

**West Suburban Health Group
Steering Committee Meeting**

Wednesday, May 13, 2015 at 1:30 PM

Wellesley Town Hall
Wellesley, MA

Meeting Minutes

Steering Committee Members in Attendance:

Dan Morgado, Chair	Town of Shrewsbury
John Senchyshyn	Town of Wayland
Jerry Lane	Town of Dover
Martha White	Town of Natick
Marc Waldman, Board Chair	Town of Wellesley

Guests in Attendance:

Ruth Hohenschau	WSHG Treasurer
Michele Craemer	WSHG Wellness Consultant
Linda Clark	Town of Natick
William Hickey	Harvard Pilgrim Health Care (HPHC)
Michael Breen	Blue Cross Blue Shield of MA (BCBS)
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
Jason Fortin	Fallon Health
Linda Loiselle	The Abacus Group
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Dan Morgado called the Steering Committee meeting to order at 1:34 PM.

Approval of the minutes of the February 12, 2015 meeting:

John Senchyshyn move to approve the minutes as written.

Motion

Jerry Lane seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Ruth Hohenschau distributed the Treasurer's report through April 30, 2015 (unaudited figures) and compared to figures from April 30, 2014. She reported a Fund Balance of \$7,442,495, down from \$9,558,500 at the beginning of the fiscal year. She said the FY15 Net Loss to date was \$2,116,005.

Marc Waldman noted that the group will incur claims run-out from the four units that are leaving WSHG on 7/1/15.

There was a discussion about the financial position of the WSHG.

Jerry Lane made a motion to accept the Treasurer's report as presented.

Motion

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

Martha White joined the meeting.

Abacus report and proposed fee for FY16 Diabetes Rewards program:

Linda Loiselle reviewed the myMedicationAdvisor® (MMA) report through March 2015 and said the CanaRx scripts are exceeding the projections. She said the Alternate Buying program is a little behind the projections, but said the group is still realizing savings. Ms. Loiselle said the total net savings is estimated at \$256,785 and employee copays of \$30,388 were waived.

Ms. Loiselle reviewed the Diabetes Rewards program report through March 2015 and said 268 members are currently enrolled, which is 39% of the WSHG diabetic population. She said 50% of those enrolled are meeting all five of the program requirements. Ms. Loiselle said the estimated WSHG savings, net of fees and pharmacy copayments, is \$52,984. Ms. Loiselle reviewed the program promotions and member outreach efforts including the annual member satisfaction survey, which she distributed. Ms. Loiselle said the Abacus Group has held its fees for the 6 years that they have been administering the Diabetes Rewards program. She said they are proposing a \$.04 cent increase to the current rate of \$1.12 per subscriber, per month effective July 1, 2015. She said the Abacus Group has agreed to hold that fee for a 3-year period.

Dan Morgado suggested a \$.02 cent increase for this year and a discussion after one year, based on the financial situation of the WSHG.

Linda Loiselle said that was acceptable.

Martha White moved to approve the Diabetes Rewards program fee increase to \$1.14 per subscriber/per month for a one-year period from July 1, 2015 – June 30, 2016.

Motion

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

GBS Reports:

GBS Website Maintenance Contract – Carol Cormier said the website contract is expiring on June 30, 2015. She said GBS is proposing an increase of \$300 to the current fee of \$1,500 for FY2016. She said GBS would hold the fee for three years.

Dan Morgado asked to cut the increase to \$150, for a total of \$1,650.

Carol Cormier said that she thought that would be acceptable.

Martha White made a motion to approve the GBS Website Maintenance contract at a fee of \$1,650 for FY2016.

Motion

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

Carol Cormier said that she has been to meetings where a group's financial situation was much worse than WSHG and said they are now doing very well. She said that item 6 on the agenda will offer ways to begin to help control costs further.

Dan Morgado said that the WSHG Board and Steering Committee would like the courtesy of a heads-up when a participating unit is seriously considering a move to leave the group.

Funding Rate Analysis (FRA)– Carol Cormier reviewed the FRA through March and said the HPHC March claims increased for several of the groups she consults for. She said that WSHG had a significant increase. She said WSHG had quite a few members with claims exceeding \$50K. She said that the April HPHC claims were more typical of those of previous months. She said the expense-to-funding ratio through the end of the month was 100.2%, leaving a shortfall of funding of \$333K.

Ms. Cormier reviewed the Level Monthly Deposit report and said there was a small credit balance with BCBS of \$2,221.00.

Reinsurance reports – Karen Carpenter reviewed the reinsurance reports for FY14 with data through April 2015. She said that there were 12 members exceeding the \$300K specific deductible with claims totaling \$5,507,830 and excess claims of \$1,907,830. She said the Group met the \$500K aggregating specific deductible (ASD) and received \$1,407,516 in reimbursements. She said an additional \$314.00 is owed the group. She said four of the twelve members are deceased. She said there were 37 members with claims between \$150K and \$300K with claims totaling \$7.3 million.

Ms. Carpenter reviewed the FY15 reinsurance report and said there were 4 members exceeding the \$300K specific deductible with excess claims of \$208,588. She said the group received \$84,308 in reimbursements and is expected to receive additional reimbursements of \$124K. Ms. Carpenter said there were 18 members with claims between \$150K and \$300K with claims totaling \$3.7M.

Wellness Program Report: Michele Craemer distributed her report and said it is her goal to motivate the employees to become active, ideally 30 minutes, four times a week. She said she sent out a survey to determine what types of programs and activities the employees would like to see offered. She said of the 345 members that participated in the survey, 56% of members reported wanting tips and recipes on healthy eating and 54% would like general healthy nutrition information.

Ms. Craemer said she is going to focus on nutrition and weight management during the summer months and on relaxation and stress management in the fall. She said she will be putting together a flyer listing the nutrition focused programs currently available through the health plan carriers with links to their websites. Ms. Craemer said the next Wellness Committee meeting is scheduled on May 28th.

John Senchyshyn said although there was a lot of interest in the survey, with the exception of the walking program, there was not a lot of participation in the classes when offered in the Town of Wayland. He suggested adding a question to the survey asking if such –and-such a program is offered, what is the likelihood that you will participate.

Planning for FY17 and beyond:

There was a discussion about what the Group Insurance Commission (GIC) is doing, in particular the decision to make plan design changes.

The Board members discussed how transparent the WSHG's transactions and decisions are compared to the GIC's.

Carol Cormier reviewed a list of possible actions that WSHG could consider to reduce its health care costs and stay competitive. Ms. Cormier recommended that all of the entities, if they haven't done so already, adopt Sections 21 to 23 of Chapter 32B. She said adopting these sections would enable the units to utilize the expedited bargaining process for plan design changes allowed by the law.

There was a discussion and concerns about the impact of adopting S.21-23 might have on relationships with unions.

Ms. Cormier said she is concerned that if the WSHG does not make changes, there may be further break-down of the group. She said the costs of healthcare keep rising and the copays should be adjusted as well to maintain the balance between employer and employee cost share.

Dan Morgado said that the group needs to stay competitive but may need to make changes over a period of time, in steps.

Ms. Cormier said a rate difference between the Rate Saver and Benchmark plans is an option. She also said the Board may want to consider allowing only out-of-area retirees to enroll in the PPO and add a POS plan for those in area. She said that it will be important to get plan costs down, in part to avoid the Cadillac Tax in 2018.

Ms. Cormier reviewed the WSHG vs. the GIC benefit charts and the claims decrements estimated by the health plans if the Group should decide to make the plan design changes.

Dan Morgado said he would like to see a high level list of the GIC plan benefits vs. the WSHG plan benefits. He said it might be beneficial to start with changing the WSHG Benchmark plans up to that of the GIC's FY16 level as a first step. Mr. Morgado noted that there are limited enrollments in those plans.

Jason Fortin said that the exhibits Carol Cormier presented list the high level benefit differences that would have the most impact on the rates.

Marc Waldman encouraged the employers to utilize the Ch.150E bargaining process prior to adopting Sections 21 to 23.

John Senchyshyn said he would favor a plan of action to consider.

Marc Waldman said that it was the consensus of those present to revise the Benchmark plan and eventually phase out the Rate Saver plans over time. He said the Town of Wellesley will not want to do that until June of 2018 per their contracts.

Dan Morgado said he favored discussing this with the full Board and then scheduling a Steering Committee meeting a few weeks later. He asked Ms. Cormier to modify the scenarios in outline form.

A Board meeting was scheduled on June 16th at 9:30 a.m. at the Town Hall in Wellesley, MA.

Marc Waldman asked Ms. Cormier to send out the information that was reviewed at today's meeting to the Board prior to the next meeting.

Other Business:

There was no other business.

Marc Waldman made a motion to adjourn.

John Senchyshyn seconded the motion. Dan Morgado adjourned the meeting at 3:35 p.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*