

**West Suburban Health Group
Board Meeting**

Thursday, February 27, 2019 at 10:00 AM
Natick Community Senior Center
Natick, MA

Meeting Minutes

Board and Alternate Board Members in Attendance:

Marc Waldman, Board Chair	Town of Wellesley
Kevin Mizikar, Steering Committee Chair	Town of Shrewsbury
Louise Miller	Town of Wayland
Chuck Murphy-Romboletti	Town of Needham
Jerry Lane	Town of Dover
Dawn Fattore	Dover Sherborn RSD
William Chenard	Town of Natick
Mary Bousquet	Town of Holliston
Kendra Wisell-Ford	Town of Wrentham
Lauren Bailey	Town of Dedham
Scott Szczebak	Town of Wellesley
Cathy Ellis	ACCEPT Collaborative

Guests in Attendance:

Ruth Hohenschau	WSHG Treasurer
Anne Costello	WSHG Asst. Treasurer
Michele Craemer	WSHG Wellness Consultant
Donna Lemoyne	Town of Wayland
Sybil Moore	Town of Needham
D. C. Snowdon III	Town of Shrewsbury
Angela Cataldo	Town of Natick
Debbie Deegan	Town of Dedham
Jill Gallant-Shaw	Cook & Co. (for Wrentham)
Patty Joyce	Abacus Health Solutions
Patrick Flattery	Fallon Health
Mark Nicholson	Harvard Pilgrim Health Care (HPHC)
Mike Breen	Blue Cross Blue Shield (BCBS)
Lisa Despres	Tufts Health Plan
Fred Winer	Tufts Health Plan – Senior Plans
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Karen Carpenter	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

Board Chair Marc Waldman called the Board meeting to order at 10:00 AM.
Marc Waldman asked everyone to introduce themselves.

Approval of the minutes of the October 9, 2019 meeting:

Carol Cormier noted a misspelling of the Wrentham Board representative's last name.

Bill Chenard moved to approve the minutes of the October 9, 2019 Board with the spelling correction as noted.

Motion

Chuck Murphy-Romboletti seconded the motion. The motion passed by unanimous vote.

Treasurers report:

Marc Waldman said that the Steering Committee met with the auditor, Bill Fraher, CPA, by conference call on February 20th.

Kevin Mizikar said the Steering Committee recommends approval of the FY19 audit report. He said that copies of the report were distributed to the Board by email.

Jerry Lane motioned to approve the FY19 audit report.

Motion

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

Ruth Hohenschau, WSHG Treasurer, said that she has updated the recent reports (unaudited figures) since the Feb. 20th Steering Committee with new reinsurance information and said that information from the auditor's reports has been updated on her June 30, 2019 reports. Ms. Hohenschau reviewed her reports as of January 30th (unaudited figures) and said that the fund balance as of January 30 was \$13,169,877 which is an increase of \$7.2 million since June 30, 2019.

GBS reports:

Carol Cormier said that after twelve years in her position, Karen Carpenter will be retiring in March and that Karen Quinlivan will be taking over the position. She said Ms. Quinlivan has been working for the company for ten years in the Enrollments Dept. and is very familiar with West Suburban Health Group and the other MA municipal joint purchase groups that are GBS's clients.

Ms. Cormier reviewed the *Funding Rate Analysis* report with data through January 30, 2020. She said that on a *paid claims basis* the expense-to-funding ratio across all self-funded plans was 91.2% with an excess of rate funding over major expenses of \$5.77 million.

Karen Carpenter reviewed the FY19 reinsurance reports. She said 14 claimants exceeded the \$300K specific deductible with total claims of \$7.04 million and excess claims of \$2.84 million. She said the lasered claimant had not reached the \$1.5 million lasered deductible at this point and had claims totaling \$938,177. Ms. Carpenter said that the WSHG has received \$2.1 million in reinsurance reimbursements and is owed another \$747,309. She said that there were 41 members each with claims between \$150K and \$300K with total claims of \$8.36 million.

Ms. Carpenter reviewed the FY20 reinsurance report of excess claims and said that 5 members had claims over \$300K. She said total claims were \$3.1 million and excess claims were \$1.6 million. She said WSHG has not received any reimbursements to date. Ms. Carpenter noted that there were 9 members each with claims between \$150K and \$300K with total claims of \$1.9 million.

Ms. Cormier reviewed a list of programs available that might reduce claims costs. She said that specialty medication is a growing high cost category and spoke of the OptiMed Health Partners program focusing on members using infusable specialty medications. She said that this program will be introduced slowly starting with one member. She said that promoting participation in the HSA Qualified plans (HSAQs) has resulted in considerable savings. She added that the Wellness programs, the Diabetes Rewards program, the CanaRx program, and the telehealth program (MyTelemedicine) also reduce claims costs for WSHG and members and improve services and health. She reviewed other programs including buying into Medicare for 65 and older retirees who do not qualify for Medicare.

Wellness program report:

Michele Craemer, Wellness Consultant, said there has been a consistent increase in program participation, but there is always room for improvement. She reviewed status of wellness programs including the Fitness Challenges, weight management program and stress management.

Abacus Health Solutions report:

Patty Joyce distributed and reviewed the report on the *Good Health Gateways Diabetes Care Rewards program* for calendar year 2019. She reviewed the five diabetes care guidelines that participants must complete in order to qualify for free diabetic medications and supplies. The report included demographics, medications and supplies spend, co-pay analysis, and outcomes metrics. She said \$808,524 was spent on prescription drugs and supplies through the program and estimated savings were \$126,679 for the year. She said 34% of members eligible to participate are enrolled in the program, and 55% of those enrolled are adherent and receiving their medications and supplies at a \$0 cost to the member.

Ms. Joyce said the Rx rebates are \$15,000 to date but will increase to about \$30,000 per year.

Ms. Joyce talked about the participant survey and results and Abacus's member outreach activities. She thanked Michele Craemer for her efforts. She noted that HSA qualified plan members are now eligible to participate in the Diabetes program and said 25 diabetic members are using the program.

Mass. Municipal Reinsurance Arrangement (MMRA) report:

Marc Waldman said that information about a program called OptiMed Health Partners based in Michigan was brought to the MMRA Board by Kismet Risk, the reinsurance managing general underwriter. He said that the program is aimed at reducing costs of specialty medications and at the same time improving options and convenience for those taking the medications, many of which are infusion meds. He said that at the level that MMRA agreed to try the program it will be mostly transparent to the member. He said that the proposed contract was reviewed and revised, and the Steering Committee recommends signing the contract and starting with one member who has been identified as benefiting. He said the program will be moved forward on a case by case basis with approval from the WSHG. He said that the health plan representatives had questions at the February 20th Steering Committee and that these were submitted to OptiMed which provided responses. He said WSHG will be billed directly by OptiMed through the usual Warrant process. He said that there will be no copays or deductibles to the member for OptiMed services and supplies.

Kevin Mizikar motioned to sign the contract with OptiMed Health Partners.

Motion

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

FY21 rate recommendations for active employee plans:

Kevin Mizikar said that claims projections and rate proposals provided by the health plans and by GBS were reviewed by the Steering Committee (SC). He said that the claims projections were based on two years of claims history. Mr. Mizikar said the rates include the factors for expected claims, health plan administrative fees, GBS fees, reinsurance premiums and factors for expected claims cost of the Diabetes Rewards program and CanaRx. He explained that Carol Cormier compared the proposed rates based on health plan claims projections with those based on GBS claims projections and created a number of funding scenarios for FY21 which were included in the Board packet. He said that the SC requested additional scenarios which they reviewed at this morning's SC meeting. He said the SC is recommending funding Scenario F, with a 5.2% composite funding increase.

Marc Waldman said that the increase for each health plan is based primarily on the claims performance for the particular health plan.

Carol Cormier said that the full packet of rate development is available and asked Board members to let her know if they would like a copy. She noted that the WSHG has about 12,000 active employee plan members and that 4-5% of the total membership accounts for 4-5% of claims.

Marc Waldman said trend factors are in the 7-8% range.

There was a discussion.

Bill Chenard motioned to adopt Funding Scenario F with rates rounded to the nearest whole dollar and with the following rate increases: Harvard Pilgrim Benchmark and HSAQ EPO/HMO at 6.3%, BCBS EPO/HMO and HSAQ at 3.8%, Tufts Benchmark and HSAQ EPO at 4.8%, Fallon Benchmarks and HSAQs at 4.8%, and Harvard Pilgrim PPO at 1.8%. Motion

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

Steering Committee vacancy:

Marc Waldman said that currently the Committee has six members and would like to have seven. He said that anyone who is interested should let him or Kevin Mizikar know.

Discussion about spring Health Fairs:

The health plan representatives said that so far the only fairs set up are for Natick, Dover Sherborn RSD, and Wayland.

Carol Cormier asked the Board members and health plan representatives to copy Karen Quinlivan on any information about health fairs and Open Enrollment activities.

Health Plan reports:

Fred Winer, Tufts Health Plan Senior Products, said that the federal government killed the Cadillac Tax and the Health Insurance Tax (HIT) for next year. He said the HIT accounted for about \$10 per month on the senior plan rates. He reminded the Board that Social Security numbers are no longer used on enrollment transactions for Medicare plans. He said only the MBI numbers are used. He asked that a copy of the Medicare card be sent with enrollment forms.

There were no other health plan reports or comments.

Other Business:

Marc Waldman said it is likely that he will retire in the Fall and asked Board members to think about leadership for the WSHG. He said this should be an item on the next Board meeting Agenda.

Jerry Lane motioned to adjourn. Motion

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

Chair Marc Waldman adjourned the meeting at 11:14 AM.

*Prepared by Carol Cormier
Gallagher Benefit Services, Inc. (GBS)*