



# West Suburban Health Group Steering Committee/Board Meeting

Thursday, April 3, 2025, at 2:00 PM

By Virtual Participation

**DRAFT**

**Meeting Minutes**

**Steering Committee Members in Attendance:**

|  |                    |
|--|--------------------|
| Kevin Mizikar, Board Chair             | Town of Shrewsbury |
| Jon Marshall, Steering Committee Chair | Town of Natick     |
| Dawn Fattore                           | Dover Sherborn RSD |
| Meghan Jop                             | Town of Wellesley  |

**Board/Guests in Attendance:**

|                   |  |
|-------------------|--|
| Erin Paolini      | Accept Education                       |
| Robin Tusino      | Town of Dover                          |
| Michael Blanchard | Town of Dover                          |
| Tatiana Swanson   | Town of Needham                        |
| David Davison     | Town of Needham                        |
| Michael McCall    | Town of Wayland                        |
| Donna Lemoyne     | Town of Wayland                        |
| Dolores Hamilton  | Town of Wellesley                      |
| Dorothy Blondiet  | Town of Natick                         |
| Nick Hawes        | Town of Shrewsbury                     |
| David Sirowich    | PBIRx                                  |
| Bob Kademian      | PBIRx                                  |
| Jill Gallant-Shaw | Abacus                                 |
| Patty Joyce       | Abacus                                 |
| Chris Collins     | CanaRx                                 |
| Jim Riley         | CanaRx                                 |
| Mike Breen        | Blue Cross Blue Shield of MA (BCBS)    |
| Candis Dixon      | Blue Cross Blue Shield of MA (BCBS)    |
| Dan Shanahan      | Blue Cross Blue Shield of MA (BCBS)    |
| Stephen Fay       | Blue Cross Blue Shield of MA (BCBS)    |
| Paul Lazar        | Point 32 Health (HPHC)                 |
| Elaine Wilson     | Point 32 Health (HPHC)                 |
| Melissa Gabriel   | Point 32 Health (HPHC)                 |
| Joseph Anderson   | Gallagher Benefit Services, Inc. (GBS) |
| Karen Quinlivan   | Gallagher Benefit Services, Inc. (GBS) |
| Patrick Flattery  | Gallagher Benefit Services, Inc. (GBS) |

Chair Jon Marshall called the Steering/Board meeting to order at 2:01 PM.



Roll call was taken for voting attendees listed as:

|                 |                    |
|-----------------|--------------------|
| Kevin Mizikar   | Town of Shrewsbury |
| Jon Marshall    | Town of Natick     |
| Dawn Fattore    | Dover Sherborn RSD |
| Meghan Jop      | Town of Wellesley  |
| Erin Paolini    | Accept Education   |
| Robin Tusino    | Town of Dover      |
| Tatiana Swanson | Town of Needham    |
| Michael McCall  | Town of Wayland    |

**Priorities for the next six months:**

Jon Marshall said that information was sent out to everyone. The thought of having the full Board at the meeting was that at the March Steering Committee meeting priorities were set for the year ahead and the desire was to review those with everyone to make sure that the most critical items are addressed. The Steering will dive in with analysis from Gallagher and possible outside support. The first item is to review the current Joint Purchase Agreement and to make a recommendation to the Board. It has been several years since the JPA was updated and revised so it is worth a look to see if an update is required. The second item is the Scope of Services Administrative Agreement. There is currently not a contract with Gallagher, so it is worth a look to see whether the group issues an RFP. The enrollment process has come up a number of times in terms of utilizing technology to update the current process. There will be several meetings with Joe and his team to look at opportunities along those lines. The group is looking to engage with PBIRx. There have been other vendor engagements in the past that have had both positive and negative results so all program performance will be looked at to determine which programs to retain and which to move on from. A major question is how West Suburban Health Group is performing as a whole and what it should look like in the future. Health plan review has been a topic of discussion from the point of view of plan offerings. Discussion has involved going to a single carrier or adding more. Plan design involves unit-specific negotiations so that will require considerable discussion.

Meghan Jop said that that this is likely a multi-year plan and will not be accomplished in a single year, but prioritization will focus efforts.

**PBIRx presentation:**

Joe Anderson said that back in December WSHG engaged with PBIRx to perform an RFP on the Rx contracting. They are a consultant that has been around for 30 years and has experience in the municipal space. The drug side of spending is becoming increasingly complex. PBIRx is well equipped to propose solutions and educate WSHG on a go forward basis on what is out there and what can be done. They would investigate to see if structurally there could be improvements in contracts that WSHG currently has in addition to investigating carve out options. He introduced Dave Sirowich from PBIRx for his presentation.

Mr. Sirowich gave a summary of the RFP results. Working with current carrier contracts with Blue Cross Blue Shield and Harvard Pilgrim, there could be realized savings of \$ 3 million in total savings to the plan. That would be achieved by improved discounts on medications. Rebates were previously bundled within the current contract



through BCBS. They are now providing an unbundled package. That means that discounts will not be as great but at the back end, WSHG will receive 100% of the rebates. By setting it up this way, the group will realize \$1.7 million in savings. Similarly with Harvard Pilgrim, they currently provide 70% of the rebate value. To provide 100% of the rebate they would have to increase their administrative fee by \$400,000. The rebate increase would be about \$1.1 million. Both carriers have coupon assistance programs which help members save money by applying manufacturer coupons for lower member payment but also lower plan costs. The Blue Cross coupon assistance would save \$620,000, and the Harvard Pilgrim program would save \$240,000. That is close to another \$1 million in savings. For Harvard Pilgrim there are currently no minimum guarantees on the contract. Going forward there would be guarantees based on discounts, dispensing fees, rebates, and other areas. Fees have been negotiated to be paid by the vendors and there is no additional fee that WSHG would have to incur per the PBIRx agreement. There was discussion with the carriers regarding weight loss medications and the opportunities that may present to better manage those drugs. Contracts were negotiated for a one-year deal. Pharmacy costs represent about 30% of total healthcare dollars. Given the current environment with weight loss drugs, it was thought to be the best option to manage costs going forward.

Other PBM's were looked at as well. BCBS contracts with CVS Health and HPHC contracts with Optum. The next level of assistance beyond coupon assistance is foundational assistance. There are certain benefactor programs out there such as the Cystic Fibrosis Association. Of the Cardiovascular Association. They are direct to manufacturer foundations that provide assistance if members cannot afford their medication. There is an additional lift for members to become eligible. It involves enrollment and they will be asked what total household income is and additional demographics of the individual. There may also be member disruption in medication tiers and copays. A medication may not be on a formulary and require a substitution.

Kevin Mizikar asked if the current contract with Blue Cross could be explained.

Mr. Sirowich said that when a member goes to the pharmacy, they get a discount on the medication of 60%. It is broken out between brand name and generic drugs. Retail is broken out by mail order and specialty. The new contract has the same information, but it has other levels as well which include guarantees on rebates on a per brand basis for retail, mail and specialty scripts. All those components are now broken down in a contract. The contract is used to verify pricing. Harvard Pilgrim does not have guarantees and PBIRX was able to negotiate them.

Mr. Mizikar asked what the PBIRx fee is that they negotiated with the carrier.

Mr. Sirowich said it is \$.75 per script.

Mr. Marshall asked if a carve out would even be possible for this year because of timing.

Mr. Anderson said that a carve out would be a pathway next year as there would be disruption and would require an educational component prior to open enrollment season. Members would be receiving new Rx cards and Individuals with formulary disruption would need to be notified. Logistically it would be a challenge.

There was discussion on the disruption in tiering and how that works as well as the medications that may not be on formularies any longer for the other PBM's.

The coupon program was explained. Most members on specialty meds are already on a manufacturer's coupon. BCBS would require the member to enroll in the coupon assistance program to receive the \$0 to \$30 copay. They would do all outreach to the members. There is no change or delay to the member in the way that they receive their medication. They would be required to sign up or they would have a 30% copay. However, if a member does not sign up or get a bill, they can always retroactively sign up and the claims are reprocessed.



Possible votes were summarized. Best and final for each carrier would net \$991,000 for HPHC and \$1.72 million for BCBS. Additional coupon programs for each carrier would net additional savings. Of \$626,000 for BCBS and \$247,414 for HPHC.

Kevin Mizikar asked if the group could find out who the PBM's were. Does it impact carriers' contracts in any other aspect?

Mr. Sirowich said there is an integration fee to carve out. They have access to higher rebates, and they make money on those rebates. It depends on how aggressive they want to be in terms of sharing profitability.

Mr. Mizikar said he would not be prepared to vote today because of the depth of information, and it is still confusing. He would be happy to schedule another meeting.

It was decided to schedule another meeting and have motions and implications laid out for further discussion and action.

**Pinnacle Care Review and vote:**

Joe Anderson and Kevin Mizikar met last week with the representatives from Pinnacle Care. Total engagements for all last year were five. They have not engaged the clients, and the model is not a fit for the West Suburban Health Group model. The group did not meet the minimum number of engagements to have the performance guarantee kick in. They rely on email contact which is found in private industry but not in municipal existence. Mr. Mizikar asked for immediate termination of the contract. They said they would respond within five business days and responded the group could terminate as of May 1<sup>st</sup>.

Meghan Jop motioned to terminate the Pinnacle Care contract as of May 1<sup>st</sup>, 2025 with review and notification of any active members.

Motion

Dawn Fattore seconded the motion. There was a roll call vote.

- Robin Tusino                      Yes
- Dawn Fattore                      Yes
- John Marshall                      Yes
- Tatiana Swanson                      Yes
- Michael McCall                      Yes
- Meghan Jop                      Yes

The motion passed by unanimous vote of those present.

**Other Business:**

The decision was made to look at the JPA and Administrative Services Agreement for further study and review at the next meeting.



**Gallagher**

Insurance | Risk Management | Consulting

There was no other business.

Meghan Jop motioned to adjourn.

Dawn Fattore seconded the motion.

Jon Marshal, Steering Committee Chair adjourned the meeting by unanimous consent at 3:39 P.M.

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