

**West Suburban Health Group
Steering Committee Meeting**

Tuesday, February 26, 2019
Wellesley Town Hall, Wellesley, 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
Bill Chenard	Town of Natick
Kevin Mizikar	Town of Shrewsbury
Christopher Coleman	Town of Needham
Karen Jelloe	Town of Wrentham

Guests in Attendance:

Ruth Hohenschau	WSHG Treasurer
Chuck Murphy-Romboletti	Town of Needham
Carol Cormier	Gallagher Benefit Services, Inc.
Karen Carpenter	Gallagher Benefit Services, Inc.

Steering Committee Chair Jim Kern called the meeting to order at 9:35 AM.

FY18 Audited financial statements – vote to accept:

Marc Waldman made a motion to approve the FY18 Audited financial statements as reviewed at the audit exit interview.

Motion

Bill Chenard seconded the motion. The motion passed by a unanimous vote.

FY20 Active employee plan rate projections – review of new funding scenarios and vote on recommendation to the Board:

Jim Kern said the Steering Committee reviewed the full rating packet at the February 20th Steering Committee meeting. He said the Committee asked Carol Cormier to prepare additional funding scenarios based on the original Scenario D. .

Kevin Mizikar said he does not favor subsidizing plans that do not warrant being subsidized. He distributed a proposal beginning with the GBS FY20 claims projections. Mr. Mizikar said in keeping with the GBS proposed annual composite funding of \$106,996,925 and 8.49% composite increase, he is proposing similar composite funding, but a different spread across the plans. He reviewed each proposed plan increase.

Jerry Lane said he favors splitting the difference between the carrier and GBS projections, without a decrease to any plan, and then decreasing the HSA Qualified plans rates by 1%.

Ms. Cormier reviewed the funding scenarios as requested by the Steering Committee based on scenario D:

E: HSAQ rates 1.0% lower than the Benchmark increases with a composite increase of 8.3%

F: HSAQ rates 1.5% lower than the Benchmark increases with a composite increase of 8.2%

G: HSAQ rates 2.0% lower than the Benchmark increases with a composite increase of 8.0%

H: HSAQ rates 3.0% lower than the Benchmark increases with a composite increase of 7.7%

I: Alternative scenario proposed by Kevin Mizikar with a composite increase of 8.2%

Carol Cormier said when she does the projections, she bases the projections on the enrollment numbers in effect at the time. She said to be aware of possible migration when setting the rates. She discussed rating each plan based on its own claims projections only compared to some homogenization of increases.

Marc Waldman said other than the 3% decrement scenario, the other scenarios have the \$8M or \$8.9M monthly funding necessary to fund the plans adequately. He suggested eliminating scenario H from consideration.

The Committee agreed with Mr. Waldman.

Karen Jelloe said there is not much difference between the rates of the remaining scenarios and said she favors Scenario G with the composite increase of 8% and annual funding of \$106,535,375.

Jim Kern said he agrees with Ms. Jelloe and noted the 2.0% difference between the two types of plan designs.

Marc Waldman noted that a 2.0% spread would not persuade many members to migrate to the HSAQ plans.

Kevin Mizikar said he has a concern about not funding a plan adequately and over time missing the mark on the rating.

Motion

Marc Waldman said the Committee looks at the funding of each plan each year during the rating process. He said it could be that the plan that looks like it needs to be increased this year, may not need it in the new year. Mr. Waldman said none of the plans are out of the range yet.

Jim Kern said balancing the plan rates allows the plans to re-balance during the subsequent year.

Carol Cormier said what is important is to spread the risk across the plans. She also noted that a small amount of members are responsible for 45% of the overall claims costs.

Karen Jelloe made a motion to present Scenarios F & G to the Board for their decision.

Motion

Jerry Lane seconded the motion.

Marc Waldman suggested presenting all of the scenarios to the Board.

Karen Jelloe rescinded her motion.

Jim Kern made a motion to present all of the scenarios to the Board for a decision.

Motion

Bill Chenard seconded the motion. The motion passed by a unanimous vote.

Other Business:

There was no further business

Marc Waldman made a motion to adjourn.

Motion

Christopher Coleman seconded the motion.

Chair Jim Kern adjourned the meeting at 10:05 AM.

*Prepared by
Karen Carpenter,
Gallagher Benefit Services*