

**West Suburban Health Group  
Board Meeting**

Tuesday, November 24, 2015, 1:30 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 |
| David Ramsay                          | Town of Dover      |
| Jerry Lane                            | Town of Dover      |
| Hans Baumhauer                        | Dover Sherborn RSD |
| Miriam Johnson                        | Town of Dedham     |
| Mary Bousquet                         | Town of Holliston  |
| Martha White                          | Town of Natick     |
| Richard Tranfaglia                    | Town of Natick     |
| Kate Fitzpatrick                      | Town of Needham    |
| Christopher Coleman                   | Town of Needham    |
| Debbie Reynolds                       | Town of Sherborn   |
| John Senchyshyn                       | Town of Wayland    |

**Guests in Attendance:**

|                  |                                |
|------------------|--------------------------------|
| Anne Costello    | WSHG Assistant Treasurer       |
| Michele Craemer  | WSHG Wellness Consultant       |
| Donna Lemoyne    | Town of Wayland                |
| Christine Fowler | Town of Shrewsbury             |
| Michael Breen    | Blue Cross Blue Shield of MA   |
| William Hickey   | Harvard Pilgrim Health Care    |
| Jason Fortin     | Fallon Health                  |
| Erin Hayes       | Tufts Health Plan              |
| Fred Winer       | Tufts Health Plan Senior Plans |
| Carol Cormier    | Group Benefits Strategies      |
| Karen Carpenter  | Group Benefits Strategies      |

Chair, Marc Waldman, called the meeting to order at 1:40 PM

**Treasurer's Report:**

Assistant Treasurer, Anne Costello, distributed and reviewed the Treasurer's report through October 31, 2015 (unaudited figures). She reported a Fund Balance of \$6,862,247 which was a \$910,258 increase since June 30, 2015. Ms. Costello noted that there was a decrease in the Fund Balance last year at this time. She said that the FY15 audit report should be ready by the end of this month.

Marc Waldman said the Fund Balance would be at the June 2015 level if it wasn't for the reinsurance reimbursements received.

Dan Morgado moved to accept the Treasurer's report.

Motion

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

**Approval of the minutes of the September 24, 2015 meeting:**

Dan Morgado made a motion to approve the minutes.

Motion

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

**GBS Reports:**

*Funding Rate Analysis (FRA)* – Carol Cormier reviewed the FRA for the month of October 2015. Ms. Cormier said the HPHC PPO plan had a shortfall of funding of \$44,882. She said the expense-to-funding ratio on a paid basis was 94% with a surplus of \$2,053,116 and noted \$940K in reinsurance reimbursements received since the beginning of the fiscal year for claims incurred in the FY15 policy period.

*Reinsurance reports* – Ms. Carpenter reviewed the *FY15 reinsurance report* and said there were 11 members exceeding the \$300K specific deductible with total excess claims of \$4,845,796. She said there is no aggregating specific deductible on this policy. She said the group received \$1,134,664 in reimbursements and is expected to receive additional reimbursements of \$411,132. Ms. Carpenter said there were 28 members with claims between \$150K and \$300K with claims totaling \$5.71M.

Ms. Carpenter reviewed the *FY16 reinsurance report* and said there is one member exceeding the \$300K specific deductible with excess claims of \$86,509. She said there were no members with claims between \$150K and \$300K for the FY16 policy year. Marc Waldman said the Mass/ Municipal Reinsurance Arrangement (MMRA) Board recently reviewed a presentation about the rising cost of prescription drugs, especially the specialty drugs. He said the pharmacist presenting the information said that the cost of drugs is expected to double within a 3-year time period.

Carol Cormier said that some of the ways that employers can control the RX costs include adding a 4<sup>th</sup> or 4<sup>th</sup> and 5<sup>th</sup> Rx co-pay tier for specialty drugs and requiring step-therapy and prior authorizations as is being done by the health plans now.

Dan Morgado asked the Board members if they would like to ask the health plan carriers for samples of 4 and 5 RX tier products. He said he thought it would be beneficial to hear proposals and the actuarial value of these types of plans.

Bill Hickey said HPHC has a closed formulary with 4 tiers that the Board could review. He said that currently WSHG has an open formulary with HPHC.

Carol Cormier noted that the reports from The Abacus Group on the My Medication Advisor and the Diabetes Rewards programs were included in the Board packet.

**MA Municipal Reinsurance Arrangement (MMRA) report:**

Marc Waldman said that MMRA Quarterly report is included in the meeting packet.

Carol Cormier said to contact her with any questions and noted that where the report says 2014 Treaty Year, that means FY15. She said the bottom line is the Collateral amount and she briefly reviewed the report.

Marc Waldman said that the reinsurance costs are only a small portion of the WSHG overall expenses.

**Wellness Committee report:**

Michele Craemer, WSHG Wellness Consultant, said that the Wellness Committee is working on a Step Program in which all of the WSHG communities can participate. She said the goal is to do 8,000 steps each day four times a week. Ms. Craemer said that cancer has been linked to poor nutrition and lack of exercise. She said that she has received great support from the health plan carriers and Group Benefits Strategies. Ms. Craemer said that 179 members participated in the Stress Reduction class and noted that webinars are continuing. She said that there are three communities taking advantage of the Airbo program and four others are looking into offering it at their locations. She said a new weight loss challenge will begin in January and a Walking program will be offered in the spring. She said to contact her with any questions.

**Proposed amendments to the Joint Purchase Agreement (JPA):**

Marc Waldman said the Committee is proposing the changes to the JPA in response to the impact made by the four units that left WSHG. He said the Board is aware that others are looking at other health plan options and asked Martha White to explain what the Town of Natick is doing to lower costs.

Martha White said the Town of Natick adopted Section 19 and has made contribution changes similar to those made by Town of Wellesley. She said the Town of Natick will be contributing 75% towards the Fallon Health plans, the lowest cost WSHG plans, and will contribute 62% to the other plans. Ms. White said that members with existing major health issues will be allowed to stay on their current plan if they will not be able to retain the services they are currently receiving. Ms. White said that the town will be saving over \$1 million dollars.

Marc Waldman said the Steering Committee engaged Attorney Leo Peloquin to review the proposed changes to the JPA.

Carol Cormier referred to Articles 3 and 14 of the WSHG Joint Purchase Agreement (JPA). She reviewed the JPA Articles regarding withdrawing from the group and said the Steering Committee is recommending that the Board consider making the changes as written in red font to protect the WSHG if a unit should decide to leave the group. Ms. Cormier said that Article 13 currently states that the agreement may be amended at any time with a vote of 2/3rds of the governmental units participating. She said it also states that no vote on an amendment shall take place until the Appropriate Public Authority has been provided at least a 30-day notice of the proposed amendment.

Dan Morgado said it may help if Marc Waldman wrote a letter to be sent to each unit with the recommended language.

There was a discussion about the proportionate share, and Ms. Cormier explained how the formula was developed.

Carol Cormier explained that currently proportionate share is calculated based on subscribers; therefore, an Individual, a Family, and a Medex or Medicare Enhance enrollment each count the same, i.e. each type of enrollment is counted as "1". She said the proposed change recognizes that there are multiple members in a Family plan. She said it also recognizes that for Medex and Medicare Enhance, only the medical portion of the plan is self-funded and that the medical portion of the Medex or Medicare Enhance rate is about half or less of the total rate. She also noted that for the Medicare plans the spouses are counted separately since there are no family plan enrollments with Medicare plans. Ms. Cormier also said the medical costs per person for these two Senior plans is considerably less *on average* than the medical costs *on average* for an individual on an active employee plan because Medicare pays for much of the medical coverage. She said Medicare is the primary payer, and these senior plans supplement Medicare. She said that in the proposed version of the Joint Purchase Agreement, the Individual active employee plan enrollee counts as "1", the Family plan is counted as "2.35" (same formula accepted by the IRS in calculating certain ACA fees), and the Medex or Medicare Enhance enrollment is counted as "0.35". This weighting more closely approximates what impact each type of enrollment has on the Fund Balance.

The Board discussed making some revisions to the dates that a unit can provide notice of withdrawal to WSHG.

Dan Morgado made a motion to change the proposed date a unit is required to notify the Board in writing of a vote to withdraw from the group on June 30<sup>th</sup> to February 15<sup>th</sup>.

Motion

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

John Senchyshyn made a motion to change the proposed date that a governmental unit shall notify the Board in writing that it is contemplating withdrawal on anniversary to no later than December 31<sup>st</sup> for withdrawal date of June 30<sup>th</sup>.

Motion

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

Dan Morgado made a motion that all units notify their Appropriate Public Authorities (APAs) of the proposed amendments and provide them a copy of the proposed language and of the vote to take place by the WSHG Board on January 14, 2016.

Motion

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

Carol Cormier said that she would make the changes just voted and send out a copy of the JPA with the changes and a clean copy for the APAs to sign.

A WSHG Board Meeting was scheduled for January 14, 2016 at 1:30 p.m. at the Natick Senior Community Center to vote on the proposed amendments to the JPA.

**Affordable Care Act (ACA) issues:**

Marc Waldman said the employers are responsible for the IRS forms 1094 and 1095 for the ACA reporting, sending the appropriate forms to their employees and to the IRS.

Carol Cormier said that BCBS said that they will be able to provide a report on all covered WSHG BCBS subscribers and members by month to Group Benefits Strategies. She said the cost for the report is \$5,000 and would need to be separated by employer by GBS. Ms. Cormier said the GBS cost to do that would be no more than \$1,000. She said, unfortunately, BCBS did not give sufficient notice for JPAs to consider this prior to the deadline to requesting the reports. She said the deadline has passed.

Ms. Cormier said HPHC is now also able to provide a report to assist with the ACA reporting and asked Mr. Hickey to explain.

Bill Hickey said that HPHC is currently able to provide a report for WSHG as a whole but is looking into adding the employer group numbers to the report. He said GBS would then be able to break down the report by employer. He said HPHC is also charging a \$5,000 fee for the report.

Ms. Cormier said that the employers would not need the carrier reports for subsequent years since GBS is now providing monthly online rosters to the employers. She said the will run the reports in early January, and GBS would split them by employer and send them to each employer shortly after.

Martha White made a motion to approve the \$5,000 fee to HPHC for the report contingent on the ability to add the group numbers.

Motion

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

**Health Plan Reports:**

*Tufts Health Plan* – Erin Hayes said effective January 1, 2016, Tufts Health Plan will be adding 2 new savings programs to its self-insured clients' plans. She said in an effort to provide effective cost management programs and increase savings on out-of-network

(OON) medical claims, THP has added the Cigna's PPO network to the out-of-network savings program. She said this move will provide better claims pricing for WSHG and its employees when seeking services outside of the THP service area.

Ms. Hayes said new ID cards will be sent out to all members due to adding Cigna to its brand.

Ms. Hayes said the second program will help to manage the increasing cost of pharmacy claims that are now paid under the medical benefit, such as chemotherapy. She said THP has selected Cotiviti to review all the paid medical pharmacy claims to determine appropriate provider billing. If they identify an overpayment, they will work with the provider and THP to adjust the claim. She said there is no cost to WSHG; however, she said the Group must vote to approve the amendment.

Dave Ramsay made a motion to approve adding the Tufts amendment as described.

Motion

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

**Other Business:**

There was no other business.

Dan Morgado moved to adjourn the meeting.

Motion

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

Marc Waldman adjourned the meeting at 4:00 PM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*