

**West Suburban Health Group
Steering Committee Meeting**

Thursday, June 10, 2021 at 9:00 AM
Meeting by Virtual Participation

Meeting Minutes

Steering Committee Members in Attendance:

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| Kevin Mizikar, Chair | Town of Shrewsbury |
| Marc Waldman | Town of Wellesley |
| Louise Miller | Town of Wayland |
| Jerry Lane | Town of Dover |
| Chuck Murphy-Romboletti | Town of Needham |

Guests in Attendance:

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| Ruth Hohenschau | WSHG Treasurer |
| Donna Lemoyne | Town of Wayland |
| Amy Frigulietti | Town Of Wellesley |
| William Hickey | Harvard Pilgrim Health Care (HPHC) |
| 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 |
| Julia Lebrun | Fallon Health |
| Katelyn Glennon | Fallon Health |
| Patrick Flattery | Fallon Health |
| Kate Sharry | Gallagher Benefit Services, Inc. (GBS) |
| Karen Quinlivan | Gallagher Benefit Services, Inc. (GBS) |
| Joseph Anderson | Gallagher Benefit Services Inc. (GBS) |

Chair Kevin Mizikar called the Steering Committee meeting to order at 9:02 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:

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| Kevin Mizikar, Chair | Town of Shrewsbury |
| Marc Waldman | Town of Wellesley |
| Gerard Lane | Town of Dover |
| Chuck Murphy-Romboletti | Town of Needham |

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

Marc Waldman moved to approve the minutes of the February 22, 2021 Steering Committee Meeting as amended to remove the extra word Kevin on page 2.

Motion

Gerard Lane seconded the motion.

There was a roll call vote on the motion:

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| Kevin Mizikar, Chair | yes |
| Marc Waldman | yes |
| Gerard Lane | yes |
| Chuck Murphy-Romboletti | yes |

The motion passed by unanimous vote.

Louise Miller joined the meeting at this time.

Treasurers report: Ruth Hohenschau, Treasurer, said that Bill Fraher has partially retired and moved to Roselli and Clark Assoc. She signed a letter of intent to retain their services for audit for the next three years. They expect to have the audit completed by the end of December and will be done by Bill Fraher. Part of the process is to send out confirm requests and if the towns respond in a timely fashion it doesn't hold up the process but in the past there have been issues with delayed responses. She asked units to respond as soon as possible when asked.

Ms. Hohenschau reviewed the financial statements of May 31, 2021 (unaudited figures). She said that the cumulative accrual shows a decrease for April and May. The Fund Balance has been declining due to increased health claim and pharmacy costs. This was expected. Fund Balance at the end of the month was \$22,045,231. This was similar to the balance back in August 2020. June will probably be about the same.

GBS reports:

Joseph Anderson reviewed the FY21 *Funding Rate Analysis* report with data through April 30, 2021. He said that on a *paid claims basis* the expense-to-funding ratio across all self-funded plans was 93.5% with an excess of funding from rates over major expenses of \$6.2 million. Utilization has increased and it will be tracked to see if it is a continuing trend.

Kevin Mizikar asked if the group is not meeting funding for quarterly true ups with Blue Cross how does that compare with a funding ratio of 92%.

Joe Anderson said the quarterly true up had credit balances assigned for the first two quarters but this quarter spend was in excess of the level monthly deposit. If it were on an annual basis, the group would see a positive result.

Karen Quinlivan reviewed the FY20 reinsurance reports through April, 30, 2021. She said 19 claimants exceeded the \$300K specific deductible with total claims of \$10,389,761 and excess claims of \$4,689,761. Ms. Quinlivan said that WSHG received \$ 4,676,319 in reinsurance reimbursements and is due an additional \$13,442. Denied claims adjustments of \$101,885 impact that total for a possible overpayment of \$88,444. She said that there were 36 members each with claims between \$150K and \$300K with total claims of \$7,199,737.

Ms. Quinlivan reviewed the FY21 reinsurance reports. She said 16 claimants exceeded the \$300K specific deductible with total claims of \$ 8,158,802 and excess claims of \$3,358,802. Reimbursements in the amount of \$ 533,299 have been received and there are \$2,825,503 in outstanding reimbursements due. She said there were 38 claimants with claims between \$150K and \$300K, totaling \$7,493,305.

Ms. Quinlivan reviewed the Roster and Invoice Download Agreement which is an annual agreement for GBS to provide monthly invoices and rosters through a secure web portal. The annual fee of \$162/unit per year, or \$1,782 annually is based on 11 member units. The contracted service period will run from 07/01/2021 through 06/30/22.

Marc Waldman motioned to approve the Roster and Download Agreement as presented.

Motion

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

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| Kevin Mizikar, Chair | yes |
| Marc Waldman | yes |
| Gerard Lane | yes |
| Chuck Murphy-Romboletti | yes |
| Louise Miller | yes |

The motion passed by unanimous vote.

Karen Quinlivan then reviewed the Website Maintenance Agreement. It is for contracted services to maintain information as requested by the WSHG on its website for the period 07/01/2021 through June 30, 2022. The total contract amount of \$1,893 will be paid in two installments of \$946.59 each on November 1, 2021 and June 1, 2022.

Marc Waldman motioned to approve the Website Maintenance Agreement.

Motion

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

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|-------------------------|-----|
| Kevin Mizikar, Chair | yes |
| Marc Waldman | yes |
| Gerard Lane | yes |
| Chuck Murphy-Romboletti | yes |
| Louise Miller | yes |

The motion passed by unanimous vote.

MMRA Update:

Marc Waldman provided an update on the status of the MMRA. The FY22 renewal was presented at a recent MMRA meeting showing a rate increase of 28.4% if no changes were made from the current arrangement. When the MMRA was started the retention layer was appropriate but has not been changed in 6+ years. The specific deductible was \$300,000 with an \$800,000 cap before going to traditional stop loss insurance. Different retention levels were illustrated for renewal purposes. The option that was adopted and approved was the \$400,000 specific deductible and \$1,000,000 captive excess limit. There was discussion by the Board whether each individual member of the group could set their own deductible and retention levels. It was decided that all groups would maintain a common deductible and retention level. Net MMRA premium went down by 3.9% whereas each group is absorbing an additional \$100,000 in claims for each member prior to excess. There would be two lasered claimants for WSHG, one who has been in existence before and another conditional laser in the case of a lung transplant. Rate setting for FY22 included an estimate of a rate increase for reinsurance of over 20% so there may be a small cushion

in the rates going into next year. The movement brings the MMRA more in line with current trend in the marketplace.

Fallon health- exit updates and discussion:

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 will then create disruption reports and submit results by the middle of July. Analysis based on those reports will be determine prior to deciding on an RFP if it would make sense for any carriers to come in and present to the Steering Committee or Board. Those would probably be newer carriers that there is no familiarity with. If an RFP is decided on it would be in the September time frame. There are a lot of moving parts to the process and all options are being considered.

Marc Waldman said that Wellesley has a collective bargaining agreement that is Fallon centric. The easiest option would be to go with three carriers. Based on the schedule described of an RFP in September, it could be into November before there was an answer in place for a fourth carrier.

Joseph Anderson said that the timeline might be difficult from a traditional RFP standpoint. If there are deadlines that need to be established it can be worked on.

Marc Waldman said that there needs to be work done on the disbursement of the Fallon members to other plans and the impact that has on the rates for those plans. From a Wellesley standpoint that is the more critical issue due to the large Fallon membership and the potential budgetary impact.

Joe Anderson said that once disruption is received in July, work can continue to determine the relative cost of the carriers. For those Fallon heavy groups, in a perfect world it would look similar to today with a lower cost carrier from the other two. The question is how that is supported in the price structure. The other approach is to set the price structure and over time let the experience work so that claims drive the relationship in prices.

Marc Waldman said that if claims data analysis at the end of the year shows surplus above target levels, this may be a year that the group can absorb the impact of the Fallon departure on rate impact. Wellesley will have to go into negotiations with employees sooner rather than later.

Joe Anderson said that the same thought process is going on in the background as data comes in. There may be a business decision on rates that is not an exact science.

Kevin Mizikar asked if the claims are the claims, as Joe says, how will the other carriers approach the WSHG absent of a formal RFP process? Can these things really be lined up without a massive market correction further down the road?

Bill Hickey, Harvard Pilgrim, said that it is an interesting analysis. Each carrier would take a look at those claims that are coming from Fallon. If the assumption is correct that there are not wildly different contracts out there, the folks that are primarily enrolled in Fallon are experiencing lower costs for a variety of reasons. Assuming it is not because the Fallon contracts are so much lower, projections would be brought down somewhat. Heritage products will remain separate until 2024. Where the population goes is still a question. It would probably be a positive impact on the current book of business.

Mike Breen, Blue Cross and Lisa Despres, Tufts said the same. Underwriters would apply Fallon claims to their current books of business.

Kevin Mizikar asked if folks could keep the group informed of what their individual units are considering. If they are considering an RFP, the GIC, MIIA it will benefit the collective good of the group to know. He knows that town contributions will be impacted but the employee contribution would be significantly impacted even more. Groups have to think internally how they manage that.

Health Plan Reports:

Harvard Pilgrim- Bill Hickey said that they are integrating the two organizations. He will have Covid information at the next meeting. They are tracking vaccinations, testing and costs.

Tufts- Lisa Despres said they will also provide Covid information at the next meeting. Vaccination data will probably be correctly stated due to the number of people that did not provide carrier information at the time of receipt.

Fred Winer said that he is hoping that health fairs might be possible in the fall for the senior population.

Fallon- Katelyn Glennon said the group will be receiving an email notifying the group that that her last day will be July 1 2021. Her replacement will be Wendy Miller.

Other Business:

Marc Waldman said that his participation at these meetings will be coming to an end. A Wellesley Board representative will be appointed and hopefully can continue on the Steering Committee. He will be in the background going forward.

Kevin Mizikar said that the group can't thank him enough for his leadership and contribution over the years and he will probably be called on for his contribution as the group navigates the current challenges ahead.

There was no other business.

Marc Waldman motioned to adjourn.

Motion

Gerry Lane seconded the motion.

There was a roll call on the motion.

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| Kevin Mizikar | yes |
| Marc Waldman | yes |
| Louise Miller | yes |
| Gerard Lane | yes |
| Chuck Murphy-Romboletti | yes |

The motion to adjourn passed by unanimous vote.

WSHG Steering Committee Meeting, June 10, 2021

Chair Kevin Mizikar adjourned the meeting at 10:11 A.M.

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