

**West Suburban Health Group
Board Meeting**

Tuesday, September 24, 2015, 9:30 a.m.
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
David Ramsay	Town of Dover
Jerry Lane	Town of Dover
Christine Tague	Dover Sherborn RSD
Miriam Johnson	Town of Dedham
Debbie Deegan	Town of Dedham
Mary Bousquet	Town of Holliston
Richard Tranfaglia	Town of Natick
Elizabeth Dennis	Town of Needham
Debbie Reynolds	Town of Sherborn
Kirsteen Leveillee	South Middlesex RSD
John Senchyshyn	Town of Wayland
William Ketcham	Town of Wrentham
Karen Jelloe	Town of Wrentham

Guests in Attendance:

Anne Costello	WSHG Assistant Treasurer
Bill Hurley	ACCEPT Education Collaborative
Jim Kern	Town of Dedham
Linda Clark	Town of Natick
Bill Chenard	Town of Natick
Donna Lemoyne	Town of Wayland
David Davison	Town of Needham
Hans Larsen	Town of Wellesley
Scott Szczebak	Town of Wellesley
Joanne Liburd	Town of Wellesley
Bahiya Sauer	Town of Wellesley
Christine Fowler	Town of Shrewsbury
Hans Baumhauer	Dover Sherborn RSD
Stephanie Foley	Town of Holliston
Marianne Davis	Natick Public Schools
Michael Breen	Blue Cross Blue Shield of MA
William Hickey	Harvard Pilgrim Health Care
Jason Fortin	Fallon Health

Joe Anderson	Fallon Health
Bob Cannon	Fallon Health
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan Senior Plans
Jason Fortin	Fallon Health
Joe Anderson	Fallon Health
Kate Sharry	Group Benefits Strategies
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Marc Waldman, called the meeting to order at 9:40 AM

Approval of the minutes of the June 16, 2015 meeting:

Betty Dennis made a correction on page 5 to add an omitted word and with that correction moved to approve the minutes.

Motion

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

Treasurer's Report:

Assistant Treasurer, Anne Costello, distributed the Treasurer's report through August 31, 2015 (unaudited figures). She reported a Fund Balance of \$3,992,386 which was a \$1.96 million decrease since June 30, 2015. She said that the auditor should be done with the FY15 audit soon.

Marc Waldman said that the WSHG is paying the run-out claims of the four units that withdrew on July 1, 2015. He said that there will be no fund balance available to reduce the FY17 rates. He said any additional units that might withdraw from WSHG would put significant strain on the remaining units. He asked that each Board member inform the WSHG as soon as possible if their unit is considering withdrawing.

Carol Cormier said she strongly recommended reviewing the Joint Purchase Agreement (JPA), specifically the terms of withdrawal from the group and liability upon withdrawal. She said that she thinks some changes should be made to protect the group.

Marc Waldman agreed that there may need to be changes to the JPA. He said that if the Board agrees, Steering and Board meetings should be scheduled within a month or so.

It was the consensus of the Board that review of the JPA should be pursued.

Dan Morgado moved to accept the Treasurer's report.

Motion

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

Wellness Committee report and proposed budget:

Marc Waldman said the Wellness Committee brought its proposed budget before the Steering Committee, and the Committee asked for additional information about *Airbo* prior to adoption of the budget. He said that the Committee wanted the Board to hear the information.

Kirsteen Leveillee, Wellness Committee, said that the Committee reviewed utilization and cost reports from the health plans. She said that the Committee is proposing a shift in the budget so that all units can receive the same value from the programs. She said that Natick, Dedham, and So. Middlesex Regional are all using *Airbo*. She said it is a messaging system allowing employers to send out quick visual information and messages to employees.

Maryanne Davis, Wellness Committee Chair, reviewed the *Airbo* program and said she has been using it with the Natick Schools employees for two years. She said employee engagement is the key. She said she sends Wellness information through *Airbo* each week. Employees who read the materials and answer questions earn points and tickets which qualify them to enter raffles for prizes. Ms. Davis said that she provides the weekly *Airbo* tiles to the participating employers and is willing to continue to do so.

Miriam Davis, Wellness Committee and representative from Dedham, said she has been using *Airbo* for one year. She said she has found it to be the best way to communicate wellness messages to employees with very little administrative work.

Marc Waldman called attention to the Wellness budgets and expenditures in the Treasurer's reports.

Kristeen Leveillee said \$15,000 was put in the proposed budget to fund *Airbo* for other WSHG employers.

John Senchyshyn asked if the unit wellness allowances for the year will be lower.

Kirsteen Leveillee said that there is a shift in emphasis from local programs to groupwide programs.

Miriam Johnson said that there is \$4,100 per employer with flexibility.

Marc Waldman said that from the WSHG standpoint, the group should be creating a culture of wellness leading to healthy employees across the entire group.

Dan Morgado said it is likely to take several years to see results, but that he supports the wellness effort, having seen a big change in his town over the past year.

Jim Kern, Dedham Town Manager, said the programs take a while but that he has seen a difference.

In response to a question from Betty Dennis, Ms. Davis said that *Airbo* provides instructions and support through the phone.

Marc Waldman suggested that a date be set for a meeting on Wellness to which all the employers are invited and at which instruction in using *Airbo* is provided.

Dan Morgado moved to approve the proposed FY16 Wellness budget.

Motion

Dave Ramsay seconded the motion. The motion passed by unanimous vote.

CY16 Senior Plan rates:

Carol Cormier reviewed the Summary of the Funding Rate Analysis (FRA) for the first month of FY16. She said that the July funding through the rates fell short of expenses by \$619K. She said that the funding from the rates would have exceeded expenses had it not been for the \$1.4 million in run-out claims from the four units that left the group on 6/30/15. She said that the run-out claims amounts should decline significantly after the first month.

Fully insured Senior Plan CY16 renewals –

Carol Cormier called attention to the rate sheet for the proposed CY16 fully insured Senior plans and asked the health plan representatives to speak to the rates and any changes in the plans.

BCBS Managed Blue for Seniors – Michael Breen, BCBS, presented the renewal. He said the CY16 rate would be \$313.19. Marc Waldman asked if BCBS would round the rate to \$313, and Mr. Breen said he wasn't sure but would check. He said he knew that BCBS would be okay with rounding to \$313.20.

Tufts Senior plans - Fred Winer reviewed the presentation on the Tufts Senior plan renewals for the Medicare HMO and Medicare Supplement plans noting the addition of Beth Israel Hospital to the Medicare HMO network and new features and allowances that will be offered for CY16.

Fallon Senior plans - Bob Cannon noted that Fallon is making required plan design changes but that there are also optional changes that the WSHG could adopt which would reduce the rates.

There was a discussion about optional Fallon Senior Plan design changes, the alternative to the current plan.

John Senchyshyn moved to adopt the Fallon alternative Senior Plan.

Motion

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

Partially self-funded Employer Group Waiver (EGWP) plans –
BCBS Medex HPHC Medicare Enhance –

Carol Cormier reviewed the GBS and the health plan calculations for BCBS Medex2 and HPHC Medicare Enhance plans, medical only. She reviewed CY16 Blue Medicare Rx and Aetna PDP premiums. She said that \$360 would be the blended rate for Medex and recommended funding Medicare Enhance at \$342.

Karen Jelloe moved to adopt the fully insured CY16 Senior Plan rates and the CY16 EGWP plan rates as presented, rounding the Managed Blue for Seniors rate to \$313.20.

Motion

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

Bill Hickey, HPHC, said that Aetna has bought out Coventry which is the current PDP for Medicare Enhance. He said members will get new cards but there are no co-pay, ID, or formulary changes. He said communications will be sent to the plan members.

Affordable Care Act (ACA), Cadillac Tax:

Marc Waldman said the Cadillac Tax will go into effect in 2018 and that regulations are not finalized. He said that the employers will need to calculate the tax for each employee on a monthly basis. He said the thresholds are \$10,200 Individual and \$27,500 for family coverage, but that thresholds are higher for employers with a majority of people in high risk professions and others. He said the tax is 40% on the excess of costs over the thresholds.

Carol Cormier reviewed the affordability provisions of the ACA and said some employers are adding a high deductible low cost plan to avoid the surcharges imposed if the employer fails to meet the affordability provision.

Review of Steering Committee recommendations for plan changes for FY17:

Marc Waldman said that the question is, “What is WSHG going to do in the near term and for 2018 to remain viable and competitive as a group?” He said that there is a summary of the Steering Committee’s recommendations in the packet. He reviewed the recommendations: (1) Effective 7/1/16, alter the Benchmark plans to bring them closer in plan design to the GIC benchmark plan of FY16, (2) effective 7/1/16, close Rate Saver plans to new enrollees, and (3) effective 7/1/17 eliminate the Rate Saver plans and offer only the Benchmark plans. Mr. Waldman said that recommendation “(3)” will be difficult for some communities because of collective bargaining obligations already made. Mr. Waldman said that the Steering Committee also discussed the fact that the joint purchase agreement does not allow for off-anniversary withdrawal of a governmental unit. He said that the Board might want to amend the agreement to address possible mid-year withdrawals and to impose consequences.

Dan Morgado said that he is concerned about payment of run-out claims by WSHG for units that withdraw. He said that the group might have to set rates in January to address this or require payment of the run-out by the withdrawing unit.

Marc Waldman asked the Board members if any units were considering adopting and/or using Ch. 32B, S. 21-23 this year. Some units responded that they were or might use these sections and several said they were exploring options.

Jim Kern, Town of Dedham, said that if WSHG does not do something about the run-out claims issue, it will be jeopardizing WSHG as a viable option for the future.

Richard Tranfaglia, Natick, and David Davison, Needham, said their towns were exploring options.

There was a discussion about the Steering Committee's recommendation for changes.

Bill Kethcham said the proposed changes to the Benchmark plans do not result in savings sufficient to make it worth doing.

Carol Cormier said that when employer contributions to health insurance are high, the employers do not realize significant savings when changes are made. She said that employers should reconsider their contribution strategies and said the ideal approach is to base the contribution on the lowest cost comprehensive plan and pay equal dollar to all others but not less than 50%.

Dan Morgado moved to adopt the three Steering Committee recommendations as reviewed by Marc Waldman and to create wider spreads between Rate Saver and Benchmark plan rates.

Motion

Kirsteen Leveillee seconded the motion.

Betty Dennis said she would like to amend the motion changing the date for closing Rate Savers to new enrollees from 7/1/16 to 7/1/17.

There was a discussion.

Mr. Morgado withdrew his motion.

Motion withdrawn

John Senchyshyn motioned to change the current WSHG Benchmark plans to the new GIC benchmark plan designs as described on the exhibit effective 7/1/16.

Motion

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

Richard Tranfaglia moved that effective 7/1/18 WSHG will eliminate Rate Saver plans and offer only Benchmark plans.

Motion

Christine Tague seconded the motion. The motion passed by unanimous vote.

Marc Waldman said that if a governmental unit wants to close Rate Saver enrollments to new hires, it can do that on its own through bargaining and without WSHG having adopted that measure.

Mr. Waldman said he'll work with Dan Morgado and the Steering Committee to review and bring to the Board some suggested changes to the Joint Purchase Agreement.

Marc Waldman said that there had been a suggestion to change the Tufts Navigator plan which is on a PPO platform to an HMO platform.

Erin Hayes, Tufts Health Plan, explained why it would be very difficult for Tufts to make that change. She said that Tufts could offer a different plan referred to as an Advantage plan HMO. She said that the savings would be about 2%.

The Board took no action regarding changes to the Tufts Navigator plan.

Other Business:

It was agreed that a Steering Committee meeting would be set soon to review the Joint Purchase Agreement and a Board meeting would be set soon after that meeting.

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 12:15 PM.

*Prepared by Carol Cormier
Group Benefits Strategies*