman, Chair	Town of Wellesley
Dan Morgado	Town of Shrewsbury
Elizabeth Dennis	Town of Needham
John Senchyshyn	Town of Wayland
Debbie Deegan	Town of Dedham
Gerard Lane	Town of Dover
Jim Johnson	Town of Walpole
Kirsteen Leveillee	So. Middlesex RSD
Karen Jelloe	Town of Wrentham
Maria Rosado	Accept Education Collaborative
Debbie Reynolds	Town of Sherborn
Rose Bragdon	The Education Cooperative
Martha White	Town of Natick

Guests in Attendance:

Ruth Hohenschau	Treasurer
Anne Costello	Assistant Treasurer
Donna Lemoyne	Town of Wayland
Linda Clark	Town of Natick
Stephanie Foley	Town of Holliston
Marianne Davis	Natick Public Schools
Bill Rowbottom	Blue Cross Blue Shield of MA
Erin Hayes	Tufts Health Plan
Joe Joyce	Tufts Health Plan
Fred Winer	Tufts Health Plan – Senior Plans
Joe Anderson	Fallon Health
Patrick Flaherty	Fallon Health
Bob Cannon	Fallon Health Senior Plans
Linda Loiselle	Abacus Health Solutions
Jillian Kiernan	Abacus Health Solutions
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Marc Waldman, called the meeting to order at 10:20 AM.

Approval of the Board meeting minutes of March 18, 2014:

John Senchyshyn moved to approve the minutes of the March 18, 2014 Board meeting.

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

Motion

Treasurer's Report:

Ruth Hohenschau distributed the Treasurer's fiscal year-end report through June 30, 2014 (unaudited figures). She said there was a decrease in the fund balance of \$7.92M over the 12-month period. Ms. Hohenschau noted that \$5.9M of the fund balance was expected to subsidize the FY15 health plan rates.

Marc Waldman noted that the fund balance is at the lower end of the range of the unreserved fund balance policy range. He said if the trend continues, there may not be as much surplus available when setting the FY16 health plan rates.

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

Motion

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

Steering Committee (SC) Vacancies:

Marc Waldman said that there are two SC vacancies and possibly a third forthcoming. Mr. Waldman said that the SC appointed Dan Morgado as the SC Chair, and John Senchyshyn as the SC Vice-Chair. Mr. Waldman said that he has taken action to move himself to a non-voting SC member, which will leave a fourth vacancy. He said that the SC is recommending Martha White, Town of Natick and Kirsteen Leveillee, South Middlesex Regional VTHS to the Board to fill two of the vacancies and James Johnson, Town of Walpole, and Jerry Lane, Town of Dover to fill the other two expected vacancies when they become open.

Dan Morgado made a motion to fill the two vacancies and nominated Martha White, Town of Natick and Kirsteen Leveillee, South Middlesex Regional VTHS, He further moved to fill the two conditional vacancies with Jerry Lane, Town of Dover and James Johnson, Town of Walpole.

Motion

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

Abacus Group Reports:

Linda Loiselle distributed and reviewed the myMedicationAdvisor (MMA) prescription drug program and the Diabetes Rewards program reports. Ms. Loiselle reviewed the MMA report through June 2014, 6 months, and said that the total number of international buying scripts exceeded the projections. She said that the total net savings was \$375,605

and that the employee co-pay savings was \$62,934. Ms. Loiselle noted that Lipitor continues to remain on the approved medication lists.

Linda Loiselle reviewed the Diabetes Rewards® Program report with data through August and said that the enrollment has increased to 40% of those eligible. She said the enrollment is 41%, slightly above the goal of 40%. Ms. Loiselle said that 51% of those enrolled are compliant with program requirements and said that exceeds the compliance goal of 50%. She said that the WSHG enrollment and compliance percentages also exceed the municipal average. Ms. Loiselle said that the total claims cost of the Diabetes program is \$521,564 and said that the member co-pays waived was \$55,157.

Jillian Kiernan reviewed the Diabetes program promotion efforts which included a registration incentive of \$50 to newly enrolled members, help line calls, compliance certificates and attendance at health fairs.

Group Benefits Strategies (GBS) reports:

Funding Rate Analysis (FRA) Report – Carol Cormier reviewed the year-end report with data through June 2014. She said on a paid basis there was a funding shortfall of \$5.2 million at the end of June. She said this is close to the amount of Fund Balance reduction that the group expected for FY14 but reminded the Board that the FRA report is on a paid basis and not on an incurred basis. Ms. Cormier reminded the Board that CY13 is the last year for which WSHG will receive the Retiree Drug Subsidy (RDS) because WSHG changed Medex, Managed Blue for Seniors, and Medicare Enhance to EGWPs (Medicare supplement plans with Medicare Part D plans) effective January 1, 2014. She said EGWPs are not eligible for RDS. She said employers and retirees will have lower rates with the EGWPs, but there will be a loss of revenue for WSHG.

Reinsurance reports – Karen Carpenter reviewed the reinsurance reports for FY14 with data through August 2014. She said that there were 11 members exceeding the \$300K specific deductible with claims totaling \$4,868,472 and excess claims of \$1,568,472. She said the Group met the \$500K aggregating specific deductible (ASD) and received \$488,959 in reimbursements. She said an additional \$579,513K is owed the group. She said two of the four members are deceased. She said there were 37 members with claims between \$150K and \$300K with claims totaling \$7.27 million.

Affordable Care Act:

PCORI fees - Carol Cormier said that the PCORI fees will be paid by WSHG. She said the FY13 fees were due no later than July 31, 2014 according to the IRS regulations and legal advice obtained by GBS. She said three of the Joint Purchase Groups (JPGs) received late fee notices with penalties and interest. Ms. Cormier said one of the JPGs contacted the IRS, and the IRS waived the penalties, but not the interest charge. Ms. Cormier said Marc Waldman spoke to someone at the IRS who advised him to fill out an IRS 720 correction form and change the date to 2014, which he did. She said we will now wait to see what happens.

Transitional Reinsurance Program (TRP) fees - Ms. Cormier said she shared information with Treasurer Ruth Hohenschau about setting up the www.pay.gov account required to file and submit payment for TRP fees. She said that the fee is \$63/member/year, and for WSHG the amount could be over \$1 million due by January 15, 2015. She said that the form for filing is not yet on the website, but that once it is available, GBS will provide the required information to Ms. Hohenschau to submit.

Health Plan ID (HPID) – Carol Cormier said that GBS will apply for the HPID for WSHG and for its other clients.

Subsequently the requirement to file for an HPID was withdrawn by the federal government.

Request for records – Marc Waldman said that in addition to the previous letters sent to some of the WSHG units, the MA Independent Pharmacists Association (MIPA) has sent a letter to the WSHG. Mr. Waldman said that Carol Cormier has drafted a letter of response to MIPA, along with an estimated cost to gather the documents requested. Mr. Waldman said any unit that receives a letter should contact him or Ms. Cormier.

Wellness Committee report:

Marc Waldman said that the Wellness Committee worked hard throughout the summer, putting out an RFP in search of a Wellness Coordinator and to develop wellness goals for FY15. He said that the Committee will be making a recommendation to the Board. Mr. Waldman said that the SC is making a recommendation to keep the FY14 wellness program budget and unit stipend amounts the same for FY15. He said the budget and stipends would be revisited once the new Wellness Coordinator is up to speed.

Dan Morgado made a motion to set the FY15 wellness budget and stipends the same as they were in FY14 and to revisit the issue once the coordinator and programs are implemented.

Motion

Karen Jelloe seconded the motion. The motion passed by a unanimous vote.

Marianne Davis, Wellness Committee Chair, said that she and Kirsteen Leveillee will be representing the Wellness Committee when speaking today. She said the Committee met several times during the summer and also met with each health plan representative to find out what programs are available through them. Ms. Davis said the Committee also reviewed claims data to determine the programs that would be most effective and beneficial to WSHG members. Ms. Davis said that the HPHC data was utilized since the HPHC plans have the largest enrollment counts. She said the Committee’s focus was to hire a coordinator, finding a wellness champion at each unit, determining the areas needing to be addressed and developing a start-up budget.

Ms. Davis said the claims data suggested that a colonoscopy incentive may be one area to address. She said educating the members on wellness initiatives and benefits such as the

Fitness Reimbursement and Minute Clinics will also help. Ms. Davis said employers can direct the members to the WSHG Wellness webpage for additional information about what is available. She offered to help any of the WSHG wellness champions with ideas to set up wellness fairs and workplace challenges.

Kirsteen Leveillee said the first goal of the Wellness Committee was to hire a Coordinator. She said they followed the Ch. 30B procurement process when implementing the search. Ms. Leveillee said the original RFP was revised to lower the 30-hour work week requirement down to 20 hours. She said two qualified candidates applied for the position and were interviewed by the Committee. Ms. Leveillee said the Committee chose a candidate and is making a recommendation to hire Michele Bredice Craemer as the WSHG Wellness Coordinator as an independent contractor with a contract rate of \$40 per hour for up to 20 hours per week, for 48 weeks to begin in September 2014. Ms. Leveillee gave a brief description of Ms. Craemer's qualifications.

Dan Morgado made a motion to approve the Wellness Committee's recommendation for a Wellness Coordinator as described.

Motion

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

Marc Waldman said that it is important for each WSHG unit to appoint a Wellness Liaison that could help with communications between the Coordinator and the unit's employees.

Marc Waldman thanked the Wellness Committee members for their efforts.

Senior Plan Rates for January 1, 2015:

Marc Waldman said WSHG offers six senior plans, four that are fully insured and two that are self-funded. He said all of the senior plans renew on January 1 each year and asked the health plan representatives to speak about any CY15 plan changes.

Fred Winer said that there are no benefit or copay changes to the Tufts senior plans. He said that Tufts Health Plan has applied to the Division of Insurance (DOI) to add hearing aid discounts to the Medicare Supplement Plan, similar to those on the Medicare Preferred HMO plan. He said they are waiting for an answer from DOI.

Suzanne Donahue said there are no Managed Blue for Seniors or Medex plan benefit changes for CY15.

Bob Cannon said that the Fallon Senior Plan 3rd tier prescription co-pays will be increasing. He said the retail 3rd tier copay will increase by \$5 and the mail-order 3rd tier copay will increase by \$10. He said the plan will continue to cover smoking cessation therapy, but said the nicotine therapy benefit will be discontinued. Mr. Cannon said the retail cost of the nicotine therapy is reasonable so the member would probably be able to afford this. He noted that CMS increased the catastrophic coverage out-of-pocket drug

cost threshold and said that once the member has reached \$4,700 in OOP drug costs, the copay will be \$2.65 for generic drugs and \$6.60 for all other drugs effective January 1, 2015.

Carol Cormier reviewed the BCBS Medex and HPHC Medicare Enhance CY15 rate projections and noted that the medical portion of the rate is self-funded, while the prescription portion, i.e. the Medicare Part D plan, is fully insured. She reviewed the administrative fees and said that BCBS held its administrative fee and HPHC decreased its fee by 5% for CY15.

Ms. Cormier said that the carrier projection for the Medex plan is \$333.44, a 7.0% increase. She said the GBS projection is \$351.06, a 12.7% increase.

Ms. Cormier said that the carrier projection for the Medicare Enhance plan is \$321.49, a decrease of 2.1%. She said the GBS projection is \$313.74, a decrease of 4.4%.

Suzanne Donahue said that the Managed Blue for Seniors rate increase is due to low enrollment and said it is community rated. She also said that the prescription drug trend has increased.

Carol Cormier said there are new Hepatitis C drugs that became available that are very costly. She asked each of the health plan representatives to send her a report of how many WSHG members are taking the drug.

Bill Hickey said that the Medicare Enhance rate is experience driven rather than community rated.

Dan Morgado made a motion to set the Medex rate at \$340, a 9.4% increase, to hold the Medicare Enhance rate of \$328.33 and to accept the insured plan rates as presented.

Motion

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

Carol Cormier said she would send out the wellness stipend guidelines and the CY15 senior plan rates.

DOI letter on transgender services:

Referring to a DOI Bulletin of June 2014 Marc Waldman said that the DOI has concluded that excluding coverage for gender identity or gender dysphoria-related treatment will be considered prohibited sex discrimination because it would be a limitation of coverage based on the sex of the insured. He said that the Steering Committee is taking it under advisement and will make a recommendation to the Board following a review of the law. He noted that the health plans will be adding the extended coverage to their fully insured business.

Dan Morgado made a motion to acknowledge receipt of the DOI bulletin and will discuss and adopt regulations as required by law at the next Steering Committee and Board meetings, and will do so prior to July 1, 2015.

Motion

Betty Dennis seconded the motion. The motion passed by a unanimous vote.

Mr. Morgado asked that this item be carried to the next meeting agenda.

Other Business:

Marc Waldman said that the GIC as an option was discussed at the last meeting.

Dan Morgado asked for a “heads up” from any WSHG unit seriously considering a move to the GIC, prior to working on the FY16 health plan rate projections. He noted that there participating governmental units may only withdraw on June 30 of any year. He said there is a required notification of contemplation of withdrawal by January 30 and a March 31st deadline to notify WSHG of withdrawal from the group.

Marc Waldman said that it would be very helpful to know of the unit’s intentions in advance.

There was no other business.

Dan Morgado moved to adjourn the meeting.

Motion

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

Marc Waldman adjourned the meeting at 11:20 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*