

**West Suburban Health Group
Board Meeting**

Tuesday, April 20, 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
Gayle McCracken	Town of Dedham
Chuck Murphy-Romboletti	Town of Needham
Dorothy Blondiet	Town of Natick
Kendra Wisell-Ford	Town of Wrentham
Lyudmila Farrington	Accept Education

Guests in Attendance:

Ruth Hohenschau	WSHG Treasurer
Michele Craemer	WSHG Wellness Consultant
Donna Lemoyne	Town of Wayland
Nicholas Hawes	Town of Shrewsbury
Linda Clark	Town of Natick
Christine Dauphinais	Accept Collaborative
Amy Frigulietti	Town of Wellesley
Scott Szczebak	Town of Wellesley
Bahiya Sauer	Town of Wellesley
Joanne Liburd	Town of Wellesley
Robin Tusino	Town of Wellesley
Anthony Cuoco	Town of Natick
Jim Araujo	Town of Natick
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	CanaRx
Jim Riley	CanaRx

Jeffrey Beane
Carol Cormier
Karen Quinlivan
Joseph Anderson
Marissa Chakmakian

MyTelemedicine
Gallagher Benefit Services, Inc. (GBS)
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Board Chair Kevin Mizikar called the Board meeting to order at 10:00 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
Gayle McCracken	Town of Dedham
Gerard Lane	Town of Dover
Dawn Fattore	Dover Sherborn RSD
Mary Bousquet	Town of Holliston
Dorothy Blondiet	Town of Natick
Chuck Murphy-Romboletti	Town of Needham
Kendra Wisell-Ford	Town of Wrentham

Approval of the minutes of the February 22, 2021 meeting:

Chuck Murphy-Romboletti moved to approve the minutes of the February 22, 2021 Board Meeting.

Motion

Marc Waldman seconded the motion.

There was a roll call vote on the motion:

Kevin Mizikar, Board Chair	yes
Marc Waldman	yes
Gerard Lane	yes
Gayle McCracken	yes
Dawn Fattore	yes
Mary Bousquet	yes
Dorothy Blondiet	yes
Chuck Murphy-Romboletti	yes
Kendra Wisell-Ford	yes

The motion passed by unanimous vote.

Lyudmila Farrington joined the meeting.

Treasurers report:

Ms. Hohenschau reviewed the FY21 financial statements of March 31, 2021 (*unaudited figures*). She said that the Fund Balance increased from \$18.8M at the beginning of the year to \$26.1M as of March 31, 2021 resulting in an increase of \$7.2M. The cumulative revenue was \$96,795,583. This month WSHG received \$1,355,810.88 in refunds from the 2019 deposit with the MMRA. Abacus has provided rebates

of \$56,594 and OptiMed \$1,000. The Fund Balance for the Month of March increased by \$526,819. So far YTD there have been \$2,676,873 in reinsurance reimbursements, and they have all been for FY20.

Louise Miller joined the meeting.

GBS reports:

Ms. Cormier reviewed the FY21 *Funding Rate Analysis* report with data through February 28, 2021. She said that on a *paid claims basis* the expense-to-funding ratio across all self-funded plans was 90.6% with an excess of rate funding over major expenses of \$7.3 million. Reinsurance reimbursements from the prior year accounted for \$2.6M of that amount.

Karen Quinlivan reviewed the FY20 reinsurance reports. She said 19 claimants exceeded the \$300K specific deductible with total claims of \$10,391,346 and excess claims of \$4,691,346. Ms. Quinlivan said that WSHG received \$4,676,318 in reinsurance reimbursements and is due an additional \$15,027.24. She said that there were 36 members each with claims between \$150K and \$300K with total claims of \$7,186,039. Ms. Quinlivan reviewed the FY21 reinsurance report and said there were 7 claimants that exceeded the \$300K specific deductible with total claims of \$5,356,874 and excess claims of \$2,056,874. Ms. Quinlivan said that no reimbursements have been received to date, and WSHG is due an additional \$2,056,874. She said that there were 29 members each with claims between \$150K and \$300K with total claims of \$5,551,487.

Wellness program report:

Michele Craemer, Wellness Consultant, presented her wellness report through April. All virtual wellness programming has continued to reach over 100 participants per program. Winter Wellness Wednesdays has had over 108 participants learning relaxation techniques such as mindfulness, stretching, and deep breathing. Spring into Action is an individual physical activity challenge that has participants striving towards an average of 30 minutes of physical activity 5 times per week. There have been 145 participants, and the goal is to keep moving forward into 2021. Community-wide wellness programming includes Yoga at Accept and Shrewsbury, Healthy Lunches for Frontline Workers in Wayland and the Tufts Well-being Webinar Series in Wayland, Wrentham and Accept. Monthly wellness flyers have been sent to all communities with topics since February of Healthy Hearts, Healthy Eating, and Quality Sleep. The next Wellness Committee meeting will be held in May.

Mass. Municipal Reinsurance Arrangement (MMRA) report:

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

Carol Cormier said that the MMRA had a Board meeting in February. There was discussion about encouraging other entities to join the MMRA. That will be a long term project. The reinsurance captive is very complex and has a lot of moving parts. A meeting has been scheduled for tomorrow June 21, including the Board members plus Treasurers and auditor to go over the flow of information and interaction of entities involved in the MMRA. Hopefully it will provide a better understanding of how it works as a solution. The new reinsurance rates will be received in late May at another meeting.

Planning for Future changes to the health insurance marketplace including the loss of Fallon and merger of Harvard Pilgrim and Tufts:

Carol Cormier said that Fallon rates have been dramatically lower than those of the other carriers. The concern has been that employees will make enrollment changes for the current year when they hear that Fallon is leaving and create budgeting challenges for the coming year. The question arises why Fallon

rates are so much lower. There are several possible reasons. Fallon may have better provider contracts. They could have members that are using lower cost providers such as those in central Massachusetts. They may attract a healthier population. The proportion of family contracts is higher than the other carriers. She said it may be a combination of all of these things. The thought is that the other carriers may have better claims experience if they absorb the Fallon population and therefore it might have a zero net overall effect on claims costs. There are three other health plans currently but Harvard Pilgrim and Tufts will be merging leaving WSHG with two carriers unless another is added. HPHC and Tufts products will remain independent for two more years after Fallon leaves and will not merge until July of 2024. She said that having three available plans is fine for WSHG.

Joe Anderson said that current events show a dominant carrier leaving will have a profound effect on three communities that have bargained contribution strategies with unions that were based on the lowest cost health plan which has always been Fallon. This will need to be unwound. The GIC, which offers Fallon, will go through a complete procurement in 2023. It has been a comparison for the municipal market. Tufts and Harvard Pilgrim will merge products in 2024. Based on these changes the time is now to analyze these coming changes in terms of effect. Mr. Anderson is of the opinion that the event will be claims neutral for WSHG. Tufts and Harvard Pilgrim are merging to gain the ability to negotiate contractually from a position of strength in terms of size and membership. Fallon never enjoyed that. They had a regional concentration of membership with a healthy population and medical management to keep claims down. There will be discussion with the carriers over the coming weeks to evaluate disruption reports. Other solutions will also be looked at such as pharmacy cost containment solutions, third party administrators etc. Everything is being examined to set WSHG up with the best design possible to handle coming trends. Continuity of care is primary right now with Fallon. They are working to make sure the transition works as smoothly as possible.

Marc Waldman asked if the GIC procurement was for July 2022 or 2023.

Joe Anderson said it was for 2023. He said that they seem to be looking at everything.

Marc Waldman said that Wellesley is one of the communities heavily impacted by Fallon's withdrawal. He assumes that MIIA is going to come after some municipalities in some form or another. He asked if anyone knew what factors everyone needs to have in mind in terms of his or her own community.

Joe Anderson said that MIIA is exclusively on the Blue Cross platform. They have 140+ communities that they work with. Harvard Pilgrim and Tufts are combining. Outside of the self-insured platform, groups could be in for unforeseen rate increases if choice is limited. MIIA is backed by a Trust but does not have the Fallon exposure. Towns that have a healthy Harvard Pilgrim participation will actually benefit from the Fallon departure.

Carol Cormier asked for Fallon's input.

Julia Lebrun said that Fallon has an appreciation for WSHG's business and is committed to continuing the same level of service as usual through runout period following withdrawal from the marketplace. Transition of care will be a priority to transition to new plans for any members in July of 2022.

Kevin Mizikar asked if Marc Waldman or Joe Anderson could talk about the model that WSHG has today in terms of ASO vis. Third Party Administrator (TPA).

Joe Anderson said that WSHG has the traditional ASO agreement with carriers for their plans. WSHG has been around for 30 years and has evolved that way. Many self-insured groups have third party

administrators. A new smaller joint purchasing group came onto the horizon a few years ago supported by HPI which is Harvard Pilgrim's Third Party Administrator. TPAs are geared to support flexibility with vendors and drug carve-out programs to bring about cost savings.

Marc Waldman asked if for-profit insurance companies play any role here.

Carol Cormier said that people are asking if Unicare could be considered. Gallagher would take direction and look at all options out there.

Joe Anderson said Unicare is offered by GIC. This is a niche market and not all National carriers can support and compete in the Mass. municipal market given Chapter 32B requirements.

Mary Bousquet asked if Medicare Buy-In can be looked at for those that do not qualify for Medicare Parts A and B.

Carol Cormier said that studies on Medicare Buy-In have been done in the past for other Joint Purchase Groups. WSHG as a whole would probably benefit but to each member unit, individual entities would actually have to pay more. The same kind of study can be done for WSHG. All member groups would have to participate within the JPG. The problem will resolve itself as members age out and pass on.

Marc Waldman said the basis of the discussion has to be based on full disclosure. Lower cost Fallon members migrating into other plans would realistically not have an impact on rating for two years given the fact that rates are based on historical claims data. The other impact would be if any member units were to leave the JPG. Currently member units do not get to take any of the positive fund balance of the WSHG with them if they leave. They also must pay their runout claims for the first month. If they leave off anniversary, they pay all runout claims. Groups that leave to go to MIIA or the GIC have no say whatsoever on plan design there either.

Carol Cormier said that had she known about the Fallon departure prior to rate setting this year, an adjusting claims factor could have been used for rate setting which would have helped make the transition less impactful especially for employers that have rating strategies based on the lowest cost plan, i.e. the Fallon plans.

Scott Sczcebak of Wellesley said that leaving a fund surplus and having to pay runout would be extraordinarily punitive. He wanted that on record.

Marc Waldman said that many groups are now offering high deductible plans. He asked if the GIC or MIIA are offering such plans.

Carol Cormier responded that the GIC does not but believes they are looking into it.

Joe Anderson said that he was not sure if MIIA does. WSHG has over 30% in high deductible plans.

Kevin Mizikar said that obviously there should be more meetings to address the issue of Fallon's withdrawal going forward and asked if there were any time requirements for the WSHG as a whole.

Carol Cormier said that if the group decides to pursue an RFP process, that should begin in early fall.

Kevin Mizikar suggested the Steering Committee could meet more often and perhaps procure actuarial analysis.

Marc Waldman suggested that the annual audit be done as close to the end of the year as possible to help with fund balance discussion.

Open enrollment activities:

As Open Enrollment activities are once again virtual, all the health carriers and vendors reported they are available for any resource needs that entities may have whether it is Zoom or other virtual meetings, forms in hardcopy and electronic format, flyers, phone call-in lines etc.

Health Plan and Vendor Reports:

No additional carrier or vendor updates were provided.

Other Business:

There was no other business.

Motion

Marc Waldman motioned to adjourn.

Chuck Murphy-Romboletti seconded the motion.

There was a roll call vote on the motion.

Kevin Mizikar, Board Chair	yes
Marc Waldman	yes
Gayle McCracken	yes
Gerard Lane	yes
Dawn Fattore	yes
Mary Bousquet	yes
Dorothy Blondiet	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 11:35 A.M.

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