

**West Suburban Health Group
Board Meeting**

Tuesday, February 23, 2016, 1:00 PM
Natick Community Senior Center
Natick, MA

Meeting Minutes

Board and Alternate Board Members in Attendance:

Marc Waldman, Board Chair	Town of Wellesley
Dan Morgado, Steering Committee Chair	Town of Shrewsbury
David Ramsay	Town of Dover
Jerry Lane	Town of Dover
Miriam Johnson	Town of Dedham
Mary Bousquet	Town of Holliston
Richard Tranfaglia	Town of Natick
Martha White	Town of Natick
Christopher Coleman	Town of Needham
John Senchyshyn	Town of Wayland
William Hurley	Accept Education Collaborative
Karen Jelloe	Town of Wrentham

Guests in Attendance:

Jim Kern	Town of Dedham
Christine Tague	Dover Sherborn RSD
Christine Fowler	Town of Shrewsbury
Linda Clark	Town of Natick
Donna Lemoyne	Town of Wayland
Linda Loiselle	Abacus Health Solutions
William Hickey	Harvard Pilgrim Health Care
Jason Fortin	Fallon Health
Patrick Flaherty	Fallon Health
Erin Hayes	Tufts Health Plan
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Marc Waldman, called the meeting to order at 1:03 PM.

Approval of the minutes of the January 14, 2016 meeting:

Jerry Lane made a motion to approve the minutes of the January 14th Board meeting.

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

Motion

Treasurer's Report:

Marc Waldman said that the Treasurer's Report was reviewed at the Steering Committee Meeting with data through January 31, 2016. He said the fund balance was at \$8.1M, up by approximately \$2M since the beginning of FY16.

GBS Reports:

Funding Rate Analysis (FRA) – Carol Cormier reviewed the FRA with data through December 2015. Ms. Cormier said the Tufts Rate plans had a shortfall of about \$112K. She said the expense-to-funding ratio across all plans on a paid claims basis was 95.4% with a surplus of funding over expenses of \$2,468,019 and noted over \$1.5M in reinsurance reimbursements were received since the beginning of the fiscal year for claims incurred in the FY15 policy period.

Reinsurance reports – Ms. Cormier briefly reviewed the *FY15 reinsurance report* and said there was an overpayment of reimbursements in the amount of \$3,324. She said a total of \$1.54M in reimbursements were received.

Karen Jelloe joined the meeting.

Diabetes Rewards and myMedicationAdvisor® (MMA) reports – Linda Loiselle – Abacus Health Solutions:

Linda Loiselle distributed and reviewed the reports. Ms. Loiselle said that the number of alternative prescription drug program scripts were lower than the projections. She said that could be due to the shift of enrollment into the Fallon plans in which members are not eligible to participate. She said Abacus is working on the new year’s budget and the projections will be adjusted to take that movement to Fallon into account. She said the total net savings for the year ending December 31, 2015 was \$845,028 and the amount of member co-pays waived was \$98,401.

Ms. Loiselle reviewed the Diabetes Rewards Program report through December 31, 2015 and said there are 208 members enrolled. She said that is a participation rate of 42% and noted that is in line with the municipal average. She said 51% of those participating are meeting the program requirements and receiving their medications and supplies at no cost to them. Ms. Loiselle said the estimated WSHG savings, net of fees and pharmacy co-pays waived, was \$185,890 and the estimated member co-pays waived was \$78,557. Ms. Loiselle noted the 5-year estimated savings was \$497,635.

Ms. Loiselle reviewed the program promotions and said that Abacus is funding a \$50 registration incentive for newly registered members between January 18th and February 26th. She said sent an annual satisfaction survey to participants in February and she said she will present the results to the Board. Ms. Loiselle said Jillian Kiernan is on schedule for the health fairs.

Group Benefits Strategies Contract:

Marc Waldman said the GBS Contract expired on December 31, 2015 and said the Steering Committee recommends extending the contract until the RFP process is completed. He said GBS has proposed that there will be no change in fee or services during the extension.

Dan Morgado made a motion to approve extending the GBS Contract and authorizing the Board Chair to sign the extension from January 1, 2016 through the RFP process.

Motion

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

Steering Committee Vacancy:

Marc Waldman said that Kirsteen Leveillee resigned from the Steering Committee following the South Middlesex RSD's decision to withdraw from WSHG. He said the Committee reached out to the Board members for interest or nominations.

Dan Morgado said Jim Kern from the Town of Dedham expressed interest in serving on the Committee.

It was noted that Mr. Kern would need to be appointed as a Board member as required by the Joint Purchase Agreement.

Marc Waldman asked if there were other nominations. There were none.

Dan Morgado made a motion to approve Jim Kern to serve on the Steering Committee contingent on his appointment to the Board.

Motion

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

Wellesley proposal for additional independent financial analysis:

Marc Waldman said that in response to the changes made to the Joint Purchase Agreement and the Fund Balance Policy, and during a conversation with the Wellesley Selectmen, it was suggested that hiring an independent actuary to do an analysis on the Fund Balance and the IBNR would be appropriate. He said the study would address the financial sustainability of WSHG.

Dan Morgado said the Steering Committee was in favor of obtaining analysis proposals and values transparency. He said that the Committee would like to have the analysis done on WSHG as a whole.

Dan Morgado made a motion to authorize moving ahead with the analysis and authorize the Steering Committee to solicit the quotes, select the company and present the analysis to the Board.

Motion

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

Carol Cormier said she would send the results of the same analysis that was done by Milliman for another JPG to the Board.

FY17 rate projections and Steering Committee recommendations:

Marc Waldman said that the Steering Committee met twice to review the rate projections and to decide on a recommendation to the Board. He said there was a great deal of discussion and compromise among the Committee. Mr. Waldman asked Carol Cormier to explain how the claims projections and proposed rates are calculated.

Carol Cormier said the health plan carriers and GBS calculate the expected claims based on health plan trend and past claims experience. She said this year she asked the carriers to provide projections without including the claims experience of the 4 units that left WSHG on July 1, 2015. Ms. Cormier said that the GBS projections included that data, as discussed in advance with Marc Waldman.

Ms. Cormier said she pooled out the claims over the reinsurance specific deductible since those claims are reimbursed. She said her calculations included all claims and most fees such as the Diabetes and MMA program claims and health plan, GBS, and ACA fees. Ms. Cormier said that the Steering Committee reviewed several funding scenarios and requested additional scenarios based on a fund balance analysis that Dan Morgado provided.

Marc Waldman said that none of the scenarios contemplate use of the fund balance.

Dan Morgado distributed a copy of the fund balance analysis he completed with data from 2010 to the current. He said the fund balance was utilized during 2013 and 2014 and noted that those rates were set too low. Mr. Morgado added that all of the fees that Ms. Cormier mentioned were also not included in those year's projections.

Mr. Morgado made a motion to the Board to approve Scenario I but with the HP PPO rate increase at 3% instead of 5% and all rates rounded to the next higher dollar.

Motion

Martha White seconded the motion.

There was a discussion.

In response to a question, Mr. Morgado said that the Steering Committee was comfortable with an annual funding total of \$108,500,000. He said that each unit should be promoting the Benchmark plans and to prepare for the future elimination of the Rate Saver plans in FY18.

Marc Waldman said that the spread between the Benchmark and the Rate Saver EPO plans will be about 8% instead of the current spread of about 4% because the Benchmark plan design will change on 7/1/16.

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

RDS application audits – discussion:

Marc Waldman said that some communities have engaged private audit companies to recover additional RDS dollars that may have been missed during the initial filings. He said the Steering Committee can work with GBS to solicit and receive proposals to review. Mr. Waldman said there may be a flat charge from GBS, and the auditing company would be paid on a contingency basis of recovery.

Carol Cormier said that multiple years could be audited at the same time and any money recovered would belong to WSHG as the RDS plan sponsor.

Dan Morgado made a motion to approve re-opening of two years of RDS filings.

Motion

Martha White seconded the motion.

Carol Cormier said GBS will prepare and issue the RFP.

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

Health Plan Reports:

Harvard Pilgrim Health Care – Bill Hickey said he did not have anything new to report.

Fallon Health Plan – Jason Fortin said the Group Insurance Commission (GIC) rates are due to be set on March 2, 2016.

Other Business:

Mr. Waldman said that WSHG received letters of withdrawal from South Middlesex RSD and the Town of Sherborn to be effective 7/1/16.

There was a discussion.

Dan Morgado made a motion to approve hiring Attorney Leo Peloquin, who helped with amending the Joint Purchase Agreement to respond to the Town of Sherborn’s letter.

Dave Ramsay seconded the motion.

Motion

Carol Cormier noted that the Board followed the JPA process to amend the agreement.

Dan Morgado suggested setting up a meeting to discuss the plan designs for FY18.

Marc Waldman suggested asking the health plan carriers for information on what is available and said the Steering Committee will review prior to the Board meeting and work on a recommendation.

Erin Hayes said that Tufts Health Plan would need 12-months to prepare if a new product is introduced.

The next Board Meeting was scheduled for June 14, 2016 at 2 PM at the Natick Community Senior Center.

There was no other business.

Martha White moved to adjourn the meeting.

Motion

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

Marc Waldman adjourned the meeting at 2:20 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*