

**West Suburban Health Group  
Steering Committee Meeting**

Friday, September 15, 2017 at 10:00 AM  
Natick Community Senior Center, Natick, MA

**Meeting Minutes**

**Steering Committee Members in Attendance:**

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

**Guests in Attendance:**

Ruth Hohenschau	WSHG Treasurer
Michele Craemer	WSHG Wellness Consultant
Kevin Mizikar	Town of Shrewsbury
Christine Fowler	Town of Shrewsbury
Donna Lemoyne	Town of Wayland
William Hickey	Harvard Pilgrim Health Care
Erin Hayes	Tufts Health Plan
Jessica Clain	Tufts Health Plan
Fred Winer	Tufts Health Plan
Bob Cannon	Fallon Health
Michael Breen	Blue Cross Blue Shield of MA
Jonathan Payson	Blue Cross Blue Shield of MA
Kate Sharry	Group Benefits Strategies
Carol Cormier	Group Benefits Strategies
Chris Nunnally	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Steering Committee Chair Jim Kern called the meeting to order at 10:05 AM.

**Approval of the minutes of the June 1, 2017 meeting:**

Marc Waldman moved to approve the June 1, 2017 minutes as written.

Motion

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

**Treasurer's Report:**

Treasurer, Ruth Hohenschau, distributed and reviewed the financial reports through August 31, 2017 (unaudited figures). She said the Fund Balance increased \$550,682 in August to \$2,806,080. She said that the Fund Balance on June 30, 2016 was \$6,236,679. Ms. Hohenschau

compared the fund balance from June 2016 with that of June 2017 and said there was a decrease of \$4.48 million dollars.

Ms. Hohenschau said she will communicate with the auditor to see if he can have the financial audit completed by December this year.

Marc Waldman made a motion to accept the Treasurer's report.

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

**Wellness Committee Report:**

Michele Craemer referred to the WSHG Wellness Report and reviewed the FY17 results. Ms. Craemer said over 1,300 employees participated in the various programs. She said the coordination and use of individual units wellness funding allowed additional programs to be offered.

Ms. Craemer said exercise equipment was purchased by the Towns of Dedham and Needham for their fire department employees, utilizing their individual wellness stipends. She said Dover Sherborn RSD and the Town of Shrewsbury offered Yoga and postural seat cushions, while the towns of Wrentham and Natick offered Yoga programs. Ms. Craemer noted that Fallon Health had identified back issues as a main cause of high claims. She said Accept Collaborative participated in the Sharon Timlin 5k with training and motivation exercises. Ms. Craemer said the Accept wellness liason reported a bonus of raising \$1,000 for ALS research.

Michele Craemer reviewed the targeted wellness areas she wants to address with the FY18 wellness programs. She said the highest claims reported by Tufts and Fallon were associated with Cancer, Arthritis and MS. She said Fallon reported high utilization of the Fitness Reimbursement benefit. Ms. Craemer said the Fall in Step program has 100 registered participants to date. She said the Maintain Don't Gain program will begin again in November.

Jim Kern said the Town of Dedham employees were excited about the wellness programs and exercise equipment.

Martha White joined the meeting.

**GBS Reports:**

Carol Cormier reviewed the Funding Rate Analysis (FRA) for the fiscal year ending June 30, 2017 and said the expense to funding ratio was 101.7%. She said there was a shortfall of funding over paid major expenses of \$1,792,425.

Ms. Cormier reviewed the FY18 FRA with July 2017 data and reported the expense-to-funding ratio at 78.8%.

*Reinsurance reports –*

Karen Carpenter reviewed the *FY17 policy period* reinsurance report with claims through July. She said that 11 members incurred claims totaling \$5,762,537 with claims above the stop loss deductible ("excess claims") totaling \$2,462,537. She said WSHG has received \$2,129,549 in reimbursements so far and is owed \$322,988.

Ms. Carpenter reviewed the *FY16 policy period* excess claims report with 11 members having total claims of \$4.92 million and excess claims of \$1.62 million. She said reimbursements received were \$1.6 million. She said \$7,064 is owed back to the reinsurance pool due to claims credit adjustments.

*GIC Request for Responses -*

Carol Cormier said the Mass. Group Insurance Commission (GIC) issued a request for responses (RFR). She said it appears that the GIC is looking to consolidate its carriers and wants to self-fund all of its health plans, with the exception of a few senior plans. She said they are also looking at carving out the prescription drugs and at Telemedicine. Ms. Cormier said they are looking into offering HSA-Qualified High Deductible Health Plans, but not for the upcoming year.

Michael Breen, BCBSMA, said he doesn't know yet if BCBSMA will be submitting a quote or response to the RFR. He said they have not made a decision yet.

*High Performance Health Plans program* – Carol Cormier said GBS is looking at programs that have the potential to lower claims costs. She said they are hearing presentations from a variety of companies. She said the criteria for the interviews are that the programs have demonstrated significant ROI in reduced claims, and that the programs do not require plan design changes or collective bargaining. Ms. Cormier introduced Chris Nunnally of GBS and said he is leading this project.

Chris Nunnally said GBS is looking at the best practices and the GIC plans for the future and will consider the best of all practices when putting together a recommendation. Mr. Nunnally said that GBS is looking at programs to impact medical claims and those to impact pharmacy claims. He said by the year 2020, it is expected by some that as much as one-half of all claims may be in prescription drug costs. He said GBS is looking at vendors and will narrow them down to the "best in class". Mr. Nunnally said carving out the prescription drugs from the medical plans is an option that may make sense. He said Chronic Care Management/Case Management, Diabetes programs, Pay for Play weight loss programs and Telemedicine vendors are being reviewed by GBS. Mr. Nunnally said GBS will need WSHG's authorization to request claims data to do analyses of the programs. He said more information including the estimated ROIs of each program will be discussed with WSHG in the near future.

Marc Waldman said he has a concern about implementing the High Deductible Health Plans and at the same time bringing additional program changes to the employees.

Jim Kern said the Steering Committee will need to hear and review the information brought by GBS, and then make a plan as to when the right time for implementation would be.

Chris Nunnally said these programs will be added benefits for the employees and will probably be well received.

Kate Sharry said GBS is not pushing for a July 1<sup>st</sup> date and said these options may be good to add as part of WSHG's strategic planning for the future.

**Abacus reports – MMA and Diabetes Care Rewards Program:**

Carol Cormier said the MMA and Diabetes Total Spend report is in the meeting packet. She said effective October 1, 2017, the MMA program that has gone along with the CanaRx program will no longer be offered by Abacus and the employees will be purchasing directly from CanaRx. She reviewed the report and said the Diabetes program total spend through July was \$55,153 and the CanaRx claims costs were \$23K. Ms. Cormier said Abacus Health Solutions wants to meet with WSHG to propose enhancements to the current Diabetes program.

**Update on transition for the alternative prescription drug buying program:**

Carol Cormier said the CanaRx medication list will be more comprehensive than the MMA lists created by Abacus. She said Harvard Pilgrim, Fallon Health and BCBS have received the documents necessary to provide the claims data to CanaRx. Ms. Cormier said GBS will work out what is needed to obtain the Tufts data. Ms. Cormier noted that the members enrolled in the HDHPs will not be eligible to utilize the CanaRx program at least for the remainder of this policy year. She said that the WSHG added the preventive drug lists to each HDHP and the drugs on those lists are not subject to the deductibles.

Jim Kern said the preventative drug lists are financially a good thing for the employees.

Carol Cormier said CanaRx will be sending letters to all members except those on the Medicare plans and HSA-qualified high deductible health plans.

**CY18 Senior Plan renewals:**

*BCBS Medex 2* - Carol Cormier said WSHG has both fully insured and self-funded Senior plans. She reviewed the BCBS Medex 2 self-funded medical plan and the prescription portion of the plan which is a fully insured PDP. Ms. Cormier explained the methodologies in the projection of medical claims for CY18.

Ms. Cormier said the GBS and BCBS medical claims projections were very close. She said the prescription portion of the rate for CY18 is \$173.04. Ms. Cormier said the total rate projected by BCBS is \$379.28 and the GBS projection is \$380.69. Ms. Cormier said BCBS is making several changes to its Blue Medicare Rx formulary for CY18 and asked Mike Breen to speak about it.

Mike Breen said BCBS is making changes to the drug formulary in an effort to address the rising cost of the prescription drugs. He asked the Committee to not share the draft list of changes since it has not been finalized yet. Mr. Breen said there are 68 drugs changing tiers. He said of those 68 drugs, 58 are changing from tier 1 to tier 2, and 15 drugs changing from tier 1 to a tier 3. He said 8 drugs will not longer be covered, but those medications have alternatives. Mr. Breen said the list of drugs changing may change slightly before it is finalized. He said this change is why the prescription cost portion of the rate is remaining the same as it was in CY17. Mr. Breen said BCBS will be available to attend the Senior health fairs or meetings.

*Harvard Pilgrim Medicare Enhance* – Carol Cormier reviewed the Medicare Enhance projections for CY18 and said the GBS projection is \$366.14, an increase of 7.1%. She said the HPHC recommended CY18 rate is \$369.52, an increase of 8.0%.

The Steering Committee agreed to make their recommendations of the rates at the next Board Meeting.

*Fallon Senior Health Plan* – Bob Cannon noted that the largest population in the Fallon Senior Plan was from the Town of Shrewsbury at 16%. He said in the past, Fallon Health has made small plan design changes to the plan to keep its rates down. This year, he said the rate is increasing from \$338.00 to \$394.00. He said the Medicare Advantage plans are not receiving the federal funding they have in the past.

On a good note, Mr. Cannon said, is that the senior plan hearing benefit of \$500 is increasing. He said hearing aids will be able to be purchased in CY18 at 3 locations at a charge of \$695, \$795, or \$995 per device. Mr. Cannon said there is an additional benefit of a \$35 co-pay for a one-way chair van trip from the hospital to a skilled nursing facility. He also said the service area is expanding to parts of Vermont, New York, Connecticut and Rhode Island.

Fred Winer, Tufts Health Plans said he will have the Tufts Senior Rates for the October 5<sup>th</sup> Board meeting. He said Tufts is working on trying to reduce its senior plan rate increases from 10% to a 5% or 6% increase.

**Harvard Pilgrim Health Plan Formulary Changes:**

Bill Hickey distributed information about the redesign of the active employee plan Rx formularies. He said historically every prescription that was FDA approved was available through Harvard Pilgrim. Mr. Hickey said prescription drugs are the major cost driver now, and on January 1, 2018 Harvard Pilgrim will be eliminating coverage for a large number of brand name drugs for which there are lower cost generic equivalents or therapeutic alternatives. Mr. Hickey also said 51 prescriptions will be dropping down to a Tier 1 from a higher tier. He said if there is a clinical reason a member cannot take the alternative drug, their physician can submit an appeal to HPHC.

Mr. Hickey also said the mail-order prescription service vendor will be changing from Walgreen's to MedImpact Direct effective October 1, 2017.

Mr. Hickey said letters are being sent out to members informing them of the changes.

**Update on Town of Sherborn:**

Jim Kern said WSHG is working on a settlement to resolve the issue of the Town of Sherborn's claims run-out liability following the town's exit from the Group. He said a settlement amount has been identified and will be made public once the agreement has been signed.

He said he would entertain a motion to authorize Marc Waldman to work with the stipulation of receiving a full release of liability of both WSHG and the Town of Sherborn.

The Committee set up a date for an Executive Session, if needed and Steering Committee Meeting at 12:30 PM, prior to the Board Meeting on October 5th.

John Senchschyn said he had a question he would like answered prior to the meeting.

Jim Kern asked that questions from the Steering Committee members be submitted to Atty. Leo Peloquin, in advance of the next meeting. He confirmed that the original amount of the claims run-out cost was approximately \$111K.

**Informational session planning for HSA-qualified high deductible health plans (HDHPs):**

Jim Kern said the Board spoke about planning regional meetings where the providers can present information regarding the HSA-qualified high deductible health plans.

Carol Cormier said inviting labor leaders to these meetings may help to get the word out to the labor employees.

Marc Waldman said he would like to hold separate meetings for the Town of Wellesley labor employees and the health plans.

There was a discussion about how each of the Committee member units are communicating the plans to their labor force and other employees.

Carol Cormier said Stephanie Burke from BCBS and Bill Hickey, HPHC were excellent speakers about the HDHP plans and HSAs. She said Mr. Hickey, in meetings with other joint purchase groups, was generic when speaking about how the plans work since they work the same for each carrier.

The Steering Committee agreed to hold separate meetings with their unions and the employees.

Jim Kern said Kate Fitzpatrick, Town of Needham's Manager, suggested starting the discussion about where the WSHG is headed. He asked to add this discussion to the next agenda. Mr. Kern said it may be a good idea to hold a Managers' meeting to give an overview of what the Group is doing to address health care costs.

It was stated that the senior plans will not be adding deductibles for CY18.

Jim Kern said after moving to the Benchmark plans, the Group may become stagnant.

Marc Waldman said the plan designs could be revisited for July 2018 or 2020. He said the Group will need to move forward at some point.

**Other business:**

Erin Hayes, Tufts Health Plan, introduced Jessica Clain and said she will be the new contact person replacing Katherine Martin. She distributed a new contact list.

There was no other business.

Marc Waldman made a motion to adjourn.

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

Chair Jim Kern adjourned the meeting at 12:00 noon.

*Prepared by  
Karen Carpenter,  
Group Benefits Strategies*