

**West Suburban Health Group  
Steering Committee Meeting**

Tuesday, October 14, 2021 at 9:00 AM  
*Meeting by Virtual Participation*

**Meeting Minutes**

**Steering Committee Members in Attendance:**

Kevin Mizikar, Chair	Town of Shrewsbury
Jerry Lane	Town of Dover
Chuck Murphy-Romboletti	Town of Needham
Louise Miller	Town of Wayland
Amy Frigulietti	Town of Wellesley

**Guests in Attendance:**

Ruth Hohenschau	WSHG Treasurer
Donna Lemoyne	Town of Wayland
Scott Szczebak	Town of Wellesley
Marc Waldman	Town of Wellesley
Robin Tusino	Town of Wellesley
Michael King	Town of Wrentham
Kevin Sweet	Town of Wrentham
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
Patrick Flattery	Fallon Health
Chris Collins	CanRx
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services Inc. (GBS)

Chair Kevin Mizikar called the Steering Committee meeting to order at 9:01 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, Chair	Town of Shrewsbury
Jerry Lane	Town of Dover
Chuck Murphy-Romboletti	Town of Needham
Amy Frigulietti	Town of Wellesley

**Approval of the minutes of the September 28, 2021 meeting:**

Chuck Murphy-Romboletti moved to approve the minutes of the September 28, 2021 Steering Committee meeting as presented.

Jerry Lane seconded the motion.

There was a roll call vote on the motion:

Kevin Mizikar, Chair	yes
Jerry Lane	yes
Chuck Murphy-Romboletti	yes
Amy Frigulietti	yes

The motion passed by unanimous vote.

*Louise Miller, a voting member, joined the meeting at this time*

**Treasurers report:**

Ruth Hohenschau, Treasurer, reviewed the financial statements of September 30, 2021 (unaudited figures). The Fund Balance decreased for August by \$424,667 and increased in September by \$678,238. Ms. Hohenschau reported a Fund Balance (Net Position) on September 30, 2021 of \$24,726,408. Ms. Hohenschau met with the auditor and said that confirm letters have been sent out to member groups. She would appreciate responses to those letters so the audit can be moved along.

Kevin Mizikar asked a question regarding required fund balance to cover current rating structure. He said that the group estimated \$117.7M required to fund FY22 current rates. The rate structure was set to raise \$114.4M. That left a gap of \$3.3M that was to use fund balance. Monthly Treasurer Reports should theoretically report a drawdown of that balance.

Ms. Hohenschau said that the amount can't be divided up into 12 monthly amounts. Things change over the course of the year and it is an on-average picture. It is anticipated that over \$3M will be used.

**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, the BCBS total projection is slightly higher 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, therefore, the recommendation was to increase the rate 1.8% to \$389.00.

The fully-insured rates were reviewed next.

Blue Cross – Blue Cross proposed a new BCBS Plan called Medicare PPO Blue Freedom Rx. It may be a future replacement for Managed Blue for Seniors, but it may not be the right year to introduce 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 \$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 – 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 Point 32 Health moves forward it would also make sense to have both plans on the same kind of funding model.

Jerry Lane asked if the Fallon Senior plans should be kept going forward.

Carol Cormier said that the decision would be up to the group. They are currently offered to avoid disruption and can be evaluated going forward.

Patrick Flattery, Fallon Health, said that effective 01/01/2022 the pharmacy partner will be switched to Optum Rx so members will be receiving new ID cards. Mail order prescriptions with CVS Caremark will have to switch over.

Kevin Mizikar asked of the Blue Cross PPO Plan would be proposed only as a replacement for Managed Blue for Seniors. It was a 5% decrease from Managed Blue.

Carol Cormier said that it would be most advantageous as a replacement. It has interesting features such as lower prescription copays for tier 2 and tier 3 drugs as well as no cost for a lot out of network care. The current Managed Blue for Seniors does have a substantial hearing aid benefit that the new plan would not have. It would require a bit of discussion. The senior population does not embrace change easily and the current environment does not easily lend itself to education.

Chuck Murphy-Romboletti 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

Jerry Lane seconded the motion. There was a roll call vote.

Kevin Mizikar, Chair	yes
Jerry Lane	yes
Chuck Murphy-Romboletti	yes
Louise Miller	yes

Amy Frigulietti yes

The motion carried by unanimous vote.

**Fallon Health- exit updates and discussion:**

Joseph Anderson reviewed the pre-renewal strategy. A pre FY23 adjusted renewal price base will be created by carrier with neutral overall funding consequences. Blue Cross will be slotted into the lowest price 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 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 group overall and the majority of units actually benefit. The difference between 3.14% and 3.95% becomes material for those Fallon centric units when it comes to bargaining. Scott Szczebak asked if the pre renewal rate ratios took into account the possible migration from Tufts or Harvard Pilgrim to Blue Cross.

Mr. Anderson said that it did not. The regular rating exercise will take into account sensitivity for member migration.

There was discussion on option preference.

Amy Frigulietti motioned to recommend option 3 to the Board for approval.

Motion

Jerry Lane seconded the motion. There was a roll call vote.

Kevin Mizikar, Chair yes  
Jerry Lane yes  
Chuck Murphy-Romboletti yes  
Louise Miller yes  
Amy Frigulietti yes

The motioned passed by unanimous vote.

**Other Business:**

There was no other business.

Chuck Murphy-Romboletti motioned to adjourn.  
Amy Frigulietti seconded the motion.

Motion

There was a roll call on the motion.

Kevin Mizikar yes  
Gerard Lane yes  
Chuck Murphy-Romboletti yes  
Louise Miller yes

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Amy Frigulietti

yes

The motion to adjourn passed by unanimous vote.

Chair Kevin Mizikar adjourned the meeting at 9:57 A.M.

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