West Suburban Health Group
Steering Committee Meeting

Thursday, July 12, 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
Martha White	Town of Natick

Guests in Attendance:

Mary Bousquet	Town of Holliston
Scott Szczebak	Town of Wellesley
Christine Fowler	Town of Shrewsbury
Donna Lemoyne	Town of Wayland
Miriam Johnson	Town of Dedham
William Hickey	Harvard Pilgrim Health Care (HPHC)
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
Jason Fortin	Fallon Health
Patrick Flattery	Fallon Health
Michael Breen	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 1:05 PM.

Approval of the minutes of the May 31, 2016 meeting:
Marc Waldman moved to approve the minutes as written.

Motion

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

Treasurer's Report:
There was no treasurer's report.

GBS Reports:
Funding Rate Analysis (FRA) – Carol Cormier reviewed the FRA report with data through May 2016. She said the expense-to-funding ratio across all plans on a *paid claims* basis was 97.8% with a surplus of funding over expenses of $2.17M. She and noted over $1.6M in reinsurance reimbursements were received during the period.

Martha White joined the meeting.

Reinsurance reports – Karen Carpenter reviewed the *FY16 reinsurance report* and said there were 7 members who exceeded the $300K specific deductible with claims totaling $3.1M. She said a total of $349,568 in reimbursements was received. Ms. Carpenter said there was a total of $656,499 of reimbursements due WSHG. Ms. Carpenter reviewed the *FY15 reinsurance report* and said there was an overpayment of reimbursements in the amount of $3,545. She said a total of $1.55M in reimbursements was received.

Diabetes Rewards and myMedicationAdvisor® programs total year-end claims reports from Abacus Health Solutions - Carol Cormier reviewed the reports from Abacus showing total claims spending by program for FY16. She said the total claims were as follows: for the diabetes rewards program, $782,028; for the CanaRx program, $329,758; and for the Alternative Savings Program, $7,469. She said that the total for all programs was $1,119,255.

Request from Town of Wayland for a special open enrollment:
John Senchyshyn said the Town of Wayland would like the Board to consider approving a special open enrollment with an expected enrollment change for January 1, 2017. He said the town is in negotiations and expects to move its employees from the WSHG Rate Saver plans to the WSHG Benchmark plans.

Marc Waldman made a motion to approve a special open enrollment period to the Town of Wayland as requested.

Motion

Christopher Coleman seconded the motion. The motion passed by a unanimous vote.

Letter from So. Middlesex Regional Technical School District:
Dan Morgado referred to correspondence from Jonathan Evans, Superintendent of the South Middlesex Technical school district and said that the district is requesting that the Board reconsider their position regarding the liability of their claims run-out. He said the district states that because they submitted notice of their withdrawal from WSHG prior to the date of the amended Joint Purchase Agreement (JPA), that they should not be held liable for their claims runout.

There was a discussion, and the Steering Committee agreed to make a recommendation to the Board that the district only be responsible for the withdrawal liability set forth in Article 14 of the Joint Purchase Agreement prior to the 1/14/16 amendments and to ask Atty. Leo Peloquin to review the response letter.

Fund Balance Analysis:
Carol Cormier said that the Board requested that the Milliman actuarial firm which was selected through an informal request for proposals, review the WSHG rate setting process and trust fund

balance history to determine a recommended fund balance range to avoid a future insufficient fund balance. She referred to the Milliman response and said it states that an uncommitted fund balance of 5.0% to 7.5% of the best estimated of expected incurred claims for fiscal year FY17 would be sufficient to cover adverse claims fluctuations about 95% of the time. She said that Milliman recommends that WSHG hold additional margin above the amounts recommended to account for unforeseen changes in experience due to enrollment changes.

There was a discussion and Marc Waldman said that the next step should be to create a revised trust fund balance policy.

Dan Morgado said it would be helpful to review the past five years of fund balance and the subsidy used for each year and to see when or if the balance fell below the range.

Plan design for proposed HSA-qualified plans for 7/1/17:
Dan Morgado referred to exhibits prepared by Carol Cormier comparing the current WSHG benchmark plans with FY17 proposed changes for FY18, with the proposed HSA-qualified high deductible plans.

Carol Cormier reviewed the exhibits and said that the current benchmark plan benefits are updated with the proposed co-pay changes to bring them up to the GIC level. She asked each of the health plan representatives to review their proposed HSA-qualified plans. She said that basically they are all based on the plan design that HPHC originally proposed.

Bill Hickey, HPHC, said the HPHC HSA-qualified plan has a $2,000 Individual and $4,000 Family up-front deductible and all services are covered in full after the deductible is satisfied with the exception of the prescription co-pays. He said the family deductible is embedded, explaining that the full family deductible needs to be satisfied before the services are covered in full for any one family member. He said there is an open pharmacy formulary and the 4th tier covers specialty drugs. He said the out-of-pocket prescription costs are counted towards the deductible. Mr. Hickey said the claims decrement is estimated at 25%.

Michael Breen said that BCBS does not currently have a plan with a $6,550 Individual and $13,100 out-of-pocket maximum, but noted that he thought it will be no problem to create one.

Carol Cormier said that the myMedicationAdvisor® program can continue to be available on the HPHC, BCBS and Tufts plans and noted that there are a few specialty drugs that have been added to the list of approved drugs.
Marc Waldman said it may be a good idea to add the MMA program to the Fallon plans if the Board approves adding the HSA-qualified plans.

Bill Hickey, in response to a question, said that it is standard for the mail order 1st and 2nd tier to be double that of the retail copay and for the 3rd mail order tier to be triple the retail co-pay.

Carol Cormier noted that the proposed plans are a starting point for discussion. She said the MMA medication lists are reviewed by Abacus regularly and that all of the approved drugs are maintenance medications.

Carol Cormier asked the health plans to provide a fitness benefit utilization report based on a calendar year.

Jason Fortin, Fallon Health, reviewed the proposed plan designs and said the Fallon HSA plan is similar to the HPHC plan, but noted that Fallon has not filed for a $200/$400 Rx specialty copay. He said they are only approved for a $100/$200 Rx copay. He reported an estimated 15.8% claims decrement and an additional 2.4% if/when the $200/$400 copays are approved. Mr. Fortin said that the deductible runs on a plan year.

Erin Hayes, Tufts Health Plan, said the Tufts medical plan design is the same as HPHC, but said Tufts cannot offer a mail order 4th tier. She reported an estimated claims decrement of 27.4%.

Carol Cormier suggested looking at the prescription information of all four health plans to see what the differences are. She said some have open formularies and that some of the 3rd tier drugs are bumped to the 2nd tier when adding a 4th tier and HPHC can only offer a closed formulary on their 4th and 5th tier Rx structure.

All of the health plan representatives confirmed that the administration of their pharmacy benefits are highly regulated and that they include step therapies.

Mike Breen, BCBS, said the medical benefits are similar to the HPHC plan and noted that he will need to check on adding a fourth Rx tier and the out-of-pocket maximums. He said the 3-tier prescription structure is standard and estimated the savings decrement at 18%. He said that a 4-tier Rx structure would yield another 1.5% in savings. Mr. Breen noted that the savings shown are conservative.

There was a discussion about the longevity of the benchmark plans and HSA-qualified plans.

The Committee agreed that the HSA-qualified plans that have prescription drug copays after meeting the deductible would be more appealing to the employees, but there was a concern about a change of behavior in acquiring medical services once the deductible is satisfied.

Carol Cormier mentioned the RW Johnson study that found that on average 50% of claims are incurred from 4% of plan members. She said that many municipal employers have a high contribution percentage and in that case employees do not have much skin in the game. She said employers with lower contributions get more employee engagement in programs to hold down costs.

Dan Morgado asked the health plan representatives to offer recommendations of which prescription levels would have the best savings and accessibility. He asked for decrements with the options.

Discussion about HSA plan administrators:
Marc Waldman said that each employer will be responsible to engage its own HSA plan administrator. He said three of the carriers have a relationship with Health Equity as their administrator. Mr. Waldman said that he thinks it would benefit both the employee and employer to hire the carrier's administrator.

GBS Website Contract:
Carol Cormier said that the WSHG GBS Website Maintenance contract expired at the end of June. She said GBS is proposing no fee increase for FY17.

Marc Waldman made a motion to approve renewing the GBS Website Maintenance contract for FY17 at the current fee.

Motion

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

Report on the meeting with Lt. Governor Karen Polito:
Dan Morgado said that he, Marc Waldman, Noreen Mavro-Flanders, and Skip Finnell from Cape Cod Municipal Health Group along with Kate Sharry and Carol Cormier from GBS met with Lt. Governor, Karen Polito and said it was a very good meeting.

Mr. Morgado said they discussed the GIC inequities and lack of transparency as compared to the Joint Purchase Groups and asked for real GIC financial information about how they are funded and set their rates. He said the Lt. Governor was surprised at the number and sizes of the JPGs. He said that following the meeting Group Benefits Strategies sent information about the municipal health affiliations to the Lt. Governor, Karyn Polito.

Mr. Morgado said that the Lt. Governor said that she viewed the group as a working group and said it was a great meeting.

Health Plan reports:
Fred Winer said the senior plan rates may be rising for CY17. He said he will meet with Group Benefits Strategies in August and said he will be starting to coordinate the dates for the senior health fairs.

Other Business:
The next Steering Committee meeting was scheduled for September 15, 2016 at 1:30 PM at the Shrewsbury Municipal Office Building.

Mr. Morgado said it is the consensus of the Committee that the HSA-qualified plan with prescription co-pays and no medical copays after the deductibles are satisfied is the plan that most are interested in adding for July 1, 2017.

There was no other business.

John Senchyshyn moved to adjourn.

Motion

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

Dan Morgado adjourned the meeting at 3:10 PM.

Prepared by
Karen Carpenter
Group Benefits Strategies