

**West Suburban Health Group
Steering Committee Meeting**

Thursday, May 31, 2016 at 1:00 PM

Shrewsbury Municipal Office Building
Shrewsbury, MA

Meeting Minutes

Steering Committee Members in Attendance:

Dan Morgado, Chair	Town of Shrewsbury
Marc Waldman, Board Chair	Town of Wellesley
John Senchyshyn	Town of Wayland
Jerry Lane	Town of Dover
Christopher Coleman	Town of Needham
Jim Kern	Town of Dedham
Martha White	Town of Natick

Guests in Attendance:

Ruth Hohenschau	WSHG Treasurer
Mary Bousquet	Town of Holliston
Scott Szczebak	Town of Wellesley
Christine Fowler	Town of Shrewsbury
Donna Lemoyne	Town of Wayland
Linda Clark	Town of Natick
William Hickey	Harvard Pilgrim Health Care (HPHC)
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
Jason Fortin	Fallon Health
Jay Swanson	Blue Cross Blue Shield of MA
Kate Sharry	Group Benefits Strategies (GBS)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Steering Committee Chair Dan Morgado called the Steering Committee meeting to order at 1:03 PM.

Approval of the minutes of the May 12, 2016 meeting:

John Senchyshyn moved to approve the minutes as written.

Motion

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

Dan Morgado said he would like to move to Other Business and then come back to the discussion of plan design changes.

Other Business:

Carol Cormier said that Abacus Health Solutions did an analysis of the Fallon pharmacy claims to see if it would now be feasible to add Fallon to the My Medication Advisor® (MMA) program. She said that the previous two analyses done years ago showed that there would be no savings for the WSHG Fallon plans. She said the new review showed first year savings to WSHG of \$21,385 net of fees. She said that Abacus was proposing that the WSHG add Fallon to the program and that Abacus/PBS would charge \$1.25 per Fallon self-funded plan subscriber for the first year rather than the usual fee of \$2.25 per subscriber.

Dan Morgado said he does not favor a change for 7/1/16.

Carol Cormier noted that even though Fallon members do not have access to the MMA program, they do have access to the MMA website and that WSHG pays Abacus \$3,000 per year for that access.

Dan Morgado suggested taking this matter up again at rate setting time.

The Steering Committee members agreed with Mr. Morgado's suggestion.

Carol Cormier said that Abacus is purchasing Prescription Benefits Services and that the operation will continue to run as usual.

Carol Cormier said that the Mass. Municipal Reinsurance Arrangement (MMRA) Board met on May 12th. She said the MMRA sought quotes from reinsurers including the current company, Berkley Insurance. She said that there will be a new reinsurer, Transamerica, and that the premium increase will be 7.9%.

There was no other business.

Discussion about possible cost-effective plan design changes for FY18 and beyond:

Dan Morgado said that on 7/1/18 the Rate Saver plans will be eliminated and the Benchmark plan will remain with the changes that go into effect on 7/1/16. He said that the thought is that on 7/1/17 a third type of plan could be introduced and that the new plan could possibly be an HSA-qualified high deductible plan. He said that each unit would decide on its contribution to the employee's HSA plan. He said that changing copays does not make a big enough impact on costs.

Marc Waldman said that another means of rate reduction is to offer Limited Network Plans. He said that perhaps more than one type of plan design could be offered such as HSA-qualified plans and Limited Network Plans.

Jim Kern said that he fears members will not move to the limited network plans.

Jason Fortin said that Fallon offers the limited network plan, Fallon Direct Care, and that the employer contributions do not create any incentives for employees to move to the limited network plan.

Carol Cormier emphasized the importance of the employer contribution in successful strategies. She said she has always advocated paying a per Marc Waldman said that he is thinking that two carriers could be designated to offer the HSA-qualified plans and two to offer the limited network plans.

Martha White joined the meeting.

Carol Cormier said educating the Board about HSA plans is important. She said that another large joint purchase group is considering adding or changing to HSA-qualified plans in the future and that they are having an independent HSA plan administrator speak to their next Board meeting to explain the features of HSA plans. She said she would strongly advise that WSHG do the same as soon as possible.

In response to a request Bill Hickey, HPHC, walked through a scenario of care and payment for someone on an HSA-qualified plan.

There was a discussion.

Marc Waldman said that he does not oppose the HSA-qualified plans but rather the level of deductibles being discussed.

Bill Hickey said the current minimum deductible for a plan to qualify for an HSA is \$1,300 per Individual and \$2,600 Family. He said the threshold changes each year.

Dan Morgado said he favors offering HSA-qualified plans and benchmark plans and letting each community make its decisions about what to offer. He said all employers will be able to use Ch. 32B, Sc. 21-23 to bargain to the Benchmark plans level.

Chris Coleman said that employees will need a spreadsheet into which they can enter their typical costs and how much out-of-pocket expenditures will result under the different plans.

Erin Hayes said that Local 26, Boston moved to limited network plans and would probably be willing to come to WSHG to explain how they got to that point.

Dan Morgado said that WSHG needs to be differentiated from the GIC rather than keeping up with the GIC in order to keep WSHG viable. He said he realizes that collective bargaining will be difficult.

Marc Waldman said that he would like an attorney to be present at the next Board meeting.

Dan Morgado said that he thinks having two types of plans is where the Group should go.

Chris Coleman said he agreed with Dan Morgado and that the Board should look at the three options but narrow it down to two.

There was a discussion about the appropriate deductible level for the HSA-qualified plans.

Bill Hickey said that another option would be a high deductible plan with an employer funded-HRA.

The Board questioned Mr. Hickey about the HRA option and noted that there was more value to the employee from the HSA.

Dan Morgado said that the June 14th Board meeting agenda should include the items and issues discussed at this meeting. He said that an HSA/HRA expert should be invited to provide an

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introduction to the concept, and an attorney should be invited to discuss collective bargaining issues. He said that the terminations of Town of Sherborn and South Middlesex Voc-Tech and their obligations under the Joint Purchase Agreement should also be an agenda item. He said that Board members should encourage their HR Directors, Benefits Administrators, Managers, etc. to attend.

The starting time of the Board meeting of June 14, 2016 was changed to 1:00 PM. The location will be Natick Community-Senior Center.

Martha White moved to adjourn.

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

Dan Morgado adjourned the meeting at 3:13 PM.

*Prepared by Carol Cormier
Group Benefits Strategies*