

**West Suburban Health Group
Board Meeting**

Monday, February 22, 2021 at 10:00 AM
Meeting by Virtual Participation

Meeting Minutes

Board and Alternate Board Members in Attendance:

Kevin Mizikar, Board Chair	Town of Shrewsbury
Marc Waldman	Town of Wellesley
Louise Miller	Town of Wayland
Jerry Lane	Town of Dover
Dawn Fattore	Dover Sherborn RSD
Mary Bousquet	Town of Holliston
Lyudmila Farrington	Accept Education Collaborative
Chuck Murphy-Romboletti	Town of Needham
Jamie Erickson	Town of Natick
Kendra Wisell-Ford	Town of Wrentham

Guests in Attendance:

Ruth Hohenschau	WSHG Treasurer
Michele Craemer	WSHG Wellness Consultant
Debbie Deegan	Town of Dedham
Donna Lemoyne	Town of Wayland
Nicholas Hawes	Town of Shrewsbury
Linda Clark	Town of Natick
Dorothy Blondiet	Town of Natick
Christine Dauphinais	Accept Collaborative
Amy Frigulietti	Town of Wellesley
Bahiya Sauer	Town of Wellesley
Robin Tusino	Town of Wellesley
Timothy Barros	Wellesley Patrolmans Union
Susan Shillue	Cook and Co. Ins. Svcs.
Jill Gallant-Shaw	Cook and Co. Ins. Svcs.
Patty Joyce	Abacus Health Solutions
Corin Tasso	Abacus Health Solutions
William Hickey	Harvard Pilgrim Health Care (HPHC)
Julia Lebrun	Fallon Health
Katelyn Glennon	Fallon Health
Patrick Flattery	Fallon Health
Mike Breen	Blue Cross Blue Shield (BCBS)
Lisa Despres	Tufts Health Plan
Rae Felts	Tufts Health Plan
Fred Winer	Tufts Health Plan – Senior Plans
Chris Collins	CanRx
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)
Joseph Anderson	Gallagher Benefit Services Inc. (GBS)

Board Chair Kevin Mizikar called the Board meeting to order at 10:02 AM.

Mr. Mizikar reminded those present that the meeting was being recorded and asked if there were any objections. There were none. Roll call was taken with voting attendees listed as:

Kevin Mizikar, Board Chair	Town of Shrewsbury
Marc Waldman	Town of Wellesley
Gerard Lane	Town of Dover
Dawn Fattore	Dover Sherborn RSD
Mary Bousquet	Town of Holliston
Jamie Errickson	Town of Natick
Chuck Murphy-Romboletti	Town of Needham
Louise Miller	Town of Wayland
Kendra Wisell-Ford	Town of Wrentham

Approval of the minutes of the October 16, 2020 meeting:

Marc Waldman moved to approve the minutes of the October 16, 2020 Board Meeting.

Motion

Gerard Lane seconded the motion.

There was a roll call vote on the motion:

Kevin Mizikar, Board Chair	yes
Marc Waldman	yes
Gerard Lane	yes
Dawn Fattore	yes
Mary Bousquet	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kendra Wisell-Ford	yes

The motion passed by unanimous vote.

Lyudmila Farrington joined the meeting.

Appointment to fill Steering Committee vacancy:

Kevin Miziakr said that there are currently five members serving on the Steering Committee. Prior to May 2020, there were seven members. One left his position and one retired. Mr. Mizikar asked if there were any nominations or interest in serving on the Steering Committee. There was no response at this time.

Treasurers report:

Ruth Hohenschau, Treasurer, said that the auditor had completed the FY20 audit. As a result, there were several significant changes to the June financial statement. The IBNR was reduced by \$1.4M and

increased reinsurance accounts receivables by \$626,328. Beginning FY20 Fund Balance was \$5,971,353 and ending balance \$18,852,655. Fund balance increased by \$12,852,655.

Ms. Hohenschau reviewed the FY21 financial statements of January 31, 2021 (*unaudited figures*). She said that the Fund Balance increased from \$18.8M at the beginning of the year to \$25.6M as of January 31, 2021 resulting in an increase of \$6.8M.

The audit report summary showed for FY20 Cash and Investments were up 92.7% from the prior year. Claims Liabilities decreased 17.11% and Net Assets increased 215.2%.

Kevin Mizikar said that the Steering Committee heard a detailed overview of the FY20 audit that was conducted by auditor Bill Fraher, CPA. The Committee voted to accept the FY20 audit report and to recommend acceptance by the Board.

Marc Waldman made a motion to accept the June 30, 2020 audit report as recommended by the Steering Committee.

Motion

Jerry Lane seconded the motion. There was a roll call vote.

Kevin Mizikar, Board Chair	yes
Marc Waldman	yes
Lyudmila Farrington	yes
Gerard Lane	yes
Dawn Fattore	yes
Mary Bousquet	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kendra Wisell-Ford	yes

The motion passed by unanimous vote.

GBS reports:

Ms. Cormier reviewed the FY21 *Funding Rate Analysis* report with data through December 31, 2020. She said that on a *paid claims basis* the expense-to-funding ratio across all self-funded plans was 89.0% with an excess of rate funding over major expenses of \$6.4 million. Reinsurance reimbursements from the prior year accounted for \$2.5M of that amount.

Karen Quinlivan reviewed the FY20 reinsurance reports. She said 19 claimants exceeded the \$300K specific deductible with total claims of \$10,483,368 and excess claims of \$4,783,368. Ms. Quinlivan said that WSHG received \$4,476,789 in reinsurance reimbursements and is due an additional \$306,578. She said that there were 36 members each with claims between \$150K and \$300K with total claims of \$7,179,735. Ms. Quinlivan reviewed the FY21 reinsurance report and said there were 5 claimants that exceeded the \$300K specific deductible with total claims of \$2,291,559 and excess claims of \$791,559. Ms. Quinlivan said that no reimbursements have been received to date, and WSHG is due an additional \$791,559. She said that there were 18 members each with claims between \$150K and \$300K with total claims of \$3,542,672.

Wellness program report:

Michele Craemer, Wellness Consultant, had a conflict and was unable to present her report, however she sent a printed report for review.

Diabetes Care Rewards Program report:

Patty Joyce reviewed the annual report on the *Good Health Gateways Diabetes Care Rewards program* through December 31, 2020. Member engagement continues to be strong for WSHG. The program has been offered for eleven years. There were 156 members enrolled in the program with 12 newly enrolled and 66 members adherent to program requirements. There has been a slight decrease in members participating in the program during the pandemic. The group is still exceeding the program goal of 30% registration of eligible members. Adherence remains strong with 42% of registered members meeting all program requirements. Adherence average for municipalities is 44%. The help line is available for any questions. Text messaging has been ongoing as well as a webinar on maintaining health during these challenging times. There were 1,651 medications and supplies distributed to adherent members with \$39,590 in waived copays and \$94,272 in total estimated savings to the group, net of copayments and fees. Rebates distributed to date include all of 2019 and Q1 2020 for a total of \$116,263.71. There has been a 29% reduction in A1cs greater than 8.0. Remote glucose monitoring is offered to all at-risk individuals enrolled in the program providing a remote monitor, at no cost to participants, for sharing blood glucose readings with Good Health Gateway nurse educators and pharmacists. It provides \$0 copays on test strips. Active outreach is multi-dimensional that allows members to customize how they receive communications from the program. There were 441 letters mailed, 280 Helpline calls and 68 text reminders sent. As a way to provide additional support for members, Q&A Zoom calls and webinars will be available to members in 2021. A new registration incentive also sends A1c test collection kits to members' homes. Completed kits are then sent directly to a lab for processing with no member cost and count as a finished activity when they register.

Mass. Municipal Reinsurance Arrangement (MMRA) report:

Kevin Mizikar asked if there were any updates on the MMRA.

Marc Waldman said that the MMRA just recently had a Board meeting. The financials were reviewed, and it was determined that from the FY19 period there is about \$3.7M of excess contributions from the three joint purchase groups that comprise the MMRA that are not needed and will be returned. WSHG is entitled to about 40% of that. That is not new revenue but a receivable that will be converted to cash. Claims are still high. In the case of WSHG, there was a lasered claim. There was an ongoing discussion of expanding and opening the MMRA up to other Joint Purchase Groups or large cities or towns. Mr. Waldman said that Gallagher will organize that marketing for future possibilities.

Carol Cormier said that Artex did an analysis, and the leverage trend for the MMRA was about 13.7%, which is considerably better than the sample from the marketplace. The OptiMed Specialty Med program was also a topic of conversation. A reminder email will be sent again to Benefit Administrators asking them to distribute flyers so that OptiMed can go ahead and do their outreach to identify members. This service is important in that it will save both the member and employers significant cost savings.

Health Plan rates for FY22:

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 FY22 which were included in the Board packet. Rating was especially challenging this year based on the pandemic and predicting the possible future claims experience. 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 G-2, with a 3.4% composite funding increase.

Carol Cormier said that she has a packet of all the rate calculations and illustrations that is 27 pages long. If anyone requests a copy of the report, she would be happy to provide it. She said that the Steering Committee went through that packet thoroughly. She said that WSHG has an exceptionally high Fund Balance over target some of which can be used to future support rates. As of 06/30/2020, there was \$18,824,008 in audited Fund Balance. As in years past, the health plans make claims projections, and GBS makes independent projections from historical claims and trend factors. She said that by far the largest component of the rates is health plan claims. She said claims factors for the Diabetes Rewards program, CanaRx are also included in the projected rates, and that the fixed costs included in the rates are health plan administrative fees, reinsurance premiums, and GBS fees. Ms. Cormier reviewed the rate projections calculations and FY22 possible funding scenarios versus the current funding scenario. The current rate scenario for all plans with no changes to enrollment would require \$110,682,072 in annual funding. She said usually both the health plans and GBS provide projections, which are compared. This year, because of the Covid Factor, reinsurance and high cost claims and the way they were pooled out, there were considerable differences in the projections between the health plans and GBS. The Steering Committee decided to use GBS projections as the basis for their rate decision because it was the more conservative. Scenario A had a 6.4% composite increase in rates. The current target Fund Balance is \$10M. The standard of using up to 50% above target balance would leave \$4M to supplement rates. Scenario E-1 had a composite 2.7% increase and would use \$4M of Fund Balance. Next, the Diabetes and CanaRx program claims were added in and scenario E-2 illustrated a 3.4% composite increase. Scenario F illustrated a 3.2% composite increase. Scenarios G-1 and G-2 both had composite fund increases of 3.4% adjusting premium increases between carriers.

Kevin Mizikar said that they do recognize that they have a Fund Balance of \$18M. Using \$3.3 M of Fund Balance is within range but that excess balance will come to an end at some point in time. For the benefit of the members and the municipal budgets, a 3.4% increase will benefit both members and municipalities. Rates adjusted upward slightly will keep pace with what is happening within the market.

Marc Waldman said that scenario G-2 incorporated the CanaRx and Diabetes Rewards program in calculated figures. It stayed true to Carol Cormier's original analysis but Fallon rates were lower than Harvard Pilgrim, which was different from original analysis. It does maintain a rate differentiation between Harvard Pilgrim and Tufts. He said it stays true to using the approximate \$4M in Fund Balance and utilized rate compression concepts utilized in the past to keep rates consistent.

Jerry Lane said Scenario G-2 struck the balance between uncertainty as far as utilization as times get better and the fact that the group has a surplus. This works for this year.

Marc Waldman motioned to adopt Scenario G-2 for FY22 rates with Blue Cross HSAQ plan rates rounded to eliminate pennies.

Motion

Mary Bousquet seconded the motion. There was a roll call vote.

Kevin Mizikar, Board Chair	yes
Marc Waldman	yes

Lyudmila Farrington	no response
Gerard Lane	yes
Dawn Fattore	yes
Mary Bousquet	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kendra Wisell-Ford	yes

The motion carried by majority vote.

Open enrollment activities:

As Open Enrollment activities are once again virtual, the health carriers are available for any resource needs that entities may have.

Harvard Pilgrim- Bill Hickey said that what has been most successful is when a district sets up an Open Enrollment event and invites carriers to present in a virtual format together and then set up availability for questions. Forms are available in both hardcopy and electronic format.

Blue Cross- Michael Breen said the Blue Cross would also work with whatever works for groups.

Fallon- Katelyn Glennon said they also have some pre-recorded content that they can provide for anyone interested.

Tufts- Lisa Despres said that Tufts is available for any needs.

CanaRx – Chris Collins said that they have participated in Zoom meetings and can do so again and that Jim Riley would be reaching out individually to groups shortly to address any needs.

Abacus- Patty Joyce said they could send out any flyers, videos or promotional materials that any group should need.

Health Plan and vendor reports:

Abacus/ Diabetes Care Rewards Program- Patty Joyce said Abacus will be sending out a new mailer to all the unregistered members to make sure they are aware of the program. Members can sign up any time, not just at open enrollment.

Harvard Pilgrim- Bill Hickey said the merger of Harvard Pilgrim and Tufts is complete. The two organizations will form a new company and work on integration of processes etc. In the meantime, products will run in parallel with no changes for several years. Benefits and service remains in place with no change.

Tufts- Lisa Despres reiterated what Bill Hickey said and did not have anything to add.

Fred Winer – Fred said he is available for any needs for information and did not have anything new to add.

Fallon- Katelyn Glennon did not have anything new to report.

Blue Cross- Mike Breen added that new this year Blue Cross is adding virtual fitness memberships and classes to the Fitness Reimbursement benefit.

CanarX- Chris Collins said that they will have both electronic and paper material available and groups should be hearing from Jim Riley shortly. The group is currently on track for over \$390,000 in savings this year.

Other Business:

Marc Waldman motioned to adjourn.

Motion

Louise Miller seconded the motion.

There was a roll call vote on the motion.

Kevin Mizikar, Board Chair	yes
Marc Waldman	yes
Lyudmila Farrington	yes
Gerard Lane	yes
Dawn Fattore	yes
Mary Bousquet	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kendra Wisell-Ford	yes

The motion passed by unanimous vote.

Chair Kevin Mizikar adjourned the meeting at 11:27 A.M.

*Prepared by Karen Quinlivan
Gallagher Benefit Services, Inc. (GBS)*