

West Suburban Health Group

Steering Committee Meeting

November 15, 2012 at 9:30 AM

Wellesley Town Hall

Wellesley, Massachusetts

Meeting Minutes

Steering Committee Members in Attendance:

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

Guests in Attendance:

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| Ruth Hohenschau | WSHG Treasurer |
| Linda Clark | Town of Natick |
| Richard Tranfaglia | Town of Natick |
| Bill Keegan | Town of Dedham |
| Maria Rosado | Accept Education Collaborative |
| Donna Lemoyne | Town of Wayland |
| Christopher Coleman | Town of Needham |
| Jerry Lane | Town of Dover |
| Frank Ives | Town of Sherborn |
| Bill Hickey | Harvard Pilgrim Health Plan |
| Emily Savaria | Tufts Health Plan |
| Suzanne Donahue | Blue Cross Blue Shield |
| Rob Anderson | Fallon Community Health Plan |
| Joe Anderson | Fallon Community Health Plan |
| Carol Cormier | Group Benefits Strategies |
| Karen Carpenter | Group Benefits Strategies |

Chair, Pete Hoagland, called the meeting to order at 9:37 a.m..

Approval of the Minutes of June 20, 2012:

Dan Morgado moved approval of the June 20, 2012 minutes.

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| Motion |
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John Senchyshyn seconded the motion. Michael Boynton abstained.

The motion passed by majority vote.

Treasurer's Report:

Treasurer Ruth Hohenschau reviewed the financial statements (unaudited figures) through October 2012. She reported a decrease of \$1.4M in the unrestricted Fund Balance at the end of October. Ms. Hohenschau said that several towns were late sending their payments in, and she reminded all that the payments are due on the first of each month.

There was a discussion about the decrease in the fund balance.

Carol Cormier said that she checked with the health plans about the trend and said she does not recommend using 2% to 3% for budgeting purposes as some WSHG employers had planned to do. Ms. Cormier said she requested the health plan FY14 projections for mid-January.

MaryBeth Bernard asked if the Rate Saver plans have credible claims data to show the impact of moving from the Legacy plans to the Rate Saver plans.

Carol Cormier said the Rate Saver plans have the lion's share of enrollments and are fully credible. She said she would send the updated funding analysis with claims paid through October.

Ms. Cormier said that she previously recommended adopting a fund balance policy and continues to urge the WSHG to do so.

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

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

GBS Reports:

Funding Rate Analysis by Plan - Ms. Cormier reviewed the FY13 Funding Rate Analysis by Plan with data through September. She said that the expense-to-funding ratio was 102.3%. She said most of the plans are underfunded with the exception of the Rate Saver plans. Ms. Cormier said most WSHG municipalities have switched to the Rate Saver plans in July and said that the run-out of Legacy plan claims may be the cause of some of the underfunding.

Bill Hickey said the member's anticipation of the move to the Rate Saver plans may have triggered the decision to receive elective surgeries prior to the move.

BCBS Level Monthly Deposit (LMD) -Ms. Cormier reviewed the BCBS Level Monthly Deposit Quarterly Accounting report with claims paid through October 2012 and said that \$623K was due WSHG. Ms. Cormier asked Suzanne Donahue to review the LMD for a possible reduction.

Reinsurance Reports - Karen Carpenter reviewed the Stop Loss reports for FY12 and said that the Group has met the Aggregating Specific Deductible of \$500K. She said there are 10 claimants on the report and there is \$158,253 in reimbursements due the group as of September 2012. Ms. Carpenter said that there are 29 claimants on the report of claimants that have reached between 50% and 100% of the specific deductible with claims totaling \$5.86M.

Ms. Carpenter reviewed the Stop Loss Report for FY13 and said that there is one claimant that has reached between 50% and 100% of the specific deductible with claims totaling \$160,531.

Dependent Eligibility Audit:

Carol Cormier said that the Board asked Group Benefits Strategies to solicit quotes from dependent eligibility auditing firms. She said she emailed the comparison of the three proposals received. Ms. Cormier noted that the AON price proposal is labeled as an estimate. She said that she has worked with both EAS and HMS and said that both companies are very thorough. Ms. Cormier said that the EAS proposal guarantee is the better of the three and the EAS fee is the lowest fee. She said that HMS may charge additional fees for programming and project management work. Ms. Cormier said that EAS and HMS are very knowledgeable regarding the MGL Ch. 32B.

There was a discussion.

Michael Boynton made a motion to recommend to the Board to approve hiring EAS as presented in their proposal.

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

Motion

It was agreed that the audit should begin in late January.

Proposals for Insurance Management Services:

Marc Waldman said that the Request for Proposals for Insurance Management Services was released on October 15, 2012 and proposals were due back by November 5, 2012. He said that the RFP was sent to Group Benefits Strategies, AON, Longfellow Benefits and also added to the Good News Bulletin. Mr. Waldman thanked the Town of Needham for their help in preparing the comprehensive proposal. Mr. Waldman said that Group Benefits Strategies was the only proposal received and said that they are currently exceeding the services provided.

Dan Morgado made a motion to recommend to the Board to award the Insurance Management Services (IMS) Contract to Group Benefits Strategies from January 1, 2013 to December 31, 2015 for services as described in the proposal.

Motion

Michael Boynton seconded the motion.

Carol Cormier reviewed the price proposal and said that GBS originally submitted a 3-year proposal which was approved for the last 6 months of 2012. She said that GBS is proposing a 3-year contract from January 1, 2013 through December 31, 2015, as requested in the RFP. Ms. Cormier said that GBS agreed to hold the current GBS fee of \$3.90 for CY13, a total of 18 months and said that the fee will increase 3% for CY14 and 3% for CY15. Ms. Cormier reviewed the COBRA fee on Addendum #1 and said that it will increase \$0.02 per subscriber each year through December 31, 2015. She said the fee is only charged on COBRA eligible subscribers. Ms. Cormier reviewed Addendum #2 regarding the Retiree Drug Subsidy Account Management for CY13 and said the fee is \$16K.

Marc Waldman noted that he received one question from GBS regarding the proposal. He said that Ms. Cormier asked if in place of the submittal of a narrative, she would be allowed to write “services as currently provided”. Mr. Waldman said that this request was approved by the sub-committee.

A vote was taken and the motion passed by unanimous vote.

Shingles Vaccine for Medex:

Carol Cormier said that the Medex plan does not currently cover the shingles vaccine but said that Suzanne Donahue received approval to add a rider to cover it.

Suzanne Donahue said that the rider will cover the cost of the vaccine at no cost to the member. Ms. Donahue said that physicians do not prescribe this vaccine for all of their patients, and BCBS will cover the vaccine only if it is administered in a doctor's office. She noted that the vaccine is covered on all of the active employee plans. She said that the Board can decide if it would like to add the policy rider. There was a discussion about the cost of the vaccine and its necessity.

Michael Boynton made a motion to recommend to the Board to approve adding the shingles vaccine rider to the Medex plan effective January 1, 2013.

Motion

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

EGWP vs. RDS for Medicare Supplement Plans:

Carol Cormier explained that the Retiree Drug Subsidy (RDS) process provides reimbursement of 28% of the cost of the eligible covered prescription drugs for Medicare eligible retirees. She said that the Employer Group Waiver Plans (EGWPs) build Medicare Part D into the health plan product, and the savings is obtained through lower premiums as opposed to receiving RDS monies. Ms. Cormier said that EGWP plans also provide a greater reduction in OPEB liability.

Suzanne Donahue said that the lower premium gives the retirees as well as the employer a rate reduction. Ms. Donahue said that a Medicare Part D plan (PDP) can be built into the Medex and Managed Blue for Seniors plans. She said that CVS Caremark is the Prescription Benefits Manager (PBM), but members can go to any retail pharmacy of their choice. She said that the medical plan could be self-funded and be called Medex 2 while the Rx portion would have to be fully insured. Ms. Donahue said that there would be a \$50 to \$80 monthly savings to the premium. She said that CMS determines which drugs are covered on their formulary.

Bill Keegan expressed a concern that this might be a short-term savings.

Marc Waldman said that it is unknown how much longer the RDS program will be in effect.

Bill Hickey said that HPHC EGWP plans do not have a Part D product. He said that HPHC partners with Coventry and said that they carve out the pharmacy Part D portion of the product to First Health. He said that the formulary is slightly different. Mr. Hickey said that the pricing changes and the administrative fee may go up approximately \$2. Mr. Hickey said that the rebates subsidize the rates and said that the prescription co-pays would remain the same as with the Medicare Enhance product. He said that Express Scripts is used for mail order.

There was a discussion.

Carol Cormier reviewed the EGWP premium savings vs. the RDS and said that there would be additional administrative savings due to the elimination of RDS actuarial and filing fees. Ms. Cormier reviewed the enrollments and noted that the HPHC Medicare Enhance enrollments have greatly increased. She said the health plans can run disruption reports to show how many members would be affected.

Michael Boynton made a motion to recommend to the Board to replace the RDS eligible senior plans with EGWP plans effective January 1, 2014.

Motion

Dan Morgado seconded the motion.

Suzanne Donahue noted that the prescription drug costs went down about 17% this year.

Bill Hickey said that HPHC may have an EGWP product by 2014.

A vote was taken on the motion and passed by unanimous vote.

Fallon Community Health Plan Update:

Joe Anderson said that FCHP is continuing to promote the Steward Community Care plan and other limited network products. He said that FCHP is working to add hospitals to the network and said that the Steward plan rate is approximately 20% lower than the Select Care rate. He said that the plan provides community hospitals such as Norwood, St. Elizabeth's and Quincy. Mr. Anderson said that a new walk-in center was opened in Shrewsbury to provide answers to healthcare and Medicare questions. He said that they are holding a series of events to attract people to the center. Mr. Anderson said that FCHP is driving down the costs of healthcare and said that Steward is a fully integrated community care system.

Marc Waldman said that the new Chapter 32B, Sections 21 to 23 is linked closely to what the GIC does. He said that there have been talks about the possibility in future years of a GIC benchmark plan being a limited network plan. He said that would influence what the municipalities may do.

Michael Boynton said that he is interested in looking at the pricing of a Steward plan and said that it is important to provide employees with more health plan options.

Senior Plan Design:

Carol Cormier reviewed the senior comparison chart and said that she would send the GIC Unicare premium rate to the Committee.

Suzanne Donahue pointed out some of the co-pay differences.

Discussion about freezing Legacy plan enrollments for July 1, 2013:

Carol Cormier reviewed the health plan enrollment contracts as of November 14, 2012.

Marc Waldman said that there has been previous discussions about freezing enrollments into the WSHG Legacy plans since most municipalities have moved enrollments to the Rate Saver plans.

MaryBeth Bernard said that the Town of Westwood has union agreements to offer the PPO and POS plans through year 2015.

Dan Morgado made a motion to recommend to the Board to freeze enrollment for the Legacy plans effective June 30, 2013 and to eliminate them effective July 1, 2014.

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| Motion |
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John Senchyshyn seconded the motion. The motion passed by a majority vote. Michael Boynton abstained.

Discussion about engaging a Wellness Coordinator:

Betty Dennis said that the Wellness Committee would like to make a recommendation to the Steering Committee to hire a contracted Wellness Coordinator for WSHG. She said that the Wellness Committee members full time positions do not leave adequate time to devote to the wellness programs that are so important.

Carol Cormier briefly described how other JPG's wellness coordinators and programs work.

Rob Anderson said that there are Wellness Grants available through the state now and suggested that WSHG may want to look into them.

Christopher Coleman said that the Wellness Committee has done a great job in the past.

MaryBeth Bernard left the meeting.

Richard Tranfaglia said that he supports hiring a wellness coordinator.

Michael Boynton made a motion to recommend to the Board to move forward with the process of hiring a Wellness Coordinator and to increase participation in the programs.

Motion

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

Discussion about possibly distributing FY08 RDS money:

Michael Boynton made a motion to recommend to the Board to distribute the FY08 RDS money in the same manner as the prior distribution.

Motion

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

Carol Cormier said that she will bring the distribution spreadsheet to the Board Meeting.

Discussion of service carve-outs, such as Shields MRI, continued:

Marc Waldman said that after several discussions at the Board and Steering Committee meetings, the majority of the members decided to focus on the limited networks at this time.

Health Plan Reports:

Blue Cross Blue Shield of MA - Suzanne Donahue said that the BCBS is in the process of developing a limited network plan.

Tufts Health Plan – Emily Savaria said that Tufts is also working on developing a limited network plan.

Other Business:

Communication from HealthGlobe - There was a discussion, and the Committee said there was no interest at this time.

WSHG website -Pete Hoagland asked if there was any interest in developing a WSHG website.

There was a discussion and the Committee agreed that should a website be developed that someone would need to volunteer to champion the project or hire someone.

The next WSHG Board meeting is scheduled on November 27, 2012 at the Wellesley Town Hall at 1:00 PM.

There was no other business.

Michael Boynton made a motion to adjourn.

Motion

WSHG Steering Committee meeting, 11/15/12

John Senchyshyn seconded the motion.

Pete Hoagland adjourned the meeting at 12:00 noon.

*Prepared by Karen Carpenter
Group Benefits Strategies*