

**West Suburban Health Group
Board Meeting**

Monday, December 13, 2021 at 9:30 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
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
Mary Bousquet	Town of Holliston
Chuck Murphy-Romboletti	Town of Needham
Jamie Errickson	Town of Natick
Dorothy Blondiet	Town of Natick

Guests in Attendance:

Ruth Hohenschau	WSHG Treasurer
Anne Costello	WSHG Asst. Treasurer
Marc Waldman	Town of Wellesley
Michele Craemer	WSHG Wellness Consultant
Nicholas Hawes	Town of Shrewsbury
Jon Marshall	Town of Natick
Linda Clark	Town of Natick
Ingrid Fosberg	Town of Natick
Jill Gallant-Shaw	Cook and Co. Ins. Services.
Paul Lazar	Harvard Pilgrim Health Care (HPHC)
William Hickey	Harvard Pilgrim Health Care (HPHC)
Patrick Flattery	Fallon Health – Senior plans
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	Gallagher Benefit Services, Inc. (GBS)
Joseph Anderson	Gallagher Benefit Services Inc. (GBS)

Board Chair Kevin Mizikar called the Board meeting to order at 9:34 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
Gerry 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
Amy Frigulietti	Town of Wellesley

Approval of the minutes of the October 14, 2021 meeting:

Jamie Errickson moved to approve the minutes of the October 14, 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
Gerry Lane	yes
Dawn Fattore	yes
Mary Bousquet	yes
Jamie Errickson	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes
Amy Frigulietti	yes

The motion passed by unanimous vote.

Treasurers report:

Treasurer Ruth Hohenschau reviewed the FY21 financial statements of November 30, 2021 (*unaudited figures*). She said that the Fund Balance increased from \$21.2M at the beginning of the year to \$22.3M as of November 30, 2021. The cumulative revenue was \$55,391,569. The FY21 audit is ongoing. Recent IBNR calculation adjustments have increased IBNR by \$2.4M. The audit draft should be ready in about 2 weeks.

GBS reports:

Carol Cormier reviewed the FY21 *Funding Rate Analysis* report with data through October 31, 2021. She said that on a *paid claims basis* the expense-to-funding ratio across all self-funded plans was 94.3% with a surplus of rate funding over major expenses of \$2,292,029. There were no reinsurance reimbursements paid during the report period. Karen Quinlivan reviewed the FY21 reinsurance reports. She said 24 claimants exceeded the \$300K specific deductible with total claims of \$12,757,747 and excess claims of

\$5,557,747 Ms. Quinlivan said that WSHG received \$3,581,576 in reinsurance reimbursements and has an outstanding balance due of \$1,976,171. There were \$104,785 in denied claims and adjustments which leaves an actual outstanding balance of \$2,080,955.96. She said that there were 53 members each with claims between \$150K and \$300K with total claims of \$10,708,897. Ms. Quinlivan reviewed the same reports for FY22. She said 2 claimants exceeded the \$400K specific deductible with total claims of \$825,978 and excess claims of \$25,978 Ms. Quinlivan said that WSHG received no reimbursements yet for FY22 and has an outstanding balance due of \$25,978. She said that there were 2 members each with claims between \$150K and \$300K with total claims of \$451,816.

Wellness Report:

Michele Craemer, Wellness Consultant, presented an FY21 overview report through December. She said through claim analysis there appears to be a need to address hypertension. Awareness and programming will be offered to address hypertension and mood disorders. The October Wellness Awareness Flyer addressed the work/life balance for mental health. November was about preventing and managing hypertension along with blood pressure screening information from Fallon and Tufts. December deals with stress, depression and the holidays with tips for coping. WSHG community-wide programming includes Working Together Walking Together, Resilience Program through Tufts, and the Season of Self Care. Individual community programming included "Say Yes Institute", Gratitude, Yoga and a stress management day including stress management discussions.

Review of Fund Balance and Targets as set forth in the WSHG Fund Balance policy.

Joseph Anderson reviewed the pre-renewal strategy to address the issues that Fallon's upcoming exit from the commercial market on June 30, 2022 raised for WSHG. A pre FY23 adjusted renewal price base was modeled by carrier with neutral overall funding requirement. The approach's key objective was to avoid the fiscal shock of large rate increases for the three Fallon-centric governmental units. Blue Cross was slotted into the lowest priced carrier position to replace Fallon. Fallon 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 compared 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 yielded a high of 3.95% negative impact on a Fallon-centered governmental unit and brought overall post adjustment funding to 99.98% of current. Option 3 yielded a high of 3.15% negative impact on a Fallon-centered governmental unit and brought post adjustment funding to 99.93%. The Board approved Option 3. The trust has a current balance of approximately \$23M which creates for the Board an element of flexibility as the group considers renewal pricing and the possibility of some Tufts and Harvard Pilgrim migration to Blue Cross.

Review of Rate Projections for FY23 and Steering Committee rate recommendations:

Mr. Anderson reviewed the FY23 Total Funding Requirements with claims paid through October 2021. He noted a high degree of uncertainty when projecting claims persists with Covid. Each carrier had a larger than normal variability in their trend calculations. GBS used approximately a weighted average of the carrier's collective trend assumptions to arrive at projected claims. Based on anticipated claims, the required funding increase came to 7.75%. Mr. Anderson then reviewed the impact on the Trust Fund of three different rating scenarios of 3.5%, 4.0% and 4.5% increases. The potential trust exposure from migration from the higher priced carriers to Blue Cross was also illustrated. In light of the balance over target in the Trust and the negative pre-renewal budgetary effects of Fallon's departure on certain units, he communicated that the Steering Committee had recommended a 3.5% overall funding increase to be applied equally across all plans' pre-renewal base rates.

Dawn Fattore said that the BCBS Network Blue does not match exactly with the Fallon Direct Network.

Mr. Anderson responded that there will be an education component for those members to see if doctors align with the Blue Cross network providers.

Jamie Errickson asked how this fits in with the long term plan for the group.

Mr. Anderson responded that this was an unprecedented event in the marketplace for WSHG and could not be planned for. In response to the Fallon departure, the pre-renewal adjustment was the first necessary step to get the group back on a neutral footing from a planning perspective. Fallon-centric groups would see a larger rate increase for those plans due to the pre-renewal adjustment.

Discussion of Rate Projections for FY23 and Board rate recommendations

There was discussion of the three rating options presented. As noted, the Steering Committee recommended Option 3 which was an overall funding increase of 3.5%

Jerry Lane motioned to accept the rates in Option 3 rounded to the nearest whole dollar.

Motion

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

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

The motion passed by unanimous vote.

Health Plan and Vendor Reports:

Harvard Pilgrim – Bill Hickey said that integration for Point 32 Health is ongoing and there won't be any direct impact until July of 2024.

Tufts – Lisa Despres noted that starting in January 2023, the Prescription Benefit Manager (PBM) for Tufts will be changing to Optum. Staff emails and phone numbers will be changing, but the old numbers will be in effect for some time.

Fred Winer reminded the Board that the new group numbers should be used for the 2022 Tufts PDP Supplement plan.

Blue Cross Blue Shield – Mike Breen had nothing to report

Fallon – Julia Lebrun said that Fallon is changing its PBM to Optum as well, effective 01/01/2022. New cards will be going out to all members.

Patrick Flattery indicated that new cards will be going out to the senior population as well.

CanaRx – Jim Riley reviewed current and potential savings for WSHG and indicated new branded marketing materials and a new website would be coming in the near future.

Other Business:

There was no other business.

Dawn Fattore motioned to adjourn.

Motion

Chuck Murphy Romboletti seconded the motion.

There was a roll call vote on the motion.

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

The motion passed by majority vote.

Chair Kevin Mizikar adjourned the meeting at 10:36 A.M.

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