

**West Suburban Health Group**

**Steering Committee Meeting**

June 20, 2012 at 9:15 AM

Sherborn Town Hall

Sherborn, Massachusetts

**Meeting Minutes**

**Steering Committee Members in Attendance:**

Pete Hoagland, Steering Committee Chair	Town of Sherborn
Marc Waldman, Board Chair	Town of Wellesley
Elizabeth Dennis	Town of Needham
Daniel Morgado	Town of Shrewsbury
Mary Beth Bernard	Town of Westwood

**Guests in Attendance:**

Ruth Hohenschau	WSHG Treasurer
Bill Hickey	Harvard Pilgrim Health Plan
James Delisle	Tufts Health Plan
Erin Hayes	Tufts Health Plan
Meghan Patch	Tufts Health Plan
Fred Winer	Tufts Health Plan - Senior Products
Suzanne Donahue	Blue Cross Blue Shield
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair, Pete Hoagland, called the meeting to order at 9:15 a.m..

**Approval of the Minutes of January 24, 2012:**

Dan Morgado moved approval of the January 24, 2012 minutes.

Motion
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Betty Dennis seconded the motion. The motion passed by unanimous vote.

**Treasurer's Report:**

Treasurer Ruth Hohenschau reviewed the financial statements (unaudited figures) through May 2012. She reported an increase of \$1M in the unrestricted Fund Balance at the end of May. Ms. Hohenschau said that the FY11 financial audit is complete and available. She said that she would send the report to GBS for distribution to the Board. Ms. Hohenschau said that she closed out the State Street Investment Account and moved the funds to UBS Pain Webber Investment Account. She said that the State Street account was declining.

Dan Morgado asked about the member assessment balance due for Education Cooperative.

Ms. Hohenschau said that there was a change in staff and confusion about where to send the payments. She said that the balance has now been paid.

Dan Morgado made a motion to accept the Treasurer's report as presented.

Motion

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

**GBS Reports:**

Funding Rate Analysis by Plan - Ms. Cormier reviewed the FY12 Funding Rate Analysis by Plan with data through April. She said that the expense-to-funding ratio was 96.2% overall, but said that funding varied from plan to plan. She said that the BCBS and HPHC Rate Saver plans are doing well, but said that the Tufts EPO and Rate Saver plans were underfunded. Ms. Cormier reviewed the Retiree Drug Subsidy (RDS) amounts received by WSHG since the RDS program's inception in 2006 and said that over \$8M has been received in total.

Ruth Hohenschau said that WSHG distributed the 2007 RDS monies to the employers last year.

Ms. Cormier said that WSHG may want to consider distributing additional RDS money.

BCBS Level Monthly Deposit (LMD) -Ms. Cormier reviewed the BCBS Level Monthly Deposit Quarterly Accounting report with claims paid through April 2012 and said that \$96,954 was due BCBS.

Suzanne Donahue said that BCBS will be looking at the enrollment numbers following open enrollment and said she will present a proposal for a new LMD.

myMedicationAdvisor® Report - Carol Cormier reviewed the myMedicationAdvisor® (MMA) report for March 2012 prepared by The Abacus Group and said that the group is exceeding projections.

Abacus Diabetes Rewards Program – Carol Cormier reviewed the diabetes report from Abacus Group through March 2012 and said that to date 30% of eligible members are participating in the program. She said that the goal is to enroll 40% of eligible members. Ms. Cormier said that over 50% of those enrolled are 100% compliant with the care requirements and are receiving their medications and supplies at no cost. She said that according to Abacus the net savings to WSHG is \$68,571 to date.

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 9 claimants on the report and there is \$18,161 in reimbursements due the group as of May 2012. Ms. Carpenter said that there are 18 claimants on the report of claimants that have reached between 50% and 100% of the specific deductible with claims totaling \$3.63M. Ms. Carpenter reviewed the Stop Loss Reports for FY11 and said that the reports show a reimbursement due WSHG in the amount of \$1,405, but said that part of that reimbursement has been denied by the carrier because of ineligible claims, such as dental claims not covered by the policy.

**GBS Proposed Contract:**

Carol Cormier said that the GBS contract with WSHG expired on June 30, 2011. She said that GBS is proposing a 3-year contract from July 1, 2011 through June 30, 2014 and a 3.5% increase that would be retroactive back to July 1, 2011. Ms. Cormier said that she incorporated the COBRA fees into the contract and noted that the COBRA fees through 6/12 had already been approved by the Committee. Ms. Cormier said that she made some minor revisions to the contract and explained what they were.

There was a discussion about the GBS contract and Chapter 30B. The Committee talked about recommending the GBS contract, increased fees and COBRA rates through June 30, 2013 and to research if WSHG is exempt from 30B.

MaryBeth Bernard made a motion to approve the GBS Contract and increase of 3.5% retroactive for FY12 and also for half of FY13 through December 31, 2012 to include the COBRA fees through June 30, 2013.

Betty Dennis seconded the motion. The motion passed by unanimous vote.

Motion

Dan Morgado said that he would research to see if WSHG was exempt from 30B and asked Carol Cormier to send him a copy of the scope of services provided by GBS.

**Reinsurance Proposals for FY13:** Carol Cormier said that BCBS's quote through Stop Loss Insurance Services was the only quote received and said that the original quote was based on claims through April 2012 and wasn't a firm quote. She said that BCBS sent a firm quote after receiving the May 2012 claims. Ms. Cormier said that the premium quote increase didn't change, but said the carrier added a conditional laser of \$500K to the quote on a member that has been approved for a liver transplant. She said that the \$500K laser will only be applicable if the member has a transplant.

Marc Waldman made a motion to accept the BCBS reinsurance quote for fiscal year 2013 as presented.

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

Motion

**Year-end reporting to Administration & Finance:**

Carol Cormier said that governmental units that did not use Ch 32B, S.21-23 in FY12 to make plan design changes must file a report with the A&F. She said she sent information on this topic provided by A&F to the governmental units.

Marc Waldman said that Dan Morgado shared the Town of Shrewsbury's reports with the Steering Committee and asked Carol Cormier to mail the models to the WSHG Board members. He said that it would be best if all the units were consistent and compliant with the reporting.

Dan Morgado said that the town did not report on the senior plans, only the active plans. He said that because the senior plans renew in January, there was not time to consider plan design changes to those plans.

Fred Winer noted that the GIC senior benchmark plan benefits are richer than the WSHG senior plans. He said that the group would likely not see savings with changes to those plans.

Dan Morgado reviewed the Town of Shrewsbury reports. He said that the potential savings was calculated based on the WSHG benchmark plans. He said it is important to compare what WSHG is doing to save costs of health care. Mr. Morgado said that the town is planning to review the senior plans against the GIC benchmark plan in the future.

Fred Winer said that the benchmark plan charges a \$0 member copay for most services with a low up-front deductible.

Suzanne Donahue said that there may be some savings realized if the BCBS Medex plan design is changed.

Marc Waldman asked to add this topic to the September meeting and would also like to discuss the possibility of creating a GIC look-a-like senior plan.

**Fallon – third party independent review of appeals:**

Carol Cormier said that the WSHG does not currently have a fiduciary contract with Fallon Community Health Plan (FCHP). She said that the Patient Protection Affordable Care Act (PPACA) requires adding an additional external review process that would be available to members when the health plan denies coverage for a service. Carol Cormier reviewed the FCHP proposed third party process and agreement. She said that the cost of the external review will be the responsibility of WSHG on a case by case basis.

Dan Morgado made a motion to approve the FCHP proposed third party review process agreement and fee.

Motion

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

**Dependent Eligibility Audit:**

Carol Cormier said that the Committee spoke about conducting a dependent eligibility audit at a prior meeting and asked for direction from the Committee. Ms. Cormier said that she thought the group could expect a fee of \$90K or more to conduct the audit as a group. She said that 4% to 12% of dependent members are typically found ineligible.

Marc Waldman made a motion to approve Group Benefits Strategies to solicit quotes from dependent eligibility auditing firms.

Motion

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

**Changes to Women’s Preventative Health Services effective July 1, 2013:**

Bill Hickey said that the U.S. Department of Health and Human Services has issued guidelines to ensure that all women have access to preventative health services. He said that the additional preventative health services is required to go into effect on plan anniversary following August 1, 2012. He said that would be July 1, 2013 for the WSHG and said that the major change is that contraceptives will be covered at no cost to the member. Mr. Hickey said that HPHC will be implementing this change for all its insured groups on August 1, 2012. He said that HPHC is giving its self-funded accounts the option to adopt this on August 1.

Suzanne Donahue said that BCBS will be implementing the change on plan anniversary with no option to implement earlier.

Dan Morgado made a motion to opt out of the early implementation with HPHC and to implement when required on July 1, 2013 to be uniform across all plans.

Motion

Mark Waldman seconded the motion. The motion passed by unanimous vote.

**Health Plan Reports:**

Blue Cross Blue Shield of MA - Suzanne Donahue said that the MA Health Safety Net, also known as the MA Uncompensated Care Pool (UCP), changed the surcharge back to 1.75% effective May 1, 2012. She said that the rate was temporarily increased to 3.65% for a few months to help cover the cost of the MA Pediatric Immunization Program Assessment.

Ms. Donahue said that due to the abuse of prescription opioids, BCBS is introducing a comprehensive opioid management program effective July 1, 2012. She said that the program includes limiting a member's access to opioid prescriptions to one physician and one pharmacy chain. She said an exception to the program would be for members with cancer or end-of-life illnesses.

Ms. Donahue said that effective January 1, 2012, ophthalmic solutions used to treat allergies was excluded from the BCBS pharmacy benefit because they are available over-the-counter without a prescription. She said members affected will be notified of the change by mail.

Ms. Donahue said that effective on July 1, 2013, additional women's preventative services will be covered at \$0 co-pay as required. Ms. Donahue said that also effective on July 1, 2013, the health plan Summary of Benefit Coverage (SBC) will be standardized across all health plan carriers and will be easier to understand. She said that BCBS will prepare the SBCs and distribute to the employers for distribution to their employees.

Ms. Donahue said that BCBS will be updating the physician tiering for the Network Blue Rate Saver plan and Benchmark plan effective July 1, 2013.

Harvard Pilgrim Health Plan – Bill Hickey said that new health plan identification cards will be released today. He said that there was nothing new to report other than what he stated earlier in the meeting.

Tufts Health Plan – Jim Delisle introduced Meghan Patch and said that she would be handling the day-to-day issues that may occur during Emily Savaria's maternity leave. He introduced Erin Hayes and said that she will be the WSHG Tufts Account Manager during Ms. Savaria's absence. Mr. Delisle said that Tufts Health Plan has completed the Medical Loss Ratio reporting required by the new legislation and said that Tufts anticipates rebates totaling \$20 to \$25 billion across its book of business. He said that WSHG could expect to see its rebate during the month of May.

Marc Waldman commended the health plans for keeping up with all of the recent changes required by PPACA.

**Other Business:**

Marc Waldman said that the Town of Wellesley's human resources department would like to automate its systems with the GBS systems to include the COBRA administration. He said that he would like to organize a working group to work on ideas.

Mary Beth Bernard suggested holding a benefits administrators meeting in September to work on a uniform enrollment process.

Carol Cormier said that she would discuss this with Mike See, the IT consultant for GBS.

Dan Morgado said that six OPEB Commission meetings were scheduled and two have been held. He said he is a Commission member, representing the municipal employers and that they are looking at options and will be issuing a final report. Mr. Morgado said that he would send additional information. He asked the Committee to send him ideas on what employers are doing or thinking of doing regarding OPEB. He said that there is no difference in retiree benefits of someone that has worked 10 years as compared to 20 years and said that maybe it should be pro-rated. Mr. Morgado said that Henry Dormitzer is leading the commission.

Marc Waldman said that the retiree benefits in the private sector have been reduced or dropped. He said that to change the municipal benefit would require a change to Chapter 32B.

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Mary Beth Bernard said that it would be difficult to attract qualified personnel without the retiree benefit package as an incentive.

Marc Waldman left the meeting.

The next WSHG Board and Steering Committee meetings were scheduled on September 18, 2012 at the Wellesley Town Hall. The Board meeting was scheduled to begin at 10:00 AM and the Steering Committee meeting time will be determined based on the agenda.

There was no other business.

Dan Morgado made a motion to adjourn.

Motion

Betty Dennis seconded the motion.

Pete Hoagland adjourned the meeting at 11:05 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*