

West Suburban Health Group Steering Committee Meeting

Tuesday, June 20th, 2023 at 1:00 PM
Meeting by Virtual Participation

DRAFT
Meeting Minutes

Steering Committee Members in Attendance:

Kevin Mizikar, Chair
Jon Marshall
Chuck Murphy-Romboletti

Town of Shrewsbury
Town of Natick
Town of Needham

Guests in Attendance:

Rich Bienvenue
Mark Nicholson
Mike Breen
Candis Dixon
Lisa Despres
Fred Winer
Patrick Flattery
Patty Joyce
Chris Collins
Jim Riley
Joseph Anderson
Marianna Gil
Karen Quinlivan

WSHG Treasurer
Harvard Pilgrim Health Care (HPHC)
Blue Cross Blue Shield (BCBS)
Blue Cross Blue Shield (BCBS)
Tufts Health Plan
Tufts Health Plan
Fallon Health
Abacus Health Solutions
CanaRx
CanaRx
Gallagher Benefit Services, Inc. (GBS)
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Chair Kevin Mizikar called the Steering Committee meeting to order at 1:03 PM.

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

Town of Shrewsbury
Town of Natick
Town of Needham

Chuck Murphy- Romboletti said that he will be leaving his position at the town of Needham at the end of July. The Town Manager will be assigning a new Board representative for the town. All wished him well in his new role going forward. There will need to be an effort to recruit Steering Committee members going forward.

Approval of the minutes of the February 15th and February 28th, 2023 meetings:

Jon Marshall moved to approve the minutes of the February 15th and February 28th, 2023 Steering Committee meetings as presented.

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

The motion passed by unanimous vote.

Treasurers Report:

Treasurer Rich Bienvenue reviewed the FY23 financial statements of April 30, 2023 (unaudited figures). It has been a rough quarter but results were better for the month of April. Total equity at the end of April was \$ 8.8 million. There are a couple of numbers to point out. The first is obviously cash and the second is investments. The Investment advisor has a sound strategy and recently came to the Cape for a meeting. If the Steering Committee or Board would like a presentation, he can come to a future meeting. Investments are up for the year. The group is getting a little over 3% and interest rates are rising. There are some products with relatively low risk in the 4 to 5 % range that the group could be utilizing. Member premiums are a negative because most units are paying in advance. The MMRA recently had a meeting at which a bunch of financial information was provided so the next report will reflect that. There have been some positive results that will apply non premium funding and adjust the number for the next year. The level monthly deposit for Blue Cross is higher than actual claims so at the end of April the group is owed money. The May payment was that much less because of that. There is still \$11.6 million in IBNR that will be adjusted at the end of the year

Kevin Mizikar asked given the information through April, was the rate increase enough?

Mr. Bienvenue said that as long as the claims experience matches the projections, the group should be in a holding pattern. Everyone is paying timely and there is reinsurance too. The investment advisor has been notified that investments need to be liquid funds just in case. They are needed at any given point in time. If the group can make it through to the rate increase revenue in July things ought to be fine.

Joseph Anderson said that May appeared to be a better month than April from a claims standpoint.

Mark Nicholson from Harvard Pilgrim said that they should be issuing a prescription drug rebate of \$1.1 million which should be a credit on the June bill. That will be some positive news as well.

Chuck Murphy-Romboletti asked when IBNR will actually be calculated.

Mr. Bienvenue said that when the runout is done in October three months of runout will be looked at against June. It goes up and down just as claims do.

GBS Reports:

Joseph Anderson reviewed the FY23 Funding Rate Analysis report with data through April 30th, 2023. He said that data for Harvard Pilgrim is not complete. There is partial data from April. The level monthly deposit for Blue Cross is good news but the summary has the deficit at \$2 million. The Treasurer's report is more of an indicator of where the group stands until Harvard data comes in. One of the things that is apparent is that HR folks have been calling saying that they have members that were seeking services but providers were unwilling to not get paid for two months from Harvard. They were asking for payment up front in full with subsequent reimbursement. He asked Mark Nicholson to provide an update of where they stand on claims adjudication. There may be pent up utilization as a result.

Mark Nicholson said that they did make several large payments to large providers to make sure that the issue was not a problem. The claims backlog is being cleared up and the member portals should be up and running by the end of the week.

Karen Quinlivan reviewed the FY22 reinsurance reports through April. She said the reports were missing Harvard Pilgrim data but the amounts were unchanged from the previous month. FY23 was the same. Three members in excess are from Harvard Pilgrim so the numbers are subject to change once claims numbers are received.

Two annual contracts for approval were presented. The first was the Roster and Invoice Download agreement to allow for the download of rosters and invoices from the secure portal at GBS. The annual fee is \$162 per member unit for a total of \$1,620. The contract runs for the FY24 period of July 1st through June 30th 2024. The second is the Website Management Agreement. GBS maintains the WSHG website for an annual fee of \$1893 for the year. There are two installment payments of \$946.50 on November 1st and June 1st of 2024.

Chuck Murphy-Romboletti asked if there was any progress on electronic enrollment.

Joe Anderson said there has been work but no progress. Right now with the size of the group is it cost prohibitive.

Mr. Murphy-Romboletti asked the magnitude.

Mr. Anderson said closer to a million dollars.

Consensus was that something needs to be done. Staffing is a challenge and asking to still work in a paper environment will be challenging going forward. It would be a good point for future planning agenda items.

Chuck Murphy-Romboletti motioned to approve both the Invoice and Roster and website contracts for FY24.

Motion

Jon Marshal seconded the motion. There was a roll call vote.

Kevin Mizikar, Board Chair yes

Chuck Murphy-Romboletti yes

Jon Marshall yes

The motion passed by unanimous consent.

Joseph Anderson said that the MMRA renewal was voted on at the last MMRA meeting. When the annual rate renewal was calculated, a 10% increase was used as a basis for projection. As it turns out, the increase was 6.8%. That is good news but spend is only 3.6% of the total WSHG spend. It saves money but not a lot. It does indicate that large claimants are settling down. Funding for the captive layer is from \$400,000 to \$1,000,000 and some of those funds were not accessed because experience was good. There will be a return from fiscal year 2021 of about \$900,000 that will go towards the \$3 million investment in the MMRA. Claims of over \$1,000,000 are increasing across the country because of specialty drugs. Trend went up 14% in that area.

Future planning:

Kevin Mizikar said that he wanted to have a conversation regarding the future of the group in FY24. He suggested getting back on a regular meeting schedule perhaps in-person to increase cohesion in the group. The group seems to be on auto pilot and folks have been hesitant to engage. He wanted to be more strategic as the FY25 renewal process comes forward. What is the group doing for cost savings and how can it work with partners to keep costs down? Programs like Pinnacle need to be reviewed. There needs to be more participation on the Steering Committee. It is not good for two or three members of a 10 unit group to be the decision makers and have everyone just follow. Administrative services and electronic enrollment have been discussed. The group needs to work more with vendors and others to get the right solutions in place.

Jon Marshal said the group needs to take a look into WSHG over the course of the year. There is currently no low price option for employees. The group needs to look at the intent of the formation of WSHG and is it still meeting that need. He does not want the group to end but if needs are not being met for individual units they may depart.

Chuck Murphy-Romboletti agreed. There are more people comparing their rates to other communities. Although the plan design is not the same and not obviously an apples to apples comparison, options should be explored.

Joe Anderson said that the thoughts expressed today go through his mind frequently and appreciated that is was brought up today.

There was discussion about the need for more Steering Committee participation with Chuck Murphy-Romboletti departing. It was decided to send out an email proposing a Board meeting for July 10th or 12th with a request for members to consider serving on the committee.

Other Business:

There was no other business.

Chuck Murphy-Romboletti motioned to adjourn.

Jon Marshal seconded the motion.

Chair Kevin Mizikar adjourned the meeting by unanimous consent at 2:12 P.M.



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