

**West Suburban Health Group
Board Meeting**

Tuesday, March 18, 2014, 10 AM

Natick Senior Community Center
Natick, MA

Meeting Minutes

Steering Committee Members in Attendance:

Marc Waldman, Chair	Town of Wellesley
Peter Hoagland, Steering Committee Chair	Town of Sherborn
Dan Morgado	Town of Shrewsbury
Elizabeth Dennis	Town of Needham
John Senchyshyn	Town of Wayland
Mary Beth Bernard	Town of Westwood
Martha White	Town of Natick
William Keegan	Town of Dedham
Gerard Lane	Town of Dover
Jim Johnson	Town of Walpole
Christine Brodeur	Town of Ashland
Kirsteen Leveillee	So. Middlesex RSD
Christine Tague	Dover Sherborn RSD
Karen Jelloe	Town of Wrentham
Maria Rosado	Accept Education Collaborative

Guests in Attendance:

Miriam Johnson	Town of Dedham
Debbie Deegan	Town of Dedham
Donna Lemoyne	Town of Wayland
Tricia Schmitt	Dover Sherborn RSD
Linda Clark	Town of Natick
Debbie Reynolds	Town of Sherborn
Marianne Davis	Natick Public Schools
William Hickey	Harvard Pilgrim Health Care
Suzanne Donahue	Blue Cross Blue Shield of MA
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan – Senior Plans
Jason Fortin	Fallon Health
Bob Cannon	Fallon Health Senior Plans
Linda Loiselle	Abacus Health Solutions
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Marc Waldman, called the meeting to order at 10:15 AM.

Approval of the Board meeting minutes of February 11, 2014:

Pete Hoagland moved to approve the minutes of the February 11, 2014 Board meeting.

Mary Beth Bernard seconded the motion. The motion passed by unanimous vote.

Motion

Treasurer's Report:

Marc Waldman said that the Treasurer, Ruth Hohenschau, was attending an auditor's class in Amherst and was unable to attend the meeting. He said that Carol Cormier emailed the financial statements through February 2014 (unaudited figures) to the Board. He said that the trust fund balance decreased by approximately \$100K in February. Mr. Waldman said that the Board voted to set the FY14 health plan rates lower than projected and expected to utilize about \$5.1M of the fund surplus. He said that the fund balance has decreased by \$3.1M as of February.

Mr. Waldman said that the auditors from Lynch, Malloy, Marini, LLP reported on the WSHG FY13 financial reports at the Steering Committee Meeting. He said there were no concerns, and last year's financial position ended as expected. Mr. Waldman said that the Treasurer's report reconciled with the FY13 audit report.

Group Benefits Strategies (GBS) reports:

Funding Rate Analysis Report – Carol Cormier reviewed the report with data through January 2014. She said on a paid basis there was a funding shortfall of \$2.1 million at the end of January. She said that if the same pattern were to continue through June, the shortfall would be \$5.6 million, which is close to the amount of Fund Balance reduction that the group expected for FY14. Ms. Cormier reminded the Board that CY13 is the last year for which WSHG will receive the Retiree Drug Subsidy (RDS) income because WSHG changed Medex, Managed Blue for Seniors, and Medicare Enhance to EGWPs effective January 1, 2014. She said EGWPs are not eligible for RDS. She said employers and retirees will have lower rates with the EGWPs, but there will be a loss of revenue for WSHG.

Reinsurance reports – Karen Carpenter reviewed the reinsurance reports for FY13 with data through January 2014. She said that there were four members exceeding the \$300K specific deductible with claims totaling \$1,999,002 and excess claims of \$799,002. She said the Group met the \$500K aggregating specific deductible (ASD) and received \$296,864 in reimbursements. She said an additional \$2.2K is owed the group. She said two of the four members are deceased. She said there were 36 members with claims between \$150K and \$300K with claims totaling \$7.5 million.

Ms. Carpenter reviewed the reinsurance claims reports for FY14. She said that through January three members had claims over the \$300K deductible with claims totaling \$1.3M

and excess claims of \$406,545. She said that the group has not yet met the \$500K ASD for FY14. She said that there were 12 members with claims between \$150K and \$300K with claims totaling \$2.27M.

Marc Waldman noted that effective July 1, 2014, as voted at a previous Board meeting, WSHG, CCMHG and MNHG will be forming the Massachusetts Municipal Reinsurance Arrangement (MMRA) to fund and purchase its reinsurance as a joint venture.

Abacus Group Reports – Linda Loiselle distributed and reviewed the myMedicationAdvisor (MMA) prescription drug program and the Diabetes Rewards program reports. Ms. Loiselle said if anyone received the MMA report prior to this meeting, that it was incorrect. She said to replace that report with today's copy. Ms. Loiselle reviewed the MMA report and said that the total international buying scripts exceeded the projections. She said that the total net savings was \$962,178 and that the employee co-pay savings was \$14,270.

Linda Loiselle reviewed the Diabetes Rewards Program report with data through December and said that the enrollment has increased to 36% of those eligible. She said the enrollment goal is 40%. Ms. Loiselle said that 56% of those enrolled are compliant and said that exceeds the compliance goal of 50%. She said that the WSHG enrollment and compliance percentages also exceed the municipal average. Ms. Loiselle said that the total claims cost of the program is \$849,656 and said that the member co-pays waived was \$111,012. Ms. Loiselle said that enrollment continues to increase, but she said that she expects it to decrease by 88 members due to the implementation of the Medicare Part D retiree plans. Ms. Loiselle said that the Abacus Group will promote the rewards program smart phone capability to the members.

Marc Waldman said that a letter was received by some towns from the MA Independent Pharmacy Association requesting documents regarding the alternative drug program. He said responses have been sent to them by the towns and Prescription Benefits Services (PBS) is looking into the issue.

Carol Cormier said that WSHG contracts with PBS and the members enter into individual contracts with CanaRx to obtain their prescriptions through these programs.

Affordable Care Act – Out-of-Pocket Maximum requirement:

Marc Waldman said that the ACA requires that OOP maximums be added to all non-Medicare health plans effective July 1, 2014. He said all of the WSHG plans have an OOP maximum except for the HPHC PPO and Tufts POS in-network benefits. Mr. Waldman noted that effective on July 1, 2015, the ACA requires prescription co-pays to count towards the OOP maximum. He said that the Committee will need to review the maximums prior to 2015. Mr. Waldman said that Fallon will be implementing the prescription co-pays counting towards the OOP maximum effective July 1, 2014. He said that the Steering Committee discussed the requirement and is recommending to the Board to make a motion to add out-of-pocket maximums of \$2,000 per individual and

\$4,000 per family plan for the HPHC PPO and Tufts POS in-network benefits effective July 1, 2014.

Carol Cormier noted that the prescription drug copays account for between 30% and 50% of copays.

Pete Hoagland made a motion to add out-of-pocket maximums of \$2,000 per individual and \$4,000 per family plan for the HPHC PPO and Tufts POS in-network benefits effective July 1, 2014.

Motion

Dan Morgado seconded the motion

There was a discussion about increasing the OOP maximum levels.

Mr. Waldman said that the ACA requirement is a plan enhancement. He said that the Committee favored keeping the OOP maximums similar for this year and reviewing all of the maximums for July 1, 2015. He noted that Fallon's decision to implement this change in 2014 will have a financial impact.

A vote was taken on the motion and passed unanimously.

The Tufts Navigator plan – changes in hospital tiering:

Marc Waldman said that currently each hospital on the Tufts Navigator plans has 3 co-pay tiers based on the type of medical service. He said that effective July 1, 2014, Tufts will assign each hospital be assigned one tier based on quality and cost measures.

Erin Hayes said that this is a change that Tufts Health Plan made and having one tier per hospital instead of three will make it easier for members and providers.

Wellness Committee presentation:

Marc Waldman said that each WSHG unit provides various wellness programs. Mr. Waldman said that the Wellness Committee suggested presenting to the Board some of the existing programs that employers could replicate. He introduced Marianne Davis and said that she will present the wellness initiatives that she has coordinated for the Town of Natick and specifically Natick schools. Mr. Waldman said that Ms. Davis has graciously offered to help other unit wellness champions if they would like ideas on how to become more active with wellness. Mr. Waldman said that the WSHG Wellness Committee has openings and asked if anyone was interested to contact him. He said that WSHG was unable to find a Wellness Consultant in its last search, but said that topic may be revisited.

Marianne Davis said that when she first began to implement wellness programs such as exercise and yoga classes, participation was very low. Ms. Davis said that she then partnered with a personal trainer, gave healthy shakes and incentives to participate, and

participation grew. She said the goal was to improve the employee's health and reduce health care costs. She said that offering exercise classes, competitions and health fairs with incentives, informational materials and focused programs works best. Ms. Davis said that having the support of upper management and the ability to offer programs during the workday and convenience are some of the top things that will make the wellness programs effective.

Marianne Davis said that it is a challenge to come up with programs for WSHG with 17 entities since not all of the units have a wellness champion. Ms. Davis said that it would be beneficial to be able to measure the program effectiveness. She said that among some of the incentive programs that could be run might be giving out a Flexible Spending Card for going for an annual physical or colonoscopy screenings for employee and/or spouse. She said the physician would fill out the card with BMI, cholesterol and blood pressure numbers. Ms. Davis said a third party administrator could collect and report on the data anonymously. She said that would give the group an idea on what types of programs should be offered. Ms. Davis said regular wellness communications such as weekly emails could be sent to employees. She offered to help any of the WSHG wellness champions with some "how-to" ideas to set up wellness fairs and workplace challenges.

Ms. Davis said that the next steps would be to consider the financial incentive piece for July 1 and to collect data. She said the Committee would like to meet with the health plan representatives to learn about their wellness programs. She talked about having employers send periodic wellness emails to the employees as she does for the Natick school employees. Ms. Davis distributed the Natick Wellness Fair agenda as an example and demonstrated the interactive wellness email communications that the town distributes to its employees weekly. She said that the emails contain "tiles" of different topics that the employee can click on for more information. Ms. Davis said that the employees earn points by reading and answering a few questions contained in the tiles. She said that the employees are entered into a raffle for prizes which could include \$100, a fitbit band, etc. She said she uses the tile format created by a company called Airbo, and she said that participation is high. She said the cost of Airbo to the Town of Natick is \$3K and is paid through the WSHG wellness budget.

Marc Waldman said that this will be a great start and said that WSHG would need to hire a wellness consultant, and champions will need to be designated at each unit. He said the first step will be to reconstitute the Wellness Committee. He asked each Board member to find one person at their unit to become the wellness champion. Mr. Waldman said that he will set up the first meeting.

John Senchyshyn left the meeting.

In response to a question, Mr. Waldman said that an inquiry could be made to see if Airbo would be willing to give a collective cost to WSHG as a group.

Martha White asked if the Board would consider raising the WSHG Unit Wellness stipends.

Marc Waldman said that all items would be considered during the restructure of the wellness initiatives, but said that the Committee needs to be established first.

Marianne Davis said if anyone would like her to visit their unit or would like additional information about anything discussed, to contact her. She provided her email address.

Marc Waldman said that the Abacus Group put a proposal together at the request of the Wellness Committee to include incentives to members for participating in their Healthy Weight Healthy Heart program. He said that the program would document weight and smoking status through a form submitted by the member's physician. He said that additional member data will need to be collected prior to committing to any program.

Marc Waldman thanked Ms. Davis and the Wellness Committee for their efforts.

Other Business:

Marc Waldman said that this is Bill Keegan's last meeting since he has taken a position in another town. He thanked Mr. Keegan for his service to the WSHG, and the Board wished him well in his new position.

Mr. Keegan thanked the Board and said he enjoyed working with everyone.

There was no other business.

Pete Hoagland moved to adjourn the meeting.

Motion

Marybeth Bernard seconded the motion. The motion passed by unanimous vote.

Marc Waldman adjourned the meeting at 12:00 noon.

*Prepared by Karen Carpenter
Group Benefits Strategies*