

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting

Police Facility Building
North Attleboro, MA

Meeting Minutes

Wednesday, February 25, 2015

Board Members Present:

Christine Sylvia
Randall Buckner
William Ross
Cheryl Gouveia
Michael Yunits
Chris Defontes
Mark Fisher
Sheena Martin
Carolyn Awalt

Town of Westport
Town of Raynham
Town of Mansfield
Town of Rehoboth
Town of Norton
Town of Seekonk
Town of N. Attleboro
SCEC
Town of Berkley

Others Present:

Pam Smith
Kate Sharry
Patti Firing
Mike Breen
Jack Sharry
Paul Mulkern

GBS
GBS
Town of Mansfield
Blue Cross Blue Shield
GBS
Group Counsel

Mike Yunits began the meeting at 10:08 a.m.

General Business

Randy Buckner made a motion to approve the minutes of the last Board meeting on December 18, 2014. Bill Ross seconded the motion and it passed by unanimous vote.

Mike Breen from Blue Cross Blue Shield presented the Blue Cross recommended working rates for the Group's 2015 – 2016 plan year. He said that Blue Cross was recommending a 4.5% increase to working rates based on the Blue Cross projection that the Group's claims would increase by that amount. Mr. Breen stated that Blue Cross was proposing a level monthly charge of \$ \$4,401,900.00 for the active plans and \$173,200 for the MEDEX plans. He noted that the retiree plans are changing their pharmacy benefit to a PDP and that the co-pays would be \$5/10/25 for retail and and \$10/20/50 for mail order.

Kate Sharry explained that at the last Steering Committee meeting she had presented the Committee with two working rate scenarios for its consideration. She noted that GBS could develop other rating scenarios if the Board desired. The scenarios presented included 3% and 5% increases to the Group's working rates. She said that the Steering Committee had voted to recommend the 3% working rate increase to the Board. With regard to the senior plans, GBS was recommending a monthly rate of \$318.83 for the Group's Medex II with OBRA plan while Blue Cross would be charging a monthly rate of \$269.90 for its Managed Blue for Seniors plan. The decreases in the rates for the senior plans reflect the adoption of the PDP pharmacy arrangement.

Ms. Sharry explained that the 3% increase to the active plan working rates was based upon the Group maintaining its current ACA out-of-pocket maximums of \$5,000 for Individual plans and \$10,000 for Family plans. She noted that the ACA would currently allow maximums of \$6,600 and \$13,200 and that, effective July 1, 2015, the maximums will apply to prescription drugs as well as to medical services. Nevertheless, she stated that she was comfortable with the Group maintaining the \$5,000/\$10,000 maximums. She said that the Steering Committee had voted at its last meeting to recommend that the Board maintain those maximums.

Mr. Fisher made a motion that the Board accept the Steering Committee's recommendation that the working rates for the active plans increase by 3% for the July 1, 2015 - June 30, 2016 plan year, and that the Board further accept the proposed rates for the senior plans. Mr. Ross seconded the motion and it passed by unanimous vote.

Ms. Sylvia asked if GBS knew what the Senior rates would be as of January 1, 2016. Ms. Sharry said that GBS is projecting a 6% increase to the rates that will be effective on July 1, 2015. She said that GBS would notify the members of the exact increase as soon as that information was released by CMS.

Other Business

Mr. Fisher expressed his concern that the Legislature was, once again, bailing out the GIC. He said that he felt that it was unfair that this relief was being provided to the GIC but not to municipal joint purchase groups. Mr. Fisher suggested that a meeting of all of the joint purchase groups be scheduled to discuss this concern. Jack Sharry responded that he has been in contact with the Lieutenant Governor and that she is interested in how the joint purchase groups operate. Mr. Sharry said that he would attempt to schedule a meeting with the Lieutenant Governor and suggested that representatives of the other joint purchase groups be invited to attend as guests.

A motion was made by Mr. Fisher at 11:01 to adjourn the meeting. The motion was seconded by Chris Sylvia and passed by unanimous vote.

*Prepared by Pam Smith
Group Benefits Strategies*