

WEST SUBURBAN HEALTH GROUP

Board Meeting

Tuesday, September 18, 2012 at 9:15 a.m.
Wellesley Town Hall
Wellesley, Massachusetts

Meeting Minutes

Board Members Present:

Marc Waldman, Board Chair	Town of Wellesley
Pete Hoagland, Steering Committee Chair	Town of Sherborn
Judy Fitzpatrick	Town of Sherborn
Michael Boynton	Town of Walpole
Christine Tague	Dover Sherborn RSD
Cheryl Ingersoll	Dover Sherborn RSD
William Keegan	Town of Dedham
Debbie Deegan	Town of Dedham
Mary Bousquet	Town of Holliston
Daniel Morgado	Town of Shrewsbury
Gerard Lane	Town of Dover
John Senchyshyn	Town of Wayland
Karen Jelloe	Town of Wrentham
MaryBeth Bernard	Town of Westwood
Susan Adler	Town of Wellesley

Guests in Attendance:

Ruth Hohenschau	Treasurer
Anne Costello	Assistant Treasurer
Linda Clark	Town of Natick
Donna Lemoyne	Town of Wayland
Stephanie Foley	Town of Holliston
David Donaghey	Town of Dover
Bill Hickey	Harvard Pilgrim Health Care
Suzanne Donahue	Blue Cross & Blue Shield of MA
Emily Savaria	Tufts Health Plan
Meghan Patch	Tufts Health Plan
Fred Winer	Tufts Health Plan - Senior Products
Rob Anderson	Fallon Community Health Plan
Jason Fortin	Fallon Community Health Plan
Bob Cannon	Fallon Community Health Plan–Senior Products
Joe Anderson	Fallon Community Health Plan
Brenda Bowen	Fallon Community Health Plan
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Marc Waldman, called the meeting to order at 9:30 AM.

Approval of the Minutes of January 24, 2011:

Michael Boynton moved approval of the January 24, 2012 minutes.

Motion

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

Treasurer's Report:

Treasurer Ruth Hohenschau distributed and reviewed the unaudited financial reports through June 30, 2012 and reported an increase in the unrestricted Fund Balance of \$670,827. Ms. Hohenschau reported Total Administrative costs of \$8.7M and \$1.2M received for the Retiree Drug Subsidy. Ms. Hohenschau said that she closed out the State Street Investment Account and moved the funds to UBS Paine Webber Investment Account. She said that the State Street account was declining. Ms. Hohenschau said that she is scheduled to meet with the auditor next week.

GBS Reports:

Carol Cormier said that the reports were emailed to the Board and reviewed the FY13 Funding Rate Analysis report with data through August 31, 2012. Ms. Cormier said that the expense-to-funding ratio is 106.5%.

Ms. Cormier reviewed the myMedicationAdvisor® (MMA) report through June 30, 2012 and said that the plan is doing better than projected.

Ms. Cormier reviewed the Diabetes Rewards Program report through June 30, 2012 and said that the participation goal is 40% or 400 members. She said currently 300 are enrolled in the program. She said that of those enrolled, 58% are meeting the five care guidelines and receiving their supplies and medications at a \$0 member cost share. She said a total of \$29,413 co-pays were waived, and WSHG has saved an estimated \$151, 736 in the first 6 months of the calendar year.

Karen Carpenter reviewed the FY11 stop loss reports with claims paid through June 2012 and said the Group received reimbursements of \$1.68 million. For FY12 with claims reviewed through July, she said the group received reinsurance reimbursements to date totaling approximately \$52.7K. She said that there are 10 claimants that exceeded the stop loss deductible of \$300K. Ms. Carpenter said that WSHG is expected to receive \$186K additional reimbursements.

Consulting and central benefits administration contract:

Marc Waldman said that Carol Cormier presented the GBS proposed contract for renewal at the last Steering Committee meeting and Mr. Morgado asked when was the last time WSHG put a bid out for the services. Mr. Waldman said that the Steering Committee proposes approving the GBS contract through December 31, 2012 and to issue an RFP for calendar years 2013-2015.. He said that the Committee will be using an RFP template provided by the Town of Needham, along with a list of the GBS services provided. He said the committee hopes to issue the RFP by mid-October. Mr. Waldman said that the services GBS provides are specialized, and WSHG is happy with GBS's performance; however, he said the WSHG needs to do its due diligence.

Carol Cormier said that GBS will be holding a meeting following the Board meeting to discuss enhancing the current enrollment transaction processing between the employers and GBS, as had been requested by WSHG.

Dependent Eligibility Audit:

Marc Waldman said that the new legislation requires employers to conduct a health plan eligibility audit once every two years. He said that the Steering Committee authorized GBS to solicit quotes to be considered. Mr. Waldman said that the Committee received quotes from EAS & HMS.

Carol Cormier said that EAS is owned by Kate Sharry and Michael See and said it is a separate company not affiliated with GBS. Ms. Cormier reviewed the differences between the two companies and said that both companies have experience with Mass. municipalities. She said that the HMS quote is \$878,209, and EAS quoted \$72K based on 10,107 subscribers. She reviewed the comparison.

Ms. Cormier said that there is a difference with sending the introductory letters from the municipalities. She said that EAS does this mailing, while HMS does not. Ms. Cormier said that HMS provides on-line capabilities to which the members can upload their supporting documents, as well as faxing and mailing. She said employers are given a web portal to follow the audit process results. She said that faxes or mailings are accepted by EAS and EAS provides periodic reporting at the employer level. Ms. Cormier said both companies can customize the letters and notifications to subscribers.

Dan Morgado asked if the solicitation process utilized followed the Ch. 30B bid process.

Marc Waldman said that there is a question as to whether or not health groups are required to follow Ch. 30B to complete an audit.

Dan Morgado suggested verifying whether or not health plan audits are exempt from Ch. 30B prior to accepting a quote.

Martha White made a motion to approve the quote as presented by EAS provided that the solicitation was compliant with Ch. 30B.

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

Motion

Dan Morgado said that he would contact the IG's office as to whether or not the Ch.30B exemption on audits applies to eligibility audits.

Senior Plan Rates for CY13:

Carol Cormier reviewed senior plan rates projected for the self-funded plans and the renewal rates for the fully insured senior plans. Ms. Cormier explained that the trend factor has decreased and explained the process she used to arrive at the projections.

There was a discussion about holding the CY12 self funded rates for the self-funded senior plans.

Pete Hoagland made a motion to approve not increasing the BCBS Medex and HPHC Medicare Enhance self-funded rates for CY13.

Motion

Martha White seconded the motion. The motion passed by unanimous vote.

Fallon Community Health Plan – Senior Plan renewal - Bob Cannon, Account Executive for the FCHP senior products, said that the Fallon Senior Plan rate is increasing 4.5% to \$279 per month.

He said that the annual routine hearing exam will be changing to a \$0 co-pay. Mr. Cannon said that CMS is increasing the prescription drug catastrophic limits and co-pays slightly.

Mr. Cannon said that FCHP can provide a senior plan with an alternative benefit design which would add \$5 to the current PCP and Specialist visit co-pays and would eliminate the Out-patient surgery co-pay of \$75. He said that the premium for the alternative plan design would be \$253 as compared to the current premium of \$279.

There was a brief discussion about the alternative FCHP senior plan benefit design.

Dan Morgado made a motion to accept the Senior plan rates as presented for the current plan design.

Motion

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

Dan Morgado said that he would like to revisit the senior plan design discussion for next year.

Bill Keegan said that he would like to look at uniformity across the senior plans.

Michael Boynton said that he favored the current competitiveness across the health plans.

Carol Cormier said that having a choice allows the seniors to choose what works best for them.

Marc Waldman suggested reviewing the plan designs of the senior plans for next year.

Carol Cormier suggested looking at EGWP (Employer Group Waiver Plan) plans and explained that the savings are built into the premiums. She noted that the WSHG Tufts Supplement with PDP Plus plan is an EGWP plan.

Tufts Health Plan – Senior plan renewal - Fred Winer, Account Executive for the Tufts senior products, said that the Tufts Medicare Supplement with PDP Plus plan monthly premium will be increasing from \$317 to \$332. Mr. Winer said that he wanted to clarify how the hearing aid benefit works. He said that the benefit covers the first \$500 in full, and then 80% of the next \$1,500 is covered up to a maximum of \$1,700. He said this was not clearly specified earlier.

For the Tufts Medicare Preferred HMO, he said that the rates would change from \$226 to \$240 on January 1st. He said that there are no changes to the benefits and noted that the service area may be expanding to Bristol and Plymouth Counties. He said the expansion is pending CMS approval. He noted that CMS made increases to the Part D catastrophic coverage.

Blue Cross Blue Shield – Suzanne Donahue, Account Executive for BCBS, said that the Medex plan design can be changed to be similar to an EGWP plan. She said that she will work on a plan design and will present it to the Committee.

Harvard Pilgrim Health Plan – Bill Hickey, Account Executive for HPHC, said that he will also work on an EGWP plan option for WSHG and said that the Medicare Enhance product can be changed as well.

A vote was taken on Mr. Morgado's motion, and the motion passed by unanimous vote.

Discussion of Service Carve-outs – Shields MRI:

Marc Waldman said that there seems to be a consensus that the focus should be on looking at the senior plans before discussing the possibility of carving out services.

The Board members agreed with Mr. Waldman.

Dan Morgado suggested looking at GIC Medicare look-a-like plans for January 1, 2014.

Other Business:

There was a discussion about the possibility of eliminating the Legacy plans.

MaryBeth Bernard noted that the Town of Westwood still has agreements to keep the POS and PPO plans through 2015.

Marc Waldman explained that the term “Legacy” applied only to the HMO plans so the PPO and POS would not be affected by a decision to eliminate the Legacy plans. Mr. Waldman suggested freezing future enrollments and asked to add this item at the next Steering Committee meeting. Mr. Waldman also requested adding to the Agenda a discussion about a possible RDS distribution of the 2008 subsidy.

Wellness Budget FY13 –

Mary Bousquet made a motion requesting that the Board consider keeping the Wellness Budget the same as last year.

Motion

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

MaryBeth Bernard asked if a new HIPAA policy could be distributed.

Dan Morgado asked about the Separation of Duties comment made in the Management Report section of the WSHG FY12 Financial Audit.

Carol Cormier said that this comment appears in all of the JPG’s audits. She said that other groups have taken steps to mitigate the problem..

Marc Waldman said that he would discuss the comment with the auditor.

There was no other business.

MaryBeth Bernard made a motion to adjourn.

Motion

Michael Boynton seconded the motion.

Marc Waldman adjourned the meeting at 11:04 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*