

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting

North Attleboro Police Facility
North Attleboro, MA

September 26, 2017

Board Members Present:

Michael Yunits	Town of Norton
Cheryl Gouveia	Town of Rehoboth
Chris Defontes	Town of Seekonk
Michael Gallagher	Town of N. Attleboro
Jen Thompson	Town of Plainville

Others Present:

Pam Smith	GBS
Kate Sharry	GBS
Mike Breen	Blue Cross Blue Shield
Paul Mulkern	Group Counsel
Cathy Calicchia	Town of N. Attleboro (alternate)
Tim King	Town of Westport (alternate)
Jackie Boudreau	Town of Mansfield (alternate)
Shawn Cadime	Town of Seekonk
Chris Nunnally	GBS
Maureen Valente	Treasurer

Mike Yunits began the meeting at 9:27 a.m.

Minutes from April 11, 2017 – Mike Yunits

Mr. Gallagher made a motion to accept the Board minutes from the meeting on April 11, 2017.

Ms. Gouveia seconded the motion and the motion passed by unanimous vote.

JPG update - participation agreement and wellness committee – Mike Yunits/Mike Gallagher

There was no Joint purchase agreement update at this time.

BCBS Telemedicine presentation – Mike Breen, BCBS

Mike Breen discussed the telehealth option through Blue Cross Blue Shield available to SMHG subscribers. The cost for this product is \$.50 per subscriber per month. The program could be rolled out open during open enrollment and promoted with postcards and other materials. Members are responsible for a primary care physician copay only. Mr. Breen suggested the group could offer a reduced copay in order to try and drive membership towards this benefit.

Financial Report – Kate Sharry, GBS

Kate Sharry reviewed the financial report with 2 months of claims data. The overall loss ratio is at 90.1% with a funding surplus of \$990,454. Ms. Sharry told the group that as of July 1, 2017 all subscribers that were previously on grandfathered plans have been moved to non grandfathered plans. The ratios for the people that moved was approximately 80% to the value plans and 20% to the benchmark plan. She said the premiums rates for the value plan is estimated to be enough to absorb the migration. Ms. Sharry thanked everyone for their hard work in making this change. Ms. Sharry reviewed the stop loss report and said there is approximately \$129K pending for the current stop loss policy, and there is an estimated \$3,000 pending for the prior period which is in reconciliation and will soon be closed.

Senior Plan Renewal and Formulary Changes – Kate Sharry, GBS and Mike Breen, BCBS

Ms. Sharry reviewed the senior plan renewal for 1/1/18. She said the group has the most population in the Medex II plan. The PDP (prescription) rate is fully insured and is set by the federal government. At this time GBS is recommending a rate hold. The medical rate from Blue Cross Blue Shield is a 3.9% decrease. The Managed Blue for Seniors came in at a 2.3% increase, and since this is a fully insured account the group has no control over setting this rate as it is controlled by CMS and BCBS. If the group votes for a rate hold to the Medex II rate this could build an estimated surplus of \$200K. Ms. Sharry also said she the group could consider copay changes in order to reduce the rate.

Mike Breen explained the changes Blue Cross Blue Shield made to their formulary for the senior plans. He said BCBS felt these changes were needed in order to try and keep costs down, as prescription trends continue to increase year after year. He said Blue Cross Blue Shield has not made changes to the senior formulary in a few years.

Mike Yunits said he thinks there should be a slight increase to the Medex II plan in order to build a surplus for next year when there could be a higher renewal. After discussion by the group, Jennifer Thompson made a motion to increase the Medex 2 with PDP rate by 2.5%. Chris Defontes seconded the motion and the motion passed by unanimous vote.

SMHG Strategic Plan – Kate Sharry, GBS

Ms. Sharry talked about strategies for moving forward with the group. She said GBS is evaluating different ways to help control claims costs and add value to the group. GBS has been talking to vendors and would need permission from the group to give claims data to the vendors in order to get some pricing. Chris Nunnally discussed a few possibilities including carving out prescription benefits and procedure care management including driving behavior changes. Mr. Gallagher made a motion to release claims data to vendors as GBS sees fit. Ms. Thompson seconded the motion and it was passed by unanimous vote.

Mr. Mulkern felt an obligation to tell the group that he still has reservations about CanaRx and brought up possible legal issues with the company. Ms. Sharry said it is important to remember that SMHG does not have a contract with CanaRx, it is solely between the subscriber and CanaRx and therefore SMHG has no liability. She also said that CanaRx has a Lloyds of London insurance policy in place to deal with any issues that may arise. Ms. Sharry also said the the Mayflower Municipal Health Group's attorneys also

looked into issues and found no reason the group should not join, and MMHG recently voted to offer the program to its subscribers.

RDS Update – Kate Sharry, GBS

Kate Sharry gave a brief update regarding the reopening of previous RDS applications being conducted by InTech Solutions. She said the firm requested to move forward with the next year available.

Roster/Invoice Agreement – Kate Sharry, GBS

Kate Sharry said GBS is not increasing the fee for the roster/invoicing service available to all units in SMHG and asked for a signature on the agreement. Mike Yunits signed the agreement.

New Business

Ms. Sharry told the group that the Town of Wrentham has put a request into SMHG to explore the possibilities of membership into the group. Ms. Sharry said currently they are with the West Suburban Health Group. The carriers they currently offer are Harvard Pilgrim, Blue Cross, Tufts and Fallon. They have 223 active employees and 105 seniors. They do not have any large losses over their specific of \$150K for the current stop loss policy. Mr. Yunits said we should continue to allow them to explore the possibility of joining the group and he will also call the Town to find out their intent.

Mr. Yunits said he has been talking with the group Treasurer and she is concerned with the lag in payments she is receiving from the Towns. Ms. Valente said it is important that she receives payment by the first of the month. She said some Towns are paying very late. There is wording in the JPA that says she can charge interest if a payment is more than 22 days late.

Mr. Yunits told the group that attorney Paul Mulkern is cutting back on his work load and will no longer be the group's attorney. Mr. Yunits thanked him for his services.

Mr. Gallagher said North Attleboro will be meeting with the IAC to begin the process of possibly moving to the Group Insurance Commission. He said his hand is being forced in this due to budget constraints the expected savings to move was too great to ignore.

The next meeting is scheduled for November 1st, at 2:00 p.m. in Mansfield.

At 10:57 a.m. Ms. Thompson made a motion to adjourn the meeting. Ms. Boudreau seconded the motion and it passed by unanimous vote.