

**West Suburban Health Group  
Steering Committee Meeting**

Tuesday, March 28, 2017 at 1:30 PM

Shrewsbury Municipal Office Building  
Shrewsbury, MA

**Meeting Minutes**

**Steering Committee Members in Attendance:**

Dan Morgado, Chair	Town of Shrewsbury
Marc Waldman, Board Chair	Town of Wellesley
John Senchyshyn	Town of Wayland
Jerry Lane	Town of Dover
Christopher Coleman	Town of Needham
Jim Kern	Town of Dedham

**Guests in Attendance:**

Ruth Hohenschau	WSHG Treasurer
Christine Fowler	Town of Shrewsbury
Donna Lemoyne	Town of Wayland
William Hickey	Harvard Pilgrim Health Care (HPHC)
Erin Hayes	Tufts Health Plan
Joe Anderson	Fallon Health
Michael Breen	Blue Cross Blue Shield of MA
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Steering Committee Chair Dan Morgado called the meeting to order at 1:38 PM.

**Approval of the minutes of the February 2, 2017 meeting:**

John Senchyshyn moved to approve the February 2<sup>nd</sup> minutes as written.

Motion

Marc Waldman seconded the motion. The motion passed by unanimous vote.

**Treasurer's Report:**

Treasurer Ruth Hohenschau reviewed her financial reports (unaudited figures) and said year-to-date, the fund balance decreased by \$3.012 through February, but noted the fund balance increased by \$1.5M in February. Ms. Hohenschau noted that the auditor has recommended increasing the IBNR to \$9M.

Ms. Hohenschau reported a fund balance of \$3.22M on February 28, 2019. She said the fund balance has been running at a deficit. She said that there has been a \$3.01K decrease in the fund balance since the beginning of the fiscal year and a decrease of \$5.46K since the end of February 2016. Ms. Hohenschau said most of the towns and districts are starting to pay their monthly member assessments on time now.

Jerry Lane moved to accept the Treasurer's report as presented.

Motion

Marc Waldman seconded the motion. The motion passed by unanimous vote.

Jim Kern joined the meeting.

**GBS Reports:**

*Funding Rate Analysis (FRA)* – Carol Cormier reviewed the FRA summary through February 28, 2017 and said that on a *paid claims basis* the expense-to-funding ratio across all plans was 103.7% with expenses exceeding funding by \$2.4M. She noted that the HP Benchmark is underfunded by 2.58M.

Christopher Coleman said the movement of the HP and Tufts members to Fallon and the runout of claims could be the reason for the shortfall.

*Reinsurance reports* - Karen Carpenter reviewed the *FY16 reinsurance reports*. She said that the total claims for eleven individuals who had claims exceeding the \$300K specific deductible was \$4.92M and the excess claims amount was \$1,622,763. She said that the amount reimbursed to date was \$1,479,698 and an additional \$143,065 is due to the WSHG.

Karen Carpenter reviewed the *FY17 reinsurance reports*. She said that the total claims for four individuals who had claims exceeding the \$300K specific deductible was \$2,113,216 and the excess claims amount was \$913,216. She said that amount is due to the WSHG.

*MMRA update* - Dan Morgado said that the MMRA Board met last week and the reinsurance arrangement is doing as expected.

Carol Cormier said the Board voted to approve going with Transamerica as a carrier if they can keep their increase to no more than 8.5% for FY18 and shift more of the premium to the captive layer.

**Proposal to add preventative drug lists to High Deductible Health Plans (HDHPs):**

Carol Cormier said she added the proposal to add preventative drugs to the agenda because there are studies that show members may not take their medications as needed if the deductible applies. She said that the preventive drugs would be subject to the copays but not to the deductible. She said according to Bill Hickey, Harvard Pilgrim, the impact to the claims is 1% to 1.5%.

Erin Hayes said the medication lists vary from health plan to health plan.

Dan Morgado said his initial reaction is to not make any changes to the plan so soon.

Bill Hickey said adding this benefit can be very effective in conversations with employees. He said it is a standard benefit on their insured business and noted that it may cost the group more if members do not adhere to their medications.

Carol Cormier said that it was built into BCBS's proposed high deductible plan and said that since the preventive meds would be subject to copays, the members would be eligible to purchase their preventative medications from the myMedicationAdvisor® international Rx program if it is available on their lists.

There was a discussion.

Jim Kern made a motion to recommend to the Board to add the preventative medications to the high deductible health plans as discussed effective July 1, 2017.

Motion

Christopher Coleman seconded the motion. The motion passed by a unanimous vote.

Jim Kern said the Town of Dedham will be depositing 50% of the deductible into each subscribers HSA and in addition, for the first year, will give another 50% of the deductible directly to new enrollees.

There was a discussion about how to organize meetings and who would present the information about the new plans to the IACs, employees, and employers.

Bill Hickey said 25 entities of the CCMHG have planned regional meetings for the employees and said BCBS, HPHC and Health Equity are presenting at those meetings. He said those meetings have been very successful.

Marc Waldman said he would like to discuss this topic at the Board meeting.

Carol Cormier said Atty. Leo Peloquin is giving his opinion to the CCMHG on whether or not there are any requirements to contribute to early retiree accounts, according to Chapter 32B.

**PBS Contract proposal:**

Carol Cormier reminded the Committee that WSHG contracts with PBS which said Abacus Health Solutions is proposing a specialty medication program to the international Rx program. She said they are proposing that in addition to the per subscriber fees WSHG would also pay Abacus/PBS 20% of savings above the savings from the same time the prior year. Ms. Cormier said she recently learned that CanaRx can now offer the same services that Abacus/PBS provides without the added per member per month (pmpm) fees, and that CanaRx does not take a percentage of savings. She said that WSHG has been paying CanaRx all along through the per pill pricing but has been paying Abacus/PBS in addition to money paid to CanaRx. She said CanaRx has been offering the services to other GBS clients and other municipal entities and has been very successful.

Marc Waldman said that the Abacus new proposal was a trigger to look further into how they calculate their savings and fees. He said the question is whether or not we want to go direct with CanaRx or continue to utilize Abacus as the middleman.

Carol Cormier said that the only entity that has a contract with CanaRx is the health plan member. She said that WSHG does not have a contract nor would it have one if it were to have CanaRx provide services now provided by Abacus/PBS. She said that Abacus/ PBS does not have a contract with CanaRx.

Carol Cormier said the CanaRx program is an optional program for employees and that the employee signs a contract with CanaRx which acts as the employee's agent to obtain the medications. Ms. Cormier said that it is not illegal for individuals to enter into contractual arrangements for the importation of prescription drugs.

Ms. Cormier said that CanaRx provides a \$2M liability policy to each client and their fee is included in the per pill cost. Ms. Cormier said the transition would be easy since the current members using the program are already contracted with CanaRx. She said a 90-day advanced notice in writing is required from WSHG to discontinue the services from PBS/Abacus.

Ms. Cormier said WSHG would save approximately \$100K in Abacus fees and also the savings on the purchase of the prescriptions. She said that these fees cover the Alternative Savings Program, as well and that this program would no longer continue if WSHG terminates its agreement with PBS/Abacus. She said that this program is small compared to the international Rx program.

Ms. Cormier said Mike Follick, Abacus/PBS, would like to come to a Steering Committee meeting to present their value proposition.

Marc Waldman said the Board will need to consider whether or not to sign the new contract proposal from Abacus/PBS or to drop Abacus and promote the program directly through CanaRx. In addition, he said the Board needs to consider adding the Fallon Health plans as eligible to participate in the program.

Erin Hayes said she will find out about the Caremark transition.

John Senchyshyn made a motion to recommend to the Board to terminate their contract with PBS/Abacus Solutions regarding the MMA program and to add the CanaRx Specialty drug program.

Motion

Jim Kern seconded the motion. The motion passed by a unanimous vote.

Dan Morgado said the Steering Committee would like to hear from Abacus/PBS and what they have to say.

Jerry Lane made a motion to recommend adding the Fallon Health plan members to be eligible to participate in the international prescription purchasing program.

Motion

Marc Waldman seconded the motion. The motion passed by a unanimous vote.

In response to a request, Carol Cormier said she would send Chris Collins' contact information to the Steering Committee.

**Health Plan reports:**

Erin Hayes said all of the health plan representatives have been busy with the open enrollment health fairs and the HSA qualified high deductible plan educational meetings.

**Other business:**

*Steering Committee Vacancy* - Dan Morgado announced he would be retiring in July and said the Steering Committee is looking for a volunteer to fill the Committee Chair vacancy.

John Senchyshyn made a motion to recommend Jim Kern as the WSHG Steering Committee Chairman effective July 8, 2017.

Motion

Christopher Coleman seconded the motion. The motion passed by a unanimous vote.

*Wellness Stipends* – John Senchyshyn explained about a recent submittal for reimbursement of food ordered for a wellness meeting. He said some of the order was denied for reimbursement because it was deemed unhealthy.

Marc Waldman said the Steering Committee will review the current guidelines and implement new ones if necessary for FY18.

Marc Waldman made a motion that the Steering Committee go into executive session pursuant to General Laws Chapter 30A, Section 21(a)(3.) in order to discuss strategy with respects to litigation if it is determined that an open meeting may have a detrimental effect on the litigating position of the WSHG and the chair so declares. The litigation matter involves the Town of Sherborn’s financial obligations under the WSHG Joint Purchase Agreement. I further move that the Steering Committee not return into open session.

John Senchyshyn seconded the motion.

There was a roll call vote on the motion as follows:

Daniel Morgado, Town of Shrewsbury	- Yes,
Marc Waldman, Town of Wellesley	- Yes
John Senchyshyn, Town of Wayland	- Yes,
Jerry Lane, Town of Dover	- Yes,
Jim Kern, Town of Dedham	- Yes,
Christopher Coleman, Town of Needham	- Yes.

At 2:50 PM, Dan Morgado, the Steering Committee Chairman said that the Steering Committee will now go into executive session pursuant to General Laws Chapter 30A, Section 21(a)(3.) in order to discuss strategy with respects to litigation as I declare that an open meeting may have a detrimental effect on the litigating position of the West Suburban Health Group (WSHG). The litigation matter involves the Town of Sherborn’s financial obligations under the WSHG Joint Purchase Agreement. Further, the Steering Committee will not return to Open Session. He asked the health plan representatives to leave.

Chair Dan Morgado adjourned the meeting at 2:50 PM.

*Prepared by  
Karen Carpenter  
Group Benefits Strategies*