

**West Suburban Health Group
Board Meeting**

Thursday, October 14, 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
Lyudmila Farrington	Accept Collaborative
Gerry Lane	Town of Dover
Louise Miller	Town of Wayland
Donna Lemoyne	Town of Wayland
Dawn Fattore	Dover Sherborn RSD
Gayle McCracken	Town of Dedham
Chuck Murphy-Romboletti	Town of Needham
Jamie Erickson	Town of Natick
Dorothy Blondiet	Town of Natick
Kevin Sweet	Town of Wrentham
Michael King	Town of Wrentham

Guests in Attendance:

Ruth Hohenschau	WSHG Treasurer
Anne Costello	WSHG Asst. Treasurer
Marc Waldman	Town of Wellesley
Robin Tusino	Town of Wellesley
Nicholas Hawes	Town of Shrewsbury
John Townsend	Town of Natick
Linda Clark	Town of Natick
Jill Gallant-Shaw	Cook and Co. Ins. Svcs.
Sue Shillue	Cook and Co. Ins. Svcs.
Patty Joyce	Abacus Health Solutions
William Hickey	Harvard Pilgrim Health Care (HPHC)
Patrick Flattery	Fallon Health – Senior plans
Mike Breen	Blue Cross Blue Shield (BCBS)
Jonathan Payson	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	Gallagher Benefit Services, Inc. (GBS)
Joseph Anderson	Gallagher Benefit Services Inc. (GBS)

Board Chair Kevin Mizikar called the Board meeting to order at 10:04 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
Donna Flaherty	Accept Collaborative
Gayle McCracken	Town of Dedham
Gerry Lane	Town of Dover
Dawn Fattore	Dover Sherborn RSD
Dorothy Blondiet	Town of Natick
Chuck Murphy-Romboletti	Town of Needham
Louise Miller	Town of Wayland
Kevin Sweet	Town of Wrentham
Amy Frigulietti	Town of Wellesley

Approval of the minutes of the August 12, 2021 meeting:

Dawn Fattore moved to approve the minutes of the August 12, 2021 Board Meeting.

Motion

Gayle McCracken seconded the motion.

There was a roll call vote on the motion:

Kevin Mizikar, Board Chair	yes
Lyudmila Farrington	yes
Gayle McCracken	yes
Gerry Lane	yes
Dawn Fattore	yes
Dorothy Blondiet	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kevin Sweet	yes
Amy Frigulietti	yes

The motion passed by unanimous vote.

Treasurers report:

Treasurer Ruth Hohenschau reviewed the FY21 financial statements of September 30, 2021 (*unaudited figures*). She said that the Fund Balance increased from \$23.6M at the beginning of the year to \$24.7M as of September 30, 2021, an increase of \$1.1M. The cumulative revenue was \$33,165,375. The FY21 audit is ongoing. Letters of confirm were sent out to the member units and the carriers. Ms. Hohenschau said that she would appreciate timely responses to those letters.

GBS reports:

Carol Cormier reviewed the FY21 *Funding Rate Analysis* report with data through August 31, 2021. She said that on a *paid claims basis* the expense-to-funding ratio across all self-funded plans was 100.2% with

a deficit of rate funding over major expenses of \$32,613. There were no reinsurance reimbursements for the period.

Karen Quinlivan reviewed the FY21 reinsurance reports. She said 24 claimants exceeded the \$300K specific deductible with total claims of \$12,773,930 and excess claims of \$5,573,930. Ms. Quinlivan said that WSHG received \$2,069,329 in reinsurance reimbursements and has an outstanding balance due of \$3,504,600. There were \$104,785 in denied claims and adjustments which leaves an actual outstanding balance of \$3,399,816. She said that there were 53 members each with claims between \$150K and \$300K with total claims of \$10,678,094. Ms. Quinlivan reviewed the same reports for FY22 and said there were no claimants on the excess or 50% report yet.

Wellness Report:

Michele Craemer was unable to attend the meeting and had no report to present.

Senior Plan Rates for CY22:

Carol Cormier said that WSHG offers 7 senior plans to Medicare eligible retirees. Two of those are self-funded for the medical claims and fully-insured for the prescription drug claims. The other 5 plans are all fully insured. Of the 2 self-insured Medical plans, she reviewed rate calculations. For Medex the GBS CY22 projected claims were \$183.92. The proposed BCBS Administrative Fee was \$25.65. The estimated GBS fee for CY22 was \$4.82. The CY22 Blue Medicare Rx premium is \$182.67. The GBS total proposed funding rate was \$397.06, which was a 2% increase from the prior year. Using the same components but with the BCBS medical claims projection, the BCBS total projected rate is slightly higher than the GBS rate at \$405.85. The current rate is \$405.00. The recommendation is to hold the rate at the current rate.

Harvard Pilgrim Medicare Enhance had GBS projected CY22 claims of \$150.93. The HPHC proposed Administrative Fee was \$36.94. The CY22 Aetna PDP Rx premium was \$193.47. The GBS total proposed funding rate was \$386.16. The Harvard Pilgrim projection was \$392.58. The current rate is \$382.00. The recommendation was to increase the rate 1.8% to \$389.00.

The fully-insured rates were reviewed next.

Blue Cross – Mike Breen said Blue Cross proposed a new BCBS Plan called Medicare PPO Blue Freedom Rx. The Steering Committee agreed it may be a future replacement for Managed Blue for Seniors, but it may not be the right year to introduce a new plan given the many changes this year. There are only 203 members in Managed Blue for Seniors currently. Total proposed rate for CY22 for Managed Blue for Seniors is a 1% increase at \$386.79.

Fallon Health – Patrick Flattery said that Fallon Medicare Plus Premier had a 4.8% increase to \$328.00. The Fallon Medicare Plus Central rate is increasing 6.6% to \$243.

Tufts Health Plan – Fred Winer said that there is a 4.4% increase on the Medicare HMO Prime Rx for CY22. The rate is increasing from \$341 to \$356.

Tufts proposed moving the Tufts Medicare Preferred Supplement with PDP Plus to a similar funding arrangement as Medex and Medicare Enhance with self-funded medical claims and a fully insured prescription drug component. There is a large enrollment population at 1130 members. The proposed rate would be lower for this arrangement at \$387 as opposed to the \$395 fully insured rate. There is an enhanced drug benefit for this plan. The benefit would be exactly the same for the members.

Fred Winer said that the WSHG would save over \$100,000 annually to go to this funding model. There is very little lift for the member units. The only thing that would change is group numbers for new enrollees. As Point32Health (the merged Harvard Pilgrim/Tufts company) moves forward it would also make sense to have both plans on the same kind of funding model.

Louise Miller motioned to accept the recommended rates for Medex and Medicare Enhance as well as changing the funding model for Tufts Medicare Preferred PDP Plus to be self-insured medical and fully insured PDP with the rate as proposed. The Blue Cross PPO Blue Freedom would not be offered at this time.

Motion

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

Kevin Mizikar, Board Chair	yes
Lyudmila Farrington	yes
Gayle McCracken	yes
Gerry Lane	yes
Dawn Fattore	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kevin Sweet	yes
Amy Frigulietti	yes

The motion passed by unanimous vote.

Fallon Health- exit updates and discussion:

Joseph Anderson reviewed the pre-renewal strategy to address the issues that Fallon's exit from the commercial market on June 30, 2022 raises for WSHG. A pre FY23 adjusted renewal price base will be created by carrier with neutral overall funding consequences. This will help the three Fallon centric governmental units to avoid the fiscal shock of large rate increases. Blue Cross will be slotted into the lowest priced carrier position to replace Fallon which serves that function in the current model. The Fallon Direct Care Benchmark and QHDP plans will be replaced with the BCBS Select limited network plan. The group will decide between two options (1 and 3) to finalize each carrier's pre FY23 renewal "on paper" base rates from which the FY23 increase will be applied. Option 1 increased the negative impact on Fallon-centered governmental units by 3.95% at the most and brought post adjustment funding to 99.98% of current. Option 3 increased it by 3.15% at the most and brought post adjustment funding to 99.93%. This buffers the fiscal impact on the Fallon centric groups and the other remaining units actually benefit. The difference between 3.14% and 3.95% becomes material for those Fallon centric units when it comes to bargaining.

The Steering Committee recommended Option 3. The trust has a current balance of approximately \$24M. There is an element of an 8 or 9% flexibility as the group approaches rating and the possibility of some Tufts and Harvard Pilgrim migration to Blue Cross.

Kevin Mizikar said that this puts the group in a position to make renewal decisions with some sense of clarity and gets the group where they need to be thinking in terms of a two to three year approach on funding and rates

Robin Tusino from Wellesley asked what the expected increase on Medical trend will be for next year.

Joe Anderson said it would probably be in the neighborhood of 6-7% but that depends on the month and the current Covid world. Covid factors of anywhere from 2.5 – 5% have been applied. There is no consistency in the trend from carrier to carrier. Some of the trust fund will have to be placed at risk. Trend will inform but not be the sole basis for decisions.

Kevin Mizikar said as a Fallon centric unit, Shrewsbury will move to a flat dollar amount of contribution rather than a percentage. That allows management of cost to the town and the members.

Amy Frigulietti motioned for the adoption of Option 3 as the pre renewal strategy for WSHG.

Motion

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

Kevin Mizikar, Board Chair	yes
Lyudmila Farrington	yes
Gayle McCracken	yes
Gerry Lane	yes
Dawn Fattore	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kevin Sweet	yes
Amy Frigulietti	yes

The motion passed by unanimous vote.

There was a brief discussion regarding the timing of the renewal this year. Decisions can be made as to whether the Fallon membership is automatically mapped to the BCBS plans and only those wishing to change will need to complete enrollment paperwork. The members in the Fallon Limited network will also need some time to determine if their doctors are in the Blue Cross Select limited network. If rate discussion could take place in December that may help.

Abacus report on the Diabetes Care Rewards Program:

Patty Joyce reviewed the latest Dashboard Report through August 31, 2021. There were 544 eligible individuals for the program. There were 330 enrolled and 43% adherent in the program. The annual adherence rate was 52%, which is on par with the municipal book of business. There were 960 medications and supplies dispensed with \$18,595 in estimated waived copays. Total claims costs were \$498,740 with \$69,125 in savings to the group. Rebates of \$157,605 were distributed this year. Member outreach is ongoing. A webinar for National Diabetes Month will be coming out in the form of a YouTube link that can be shared with everyone.

Health Plan and Vendor Reports:

Harvard Pilgrim – Bill Hickey said Harvard Pilgrim is changing its fitness benefit starting January 1st to \$300 for a family membership. Because WSHG is self-funded the group has the opportunity to include or exclude the change.

Kevin Mizikar said his preference would be to roll it in for the July 1st renewal.

Tufts – Lisa Despres noted that starting in January 2023, the Prescription Benefit Manager for Tufts will be changing to Optum.

Fred Winer said that he will be sending out the plan highlights and formulary information for Tufts senior plans for CY2022.

Blue Cross Blue Shield – Mike Breen had nothing to report

Fallon – Patrick Flattery said that Fallon is changing its PBM to Optum as well, effective 01/01/2022. New cards will be going out to all Senior plan members. The new UMass plan has been marketing aggressively to Fallon members and giving them the false impression that in order to keep their UMass doctors they need to switch. He said that is not the case. He will also be sending out open enrollment materials to the units.

CanRx – Jim Riley reviewed current and potential savings for WSHG, Actual savings through August were \$30,000 with projected annual savings of \$ 330,000. Additional potential savings are \$127,000 and a targeted mailing has been developed.

Other Business:

Kevin Mizikar said that other cost saving measures may be presented that were discussed at the MMRA meeting. More to come. He also said that annually members who serve on the Steering Committee or Board and also obtain health insurance through the WSHG need to complete a disclosure form as outlined in chapter 268A section 19. Any questions can be directed to him.

There was no other business.

Dawn Fattore motioned to adjourn.

Motion

Jerry Lane seconded the motion.

There was a roll call vote on the motion.

Kevin Mizikar, Board Chair	yes
Lyudmila Farrington	yes
Gayle McCracken	yes
Gerry Lane	yes
Dawn Fattore	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Kevin Sweet	no response
Amy Frigulietti	yes

The motion passed by majority vote.

Chair Kevin Mizikar adjourned the meeting at 11:23 A.M.

WSHG Board meeting, 10/14/2021

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