

West Suburban Health Group Steering Committee Meeting

Wednesday, February 15th, 2023 at 9:30 AM
Meeting by Virtual Participation

Meeting Minutes

Steering Committee Members in Attendance:

Kevin Mizikar, Chair
Jon Marshall
Chuck Murphy-Romboletti
Amy Frigulietti

Town of Shrewsbury
Town of Natick
Town of Needham
Town of Wellesley

Guests in Attendance:

Rich Bienvenue
Donna Lemoyne
Dawn Fattore
Cheryl Houle
Sue Shillue
Mark Nicholson
Candis Dixon
Lisa Despres
Fred Winer
Chris Collins
Joseph Anderson
Marianna Gil
Karen Quinlivan

WSHG Treasurer
Town of Wayland
Dover Sherborn RSD
Town of Holliston
Cook & Co.
Harvard Pilgrim Health Care (HPHC)
Blue Cross Blue Shield (BCBS)
Tufts Health Plan
Tufts Health Plan
CanaRx
Gallagher Benefit Services, Inc. (GBS)
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Chair Kevin Mizikar called the Steering Committee meeting to order at 9:38 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 for voting attendees listed as:

Kevin Mizikar, Chair
Jon Marshall
Chuck Murphy-Romboletti
Amy Frigulietti

Town of Shrewsbury
Town of Natick
Town of Needham
Town of Wellesley

Approval of the minutes of the August 24th, 2022 meeting:

Chuck Murphy-Romboletti moved to approve the minutes of the August 24th, 2022 Steering Committee meeting as presented.

Motion

Amy Frigulietti seconded the motion.

There was a roll call vote on the motion:

Kevin Mizikar, Chair	Yes
Jon Marshall	Yes
Chuck Murphy-Romboletti	Yes
Amy Frigulietti	Yes

The motion passed by unanimous vote.

FY24 Renewal Rate Proposals for Active Employee Plans: recommendation to the Board:

The WSHG Steering Committee reviewed the rating proposals put forth in the renewal package illustrating increases of 9%, 10%, 11% and 12.36% increases.

Chair Kevin Mizikar said that even the 9% increase is going to be a challenge for their budget. He has been trending a little over 7% on budget projections and it will take a couple hundred thousand more to make up the difference to get to 9%. It is becoming a \$ 15 million line item to their budget.

John Marshal said that from a dialogue perspective it is going to be hard to go back to employees and have the conversation with them. Last years a talking point was that the group had a good surplus that was going to support it for several years. He would not have approved a 3 1/2% increase last year if he knew it was going to be 9% this year. He is nervous about what the future is looking like for the group. He does not feel that he can make a decision today in either meeting.

Joe Anderson said that over the last five years, the average increase has been 5.8%. There are ebbs and flows and COVID created a lot of it. Perhaps reality required a larger increase prior but with a strong trust, it is hard to justify.

Amy Frigulietti said that they are negotiating 11 union contracts right now and the main issue is inflation and the cost of living. Putting this rate on the employees on top of union negotiations is going to crush them. Wellesley is trying to close their budget so not voting on this is troubling.

Chuck Murrphy-Romboletti said that he echoed everyone's concerns. Considering how much the trust has dropped in the last 18 months and seeing it become as low as it could be with these increases is concerning.

Kevin Mizikar said that is seems like all three levers are pulling in the wrong direction. The trust fund is in a position that he never thought it would be in one year ago at rate setting. He suggested that the Steering Committee would not be able to make a recommendation to the full Board and they should circle back within the next two weeks at the latest.

Others were in agreement and if there are any other avenues for cutting costs, they should be explored.

Rich Bienvenue said that from his perspective working with self-insured health groups since 1991, this problem has not been uncommon. Sometimes ripping off the Band-Aid is the right course even if painful.

Kevin Mizikar asked if it would be possible to develop a document that would illustrate fund balance and the projected fund balance over the previous 24 months and getting the group to where it will be at the end of the fiscal year.

Mr. Bienvenue said he could go back and look at audited results. Internal results will over report because of IBNR adjustments.

Other Business:

There was no other business.

Jon Marshall motioned to adjourn.

Motion

Chuck Murphy-Romboletti seconded the motion.

There was a roll call vote on the motion:

Kevin Mizikar, Chair	Yes
Jon Marshall	Yes
Chuck Murphy-Romboletti	Yes
Amy Frigulietti	Yes

The motion passed by unanimous vote.

Chair Kevin Mizikar adjourned the meeting at 9:54 A.M.

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