

**West Suburban Health Group**

**Steering Committee Meeting**

January 24, 2012 at 9:30 AM

Wellesley Town Hall

Wellesley, Massachusetts

**Meeting Minutes**

**Steering Committee Members in Attendance:**

Pete Hoagland, Steering Committee Chair	Town of Sherborn
Marc Waldman, Board Chair	Town of Wellesley
Mary Beth Bernard	Town of Westwood
Elizabeth Dennis	Town of Needham
Daniel Morgado	Town of Shrewsbury
Michael Boynton	Town of Walpole
John Senchyshyn	Town of Wayland

**Guests in Attendance:**

Ruth Hohenschau	WSHG Treasurer
Stephanie Foley	Town of Holliston
Gerard Lane	Town of Dover
Linda Clark	Town of Natick
Karen Jelloe	Town of Wrentham
Christine Tague	Dover Sherborn RSD
Fran Rush	Dover Sherborn RSD
Cheryl Ingersoll	Dover Sherborn RSD
Donna Lemoyne	Town of Wayland
Bill Hickey	Harvard Pilgrim Health Plan
Emily Savaria	Tufts Health Plan
Fred Winer	Tufts Health Plan - Senior Products
Suzanne Donahue	Blue Cross Blue Shield
Rob Anderson	Fallon Community Health Plan
Beth Helenius	Fallon Community Health Plan
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Pete Hoagland, called the meeting to order at 9:30 a.m..

**Approval of the Minutes of November 15, 2011:**

John Senchyshyn moved approval of the November 15, 2011 minutes.

Motion

Michael Boynton seconded the motion. The motion passed by unanimous vote.

**Treasurer's Report:**

Treasurer Ruth Hohenschau reviewed the financial statements (unaudited figures) through December 2011. She reported an increase of \$2.1M in the unrestricted Fund Balance at the end of December.

**Fallon Dental Benefit:**

Carol Cormier said that Fallon Community Health Plan reconsidered its decision to end the dental benefit for both the WSHG and MNHG. She said that the fee proposed was \$8.30 individual and \$22.50 Family, however FCHG dropped its administration fee. She said that the dental administration fee is included in the renewal fees of \$41.36 Individual and \$112.10.

Mary Beth Bernard made a motion to recommend to the Board to accept the FCHP fees as described above.

Motion
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Betty Dennis seconded the motion. The motion was passed by unanimous vote.

**Health Plan Rates for FY13:**

Pete Hoagland thanked Carol Cormier and the staff at Group Benefits Strategies for all the work they do for WSHG.

Carol Cormier said that the Retiree Drug Subsidy, the reinsurance Aggregating Specific Deductible and Early Retiree Reimbursement expected is not factored into the rate projections.

Marc Waldman said that following the distribution of the rate package to the Board, he and other Board members requested additional funding scenarios from Carol Cormier. He said four additional scenarios with the Rate Saver plans rate increase at 0% were requested.

Carol Cormier said that all of the "A" Scenarios are based on the health plan projections and the "B" Scenarios are based on the Group Benefit Strategies projections.

Ms. Cormier reviewed the following scenarios:

*Scenario A-4* – Rate Savers at 0% increase and Legacy plans rated based on health plan projections and \$7.4M fund balance at risk, with a 2.4% composite increase.

*Scenario B-1a* – same as B1, except based on GBS projections and changing Tufts and Fallon Rate Saver plan rates to those of Scenario B-2, I.e. subsidized rates, with a 1.9% composite increase.

Scenario B-3 - 0% increase for Rate Savers and Scenario B-2 rates for Legacy plans, 1/6% composite increase.

Scenario B-4 - 0% increase for Rate Savers and Scenario B-1 rates for Legacy plans, 3.5% composite increase, \$3.7M additional funding over the current funding.

Dan Morgado asked why there was a rate projection variance between the health plans and Group Benefits Strategies.

Carol Cormier said that it happened this year with all of her groups. She said that there are slightly different historical time periods used and there's the difference between paid claims and incurred and paid claims. She said that she used the same model of calculations as in the past and similar trend factors to those used by the health plans.

Mary Beth Bernard said that each year, the projected use of the fund balance at the rate settings, does not materialize.

Michael Boynton suggested Scenario B1-M and taking advantage of the BHPC and BCBS projections and keeping the Tufts and Fallon plans at 0%.

Marc Waldman said that the development of the new tiered products may make it difficult to attract members to the deductible plans.

Carol Cormier said that there are other ways to distribute the fund balance surplus such as the distribution of Retiree Drug Subsidy (RDS) money.

There was a discussion about which scenario to recommend to the Board.

Marc Waldman said that if the goal is to give the surplus back to the communities, he favors being more conservative with the rates and a distribution of the RDS monies.

Michael Boynton made a motion to recommend Scenario B3 to the Board, and if they do not support it, to recommend Scenario B1-M.

Motion

MaryBeth Bernard seconded the motion. The motion passed by a unanimous vote.

**GBS Reports:**

Retiree Drug Subsidy (RDS) Memorandum of Understanding for FY12 applications- Carol Carol Cormier said that Memorandum of Understanding (MOU) for the FY12 Retiree Drug Subsidy account management is past due. She said that the total proposed fee is \$16,000 for applications that were filed in February 2011. Ms. Cormier said that there is no increase. Ms. Cormier asked that the Board approve a payment for half the fee of \$8,000 due on February 1, 2012 and the last payment of \$8,000 to be paid on August 1, 2012. Ms. Cormier said that the FY13 RDS MOU will be due soon.

There was a discussion and the Committee agreed to approve the FY13 RDS MOU at this time.

John Senchyshyn made a motion to approve the FY12 RDS MOU as amended to include the FY13 RDS MOU for the same fee.

Motion

MaryBeth Bernard seconded the motion. The motion passed by unanimous vote.

**Dependent Eligibility Audit:**

Marc Waldman said that the new legislation amending Chapter 32B requires that an eligibility audit be performed every two years.

Carol Cormier said that the Steering Committee and Board spoke previously about an eligibility audit and said that Jim Purcell, Town of Sherborn, has inquired about WSHG hiring an independent audit company. Ms. Cormier asked if the Committee would like her to send out a RFQ and what the timeline would be. Ms. Cormier said that hiring a third party would almost eliminate the involvement of the individual human resource departments.

The Committee discussed the start date of a possible audit.

John Senchyshyn made a motion to recommend beginning the audit on January 1, 2013.

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

Motion

**Other Business:**

John Senchyshyn said that the towns will need to file a report explaining why they didn't make plan design changes to save costs.

Carol Cormier said that the report needs to be filed with the Executive Office for Administration and Finance comparing the existing plan design to the maximum possible savings if the health plan design changes were made.

Dan Morgado made a motion to adjourn.

Motion

Betty Dennis seconded the motion.

Pete Hoagland adjourned the meeting at 10:30 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*