

## West Suburban Health Group

### Board Meeting

Tuesday, November 27, 2012 at 10:00 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
Michael Boynton	Town of Walpole
William Keegan	Town of Dedham
Mary Bousquet	Town of Holliston
Michael Hale	Town of Shrewsbury
Gerard Lane	Town of Dover
John Senchyshyn	Town of Wayland
Karen Jelloe	Town of Wrentham
Betty Dennis	Town of Needham
Rose Bragdon	The Education Cooperative
Maria Rosado	Accept Education Collaborative
Christine Brodeur	Town of Ashland

#### Guests in Attendance:

Ruth Hohenschau	Treasurer
Anne Costello	Assistant Treasurer
Linda Clark	Town of Natick
Donna Lemoyne	Town of Wayland
Bill Hickey	Harvard Pilgrim Health Care
Bill Rowbottom	Blue Cross & Blue Shield of MA
Emily Savaria	Tufts Health Plan
Fred Winer	Tufts Health Plan - Senior Products
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Marc Waldman, called the meeting to order at 10:05 AM.

#### Approval of the Minutes of September 18, 2012:

Bill Keegan moved approval of the September 18, 2012 minutes.

Motion

Jerry Lane seconded the motion.

The motion passed by majority vote. Michael Hale abstained.

#### 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 invoice payments in, and she reminded all that the payments are due on the first of each month. She said that she will send the revised June financial statements as updated with the fiscal year 2012 audit.

**GBS Reports:**

Funding Rate Analysis by Plan - Ms. Cormier reviewed the FY12 Funding Rate Analysis by Plan with data through October. She said that the analysis is not complete since the HPHC claims feeds have not been received by GBS.

BCBS Level Monthly Deposit (LMD) -Ms. Cormier reviewed the BCBS Level Monthly Deposit Quarterly Accounting report with claims paid through September 2012 and said that \$1.1 million was due to WSHG. Ms. Cormier said that BCBS may need to lower the LMD.

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 \$183,511 in reimbursements due the group as of October 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 \$5.88M. Ms. Carpenter reviewed the Stop Loss Report for FY13 and said that there are 4 claimants that reached between 50% and 100% of the specific deductible with claims totaling \$761,917.

GBS Reinsurance Workshop – December 5, 2012 - Carol Cormier said that GBS sent invitations to the Joint Purchase Group's (JPG) Steering Committee members. She said that due to a decline in the number of reinsurance quotes received over the last couple of years, GBS has been working on possible solutions to assure clients protection for high cost claims risk. She said that GBS is working with Gallagher Benefit Services, a nationwide brokerage firm. She said that the meeting will include a suggestion to create a reinsurance pooling arrangement across joint purchase groups. She said that the arrangement is complex and would require fund management. She urged attendance at the meeting.

Bill Keegan asked if WSHG could self insure its high cost claims on its own.

Ms. Cormier said that the group is not large enough to self insure its high cost claims.

**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 proposal was sent to several companies and an ad was placed in a metrowest newspaper. Mr. Waldman said that Group Benefits Strategies's proposal was the only proposal received and said that GBS submitted a good proposal with excellent references. Mr. Waldman said reviewed the price schedule and said that the Steering Committee is recommending awarding the contract to GBS.

Michael Boynton made a motion 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.

Bill Keegan seconded the motion.

Motion
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Christine Brodeur questioned the lack of bids.

Marc Waldman said that some of the companies handle some portions of the scope of work, but none were able to perform all of the work requested, with the exception of GBS.

Carol Cormier reviewed the price proposal and said that GBS, as requested, is proposing a 3-year contract from January 1, 2013 through December 31, 2015. Ms. Cormier said that GBS proposed 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.

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

**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 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 also proposed 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 MA General Laws, specifically Ch. 32B.

There was a discussion.

Michael Boynton made a motion to engage EAS to perform the eligibility audit as under the terms proposed.

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

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

**Shingles Vaccine for Medex:**

Marc Waldman said that the Medex plan does not currently cover the shingles vaccine but said that all of the other WSHG plans cover the vaccine. He said that a rider can be added to the plan and BCBS will cover the vaccine only if it is administered in a doctor's office.

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

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

**Discussion on recommendation to freeze and eventually eliminate Legacy plans:**

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

Marc Waldman said that the Steering Committee is recommending freezing Legacy plan enrollments effective July 1, 2013 and to eliminate the plans effective July 1, 2014, with the exception of the Town of Westwood's PPO and POS plans. He said that the Town of Westwood has union agreements in place to offer the PPO and POS plans through year 2015.

John Senchyshyn made a motion to recommend to the Board to freeze enrollment into the Legacy plans effective June 30, 2013 and to eliminate them effective July 1, 2014 with the exception of the PPO and POS plans in the Town of Westwood.

Motion

Karen Jelloe seconded the motion. The motion passed by a majority vote. Michael Boynton abstained.

**Discussion on recommendation to change from senior plans eligible for the Retiree Drug Subsidy (RDS) to Employer Group Waiver Plans (EGWPS) for CY14: :**

Marc Waldman said that instead of receiving the Retiree Drug Subsidy (RDS) money, the Employer Group Waiver Plan (EGWP) builds Medicare Part D into the health plan product, and the savings are obtained through lower premiums.

Carol Cormier reviewed the RDS vs. EGWP comparison analysis and said that it appears that WSHG has the potential to save more with the EGWP plans. Ms. Cormier said the savings through the lower rates is shared with the retirees; whereas, the RDS is employer-only money.

Bill Keegan said the EGWP plans also provide a greater reduction in OPEB liability.

Michael Boynton made a motion to approve replacing the RDS eligible senior plans with EGWP plans effective January 1, 2014.

Motion

Bill Keegan seconded the motion.

Fred Winer said that some members that are considered high income earners may be required to pay a Medicare Part D surcharge as they do with Medicare Part B.

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

**Recommendation to distribute FY08 RDS money to WSHG employers:**

Michael Boynton made a motion to approve distributing the FY08 RDS money to WSHG employers based on each unit's number of RDS eligible members.

Motion

Bill Keegan seconded the motion. The motion passed by unanimous vote.

Pete Hoagland made a motion to approve distributing the FY08 RDS money to WSHG employers in January 2013.

Motion

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

There was a brief discussion regarding the possibility of implementing a fund balance policy and Marc Waldman asked that this item be added to the next meeting agenda.

**Discussion about engaging a Wellness Coordinator:**

Betty Dennis said that the Wellness Committee no longer has the time to devote to work on the wellness programs. She said that she made a recommendation to the Steering Committee to consider hiring a contracted part-time Wellness Coordinator for WSHG. She said that Maryann Davis has some ideas and has volunteered to help.

Marc Waldman said that he wants to be diligent with the selection process and asked the wellness committee to complete the process. Mr. Waldman said that the Steering Committee is recommending that the Board approve moving forward on the process.

Betty Dennis said that she will contact the other JPG's wellness consultants for information.

Bill Keegan made a motion to approve expanding the Wellness Committee to five members and to solicit for a part-time Wellness Consultant.

Motion

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

Marc Waldman said that once the hiring is complete, he encouraged the Board members to engage someone from each of their municipalities to champion wellness.

**Health Plan Reports:**

Harvard Pilgrim Health Plan – Bill Hickey said that HPHC is continuing to keep up with implementing the changes brought about by the Affordable Care Act and the MA State Mandates. He said that they are also working on provider relationships and developing new products to engage consumers. He said he will provide information as it becomes available.

Blue Cross Blue Shield of MA – Bill Rowbottom said that the senior health fairs will soon be underway and said that the addition of the shingles vaccine to the Medex plans will be well received.

Tufts Health Plan – Fred Winer said that if some of the WSHG communities could hold combined health fairs that it would be helpful.

**Other Business:**

The next WSHG Board meeting was scheduled on February 13, 2013 at the Wellesley Town Hall at 10:00 AM. The next Steering Committee was scheduled on the same day at the same location at 9:00 AM.

The time of the Board meeting was subsequently changed to 1:00 PM at the same location.

Marc Waldman noted that the rates would be set at the next meeting.

There was a discussion about the health plan trend of approximately 7 percent.

Michael Boynton suggested that the Board consider setting the Legacy plans without subsidy.

There was no other business.

Michael Boynton made a motion to adjourn.

Motion

John Senchyshyn seconded the motion.

Pete Hoagland adjourned the meeting at 11:08 AM.

