

**West Suburban Health Group
Board Meeting**

Thursday, August 12, 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
Amy Frigulietti	Town of Wellesley
Scott Szczebak	Town of Wellesley
Louise Miller	Town of Wayland
Donna Lemoyne	Town of Wayland
Dawn Fattore	Dover Sherborn RSD
Mary Bousquet	Town of Holliston
Gayle McCracken	Town of Dedham
Chuck Murphy-Romboletti	Town of Needham
Jamie Erickson	Town of Natick
Dorothy Blondiet	Town of Natick
Kendra Wisell-Ford	Town of Wrentham

Guests in Attendance:

Michele Craemer	WSHG Wellness Consultant
Marc Waldman	Town of Wellesley
Nicholas Hawes	Town of Shrewsbury
Linda Clark	Town of Natick
Christine Dauphinais	Accept Collaborative
Christine Eames	Accept Collaborative
Robin Tusino	Town of Wellesley
Jim Araujo	Town of Natick
Julie Skipper	Town of Natick
Mr. Williamson	Natick Fire Department
Jill Gallant-Shaw	Cook and Co. Ins. Svcs.
Ken Lombardi	National Financial Partners Corp.
Patty Joyce	Abacus Health Solutions
Tanya Anderson	Abacus Health Solutions
Paul Lazar	Harvard Pilgrim Health Care (HPHC)
William Hickey	Harvard Pilgrim Health Care (HPHC)
Julia Lebrun	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
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)

Karen Quinlivan
Joseph Anderson

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
Gayle McCracken	Town of Dedham
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
Amy Frigulietti	Town of Wellesley

Approval of the minutes of the April 20, 2021 meeting:

Louise Miller moved to approve the minutes of the April 20, 2021 Board Meeting.

Motion

Chuck Murphy-Romboletti seconded the motion.

There was a roll call vote on the motion:

Kevin Mizikar, Board Chair	yes
Gayle McCracken	yes
Dawn Fattore	yes
Mary Bousquet	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kendra Wisell-Ford	yes
Amy Frigulietti	yes

The motion passed by unanimous vote.

Treasurers report:

Ms. Hohenschau, Treasurer was not able to attend the meeting. Carol Cormier provided a high level overview of the FY21 financial statements of June 30, 2021 (*unaudited figures*). She said that the Fund Balance is in very good shape. If the group was being conservative, the group would want to have a Fund Balance that is at least \$14M, the high end of the fund balance target range. Fund Balance increased from \$18.8M at the beginning of the year to \$23.6M as of June 30, 2021, an increase of \$4.8M. The Fund Balance as of July 31, 2021 was \$27.4M. Ms. Cormier said that's important to have a healthy Fund Balance right now because of the uncertainties associated with the Fallon departure from the commercial marketplace on 7/1/2022. Establishing the FY23 rates for the remaining carriers will be a difficult

proposition for the coming year since Fallon has the largest enrolled population of the four WSHG carriers.

Joe Anderson said that the Fund Balance goal should probably be higher than \$14M going into rating season given the upcoming uncertainty of the Fallon departure.

GBS reports:

Ms. Cormier reviewed the FY21 *Funding Rate Analysis* report with data through June 30, 2021. She said that on a *paid claims basis* the expense-to-funding ratio across all self-funded plans was 94.0% with an excess of rate funding over major expenses of \$6.9 million. Reinsurance reimbursements accounted for \$4.5M of that amount.

Karen Quinlivan reviewed the FY20 reinsurance reports. She said 19 claimants exceeded the \$300K specific deductible with total claims of \$10,397,367 and excess claims of \$4,697,367. Ms. Quinlivan said that WSHG received \$4,702,458.07 in reinsurance reimbursements and has an overpayment of \$5,091. There were \$104,022 in denied claims and adjustments which leaves an actual overpayment of \$109,114. She said that there were 36 members each with claims between \$150K and \$300K with total claims of \$7,225,461. Ms. Quinlivan reviewed the same reports for FY21 and said there were 21 claimants that exceeded the \$300K specific deductible with total claims of \$11,145,945 and excess claims of \$4,845,945. Reimbursements in the amount of \$27,288 have been received to date, and WSHG is due an additional \$2,776,616. There are \$104,785 in denied claims. She said that there were 48 members each with claims between \$150K and \$300K with total claims of \$9,570,791.

Steering Committee Vacancy:

Kevin Mizikar said that there are currently four members of the WSHG Steering Committee after the departure of Marc Waldman from Wellesley. Prior to May 2020, there were 7 members of the Committee. If anyone want to serve on the Committee or wants to nominate someone to serve, please let him know.

Chuck Murphy-Romboletti said that Amy Frigulietti, Asst. Executive Director from Wellesley, has expressed interest in serving on the WSHG Steering Committee. Since Wellesley was previously represented, it would make sense to nominate and add her to the committee given her interest.

Chuck Murphy-Romboletti motioned to nominate Amy Frigulietti of Wellesley as a member of the WSHG Steering Committee.

Motion

Louise Miller seconded the motion. There was a roll call vote on the motion.

Kevin Mizikar, Board Chair	yes
Gayle McCracken	yes
Dawn Fattore	yes
Mary Bousquet	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kendra Wisell-Ford	yes
Amy Frigulietti	yes

The motion passed by unanimous vote.

Wellness program report:

Michele Craemer, Wellness Consultant, presented an FY21 overview report through June. She reviewed WSHG community-wide programming including a summer Nutrition Program, Relaxation Program, West Suburban Walks, Season of Self Care and Spring into Action. Individual community programming included ergonomics, healthy eating, resilience, Yoga and healthy lunches for frontline workers. A budget was presented showing the unit by unit breakdown of how each employer spent its wellness dollars. Planning for Fall community-wide programming includes a Fall walking competition, a Tufts resilience program and a seasonal challenge through the holidays. Ms. Craemer said that there was a Wellness Committee meeting in July, and the FY22 proposed budget was developed for approval. The WSHG Wellness Committee would like to request level funding which is a total wellness budget of \$116,000.

Marianne Davis, Wellness Committee Chair, endorsed the FY22 Wellness Budget and asked for an increase to \$45 an hour for Michele Craemer. The total budgeted amount will not change since hours were reduced during Covid. Ms. Davis also announced that she will be retiring as of October 1st so there will need to be another Wellness Committee Chair selected going forward.

Michele Cramer thanked Marianne Davis for her years of service to the committee and wished her well.

Jamie Errickson motioned to approve the FY22 WSHG Wellness Budget of \$116,000.

Motion

Chuck Murphy-Romboletti seconded the motion. There was a roll call vote on the motion.

Kevin Mizikar, Board Chair	yes
Gayle McCracken	yes
Dawn Fattore	yes
Mary Bousquet	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kendra Wisell-Ford	yes
Amy Frigulietti	yes

The motion passed by unanimous vote.

Mass. Municipal Reinsurance Arrangement (MMRA) report:

Kevin Mizikar said that Marc Waldman was the voting member for WSHG on the MMRA prior to his retirement and was founder and Chair of the WSHG for that time. He once again thanked Mr. Waldman for his service to WSHG over the years and for all his work on the MMRA. He asked Carol Cormier what was needed going forward in regards to the MMRA.

Carol Cormier said that the MMRA will have a meeting on September 16, 2021. The bulk of the program will be spent going over some cost savings programs that can be introduced to the group. About a year ago the OptiMed program was introduced to the group as a cost saving measure on high cost specialty medications. Implementation has been challenging. At the last meeting the MMRA Board voted to raise the reinsurance specific deductible from \$300,000 to \$400,000 and the pooled reinsurance cap from \$800,000 to \$1,000,000, both changes to be effective July 1, 2021 for FY22. There was money returned to the groups from the 2019 contract year from overpayments to the pooled arrangement in that year.

Kevin Mizikar said that the increase in specific deductible made monthly premium costs more favorable so there will be no impact on the budget this year. It was a good balance based on market conditions and will place the group in a good position.

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

Joseph Anderson said that 24 months of Fallon claims data were sent to the other carriers in June for the creation of disruption reports for their networks. The carriers included were incumbents BCBS, Harvard Pilgrim and Tufts as well as HPI, the third party administrator associated with Harvard Pilgrim, and Allways HMO Network. The networks are very similar in the Massachusetts region and the in-network services across the board were in the high 90% range. Disruption will be negligible. Fallon uses Beacon Health for its Behavioral Health Network, one of the largest behavioral health networks in the country. Harvard Pilgrim uses Optum which is owned by United Healthcare. Blue Cross and Tufts have their own networks that they have built out. That may present a possible area of friction but disruption reporting cannot be done. That component of the transition may require education and support to support the Fallon members going forward.

BCBS Select and HPHC Focus Networks are limited networks. They have tighter provider networks that reduce use of more expensive providers in order to manage costs. Fallon Direct Care was the first limited network in the state in 2002. The Select and Focus networks are not as well established in the marketplace as Fallon's Direct Care was so planning for the next stage will include looking at these limited networks offered by other carriers as a replacement for Fallon Direct Care. Fallon percentage of WSHG total funding from rates is about 50%.

Mr. Anderson said that what is needed to support municipal business in Massachusetts is a carrier that understands Chapter 32B and understands the decision making process in the municipalities as well as the union dynamic. The carrier needs to have the service capability to meet the client needs. WSHG retains that capacity with the three remaining carriers after the Fallon departure. Future analysis for carriers going forward will factor whether the carrier supports municipals and possesses a track record in the space. Allways Health Plan does not have a dedicated municipal unit. They have one fully insured client, some in Boston and the GIC. HPI is a TPA, and to adopt a new business model potentially represents a large amount of disruption and uncertainty during implementation. It would take a longer time frame due to the many moving parts. Tufts and Harvard Pilgrim will be fully merged and be "Point 32 Health" in several years. Blue Cross is strong and has the dominant market share in the state for municipals. Moving forward with the three remaining carriers may be the best approach modeling out pricing scenarios for FY23. The total funding rate would need to be determined and pricing analyzed with a view to financially buffer towns with high exposure to Fallon. The low to high price gradient will probably be tighter than the current. If the WSHG Trust Fund remains strong, it can also help mitigate impacts. Pricing for the coming year will feel less scientific and more of a business decision to address what needs to be achieved overall rather than what is actuarially driven by claims at the carrier level. Should WSHG decide not to issue an RFP, the decision would be to move forward with the three remaining carriers left and model out pricing exercise to determine the best strategy to replace Fallon as the materially lowest priced carrier.

Carol Cormier said that some towns have contribution strategies based on Fallon being the lowest cost carrier. She is in favor of not going out to bid for next year. One of the biggest challenges will be prediction of which health plans the current Fallon members transition to and the challenge of rate establishment for the coming year.

Kevin Mizikar said he agreed with the summary presented by Joe and Carol and would be inclined to stay the course with the remaining carriers.

Jamie Errickson said that he agreed that an RFP might not be the way to go this year but wanted to know if they could get some type of understanding of how the pricing of the plans would adjust with the three remaining carriers. If several thousand more members go into remaining plans it stands to reason that costs might go down.

Joseph Anderson said that the price point of the other carriers will probably be dragged down based on claims. Fallon funding rates are currently significantly below the rates of the other carriers. Work needs to be done in terms of how that will look.

Carol Cormier said another important factor is the total number of subscribers with each carrier. Currently Fallon has almost 50% of the active employee plan subscribers. The prediction of where members will go is really unpredictable at this point.

Louise Miller said that the group will need to look at the next three years at a minimum to forecast and it does not make sense to issue multiple RFPs until other factors are settled such as the GIC procurement and Harvard Pilgrim/Tufts merger. She said it will be more of a fiscal exercise to see how much of a reserve the group needs to maintain on an annual basis until the period of uncertainty is navigated.

Marc Waldman said adding a limited network plan from the three existing carriers might be a solution even if brought in on a fully-insured premium basis as opposed to self-insured plan might provide a concrete place to begin. Having people cast fresh eyes on a limited network strategy might help.

Joseph Anderson said that ultimately that would be up to the carriers. As underwriters they would have no way of anticipating what they would get for membership or relative risk. A self-insured basis might be a possibility because the group would retain the risk.

Bill Hickey, Harvard Pilgrim, said that the carriers, particularly HPHC would be hesitant to put forth a fully-insured limited network plan.

Mike Breen said that Blue Cross would probably take the same position.

Kevin Mizikar said he sees a linear process playing out with the determination on an RFP, then determining bottom line costs, reviewing contribution strategies and then employees need to select plans after rate setting. He asked if there might be any strategy to get employees polled to get a sense of where they might go prior to rate setting.

Marc Waldman said that the rates will not be based on claims data next year. The three remaining carrier rates will be pulled closer to the middle. Rate setting will probably be based on a fair amount of guess work. If claims data will not hold the most weight, perhaps the rate setting process can be moved up to an earlier time than usual. The surplus will allow a cushion if errors are made.

Chuck Murphy-Romboletti motioned for WSHG to not solicit an RFP but request price options for a limited network option from the carriers.

Motion

Dawn Fattore seconded the motion. There was a roll call vote on the motion.

Kevin Mizikar, Board Chair

yes

Gayle McCracken	yes
Dawn Fattore	yes
Mary Bousquet	yes
Dorothy Blondiet	yes
Chuck Murphy-Romboletti	yes
Louise Miller	no response
Kendra Wisell-Ford	yes
Amy Frigulietti	yes

The motion passed by majority vote.

Abacus report on the Diabetes Care Rewards Program:

Linda Loiselle reviewed the latest Dashboard Report through April 30, 2021. There were 495 eligible individuals for the program. There were 33% enrolled and 44% adherent in the program. The annual adherence rate was 53%, which is on par with the municipal book of business. There were 799 medications and supplies dispensed with \$16,290 in estimated waived copays. Total claims costs were \$400,682 with \$60,300 in savings to the group. Rebates of \$56,594 were distributed in the first quarter of this year. Since then, two additional distributions were sent in the amounts of \$63,697 and \$ 37,313. Rebates are offsetting the costs of the program. Member outreach is ongoing. A mobile app will be coming soon.

Health Plan and Vendor Reports:

Harvard Pilgrim – Bill Hickey said the ongoing integration of Tufts and Harvard is moving forward for systems and process flows. Covid reporting included total costs for treatment and testing since Jan. 2020 of just over \$1M. Vaccination tracking shows 34% of membership based on claims, but that will always be underreported.

Tufts – Lisa Despres provided a Covid update with total costs up from just around \$1M as last report to over \$1.1M. Vaccination tracking showed over 50% fully vaccinated.

Fred Winer said that health fairs for seniors can be planned and always moved to virtual meetings if they can't be held in person. He said Medicare part B premium will probably be going up next year. COLA for Social Security may be the highest in 10 years so part B may go up as well.

Blue Cross Blue Shield – Mike Breen had nothing to report

Fallon – Patrick Flattery said that Fallon is ready to support in-person or remote health fairs for Senior Plan open enrollment.

CanRx – Jim Riley reviewed current and potential savings for WSHG, Actual savings through June were \$169,220 with projected annual savings of \$ 338,439. Additional potential savings are \$127,696.

Other Business:

There was no other business.

Chuck Murphy-Romboletti motioned to adjourn.

Motion

Dorothy Blondiet seconded the motion.

There was a roll call vote on the motion.

Kevin Mizikar, Board Chair	yes
Gayle McCracken	yes
Dawn Fattore	yes
Mary Bousquet	yes
Dorothy Blondiet	yes
Chuck Murphy-Romboletti	yes
Louise Miller	no response
Kendra Wisell-Ford	yes
Amy Frigulietti	yes

The motion passed by majority vote.

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

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