

# SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

## Steering Committee Meeting

Easton Town Hall

Meeting Minutes

September 9, 2014

### **Steering Committee Present:**

Michael Yunits	Town of Norton
William Ross	Town of Mansfield
Mark Fisher	Town of North Attleborough
Randy Buckner	Town of Raynham
Chris DeFontes	Town of Seekonk
Chris Sylvia	Town of Westport

### **Others Present:**

Teresa DeSilva	Town of Easton
George Foster	Group Treasurer
Patti Firing	Town of Mansfield
Pam Smith	GBS
Kate Sharry	GBS
Paul Mulkern	Group Counsel
Suzanne Donahue	Blue Cross Blue Shield
Paula Giokas	Tufts Health Plan

Mr. Yunits began the meeting at 9:03 a.m.

### **General Business**

Mr. Yunits asked for a motion to accept the minutes of the Committee's June 25, 2014 meeting. Mr. Buckner made a motion to accept the minutes. Ms. Defontes seconded the motion and it passed by unanimous vote.

Paula Giokas from Tufts Health Plan gave a presentation to the Group about their Senior Health Plans.

### **Financial Report**

Ms. Smith reviewed the Financial Overview that GBS had prepared. She said there isn't much to discuss at this time, as the Group is only one month into a new year, but the plans are running well and the Group has been receiving reinsurance reimbursements.

### **Other Business**

Ms. Donahue reminded the Committee that, due to the ACA's prohibition of annual dollar limits on benefits, the plans' previous annual dollar limits on Durable Medical Equipment (DME) could not continue. She said that Blue Cross had proposed to replace the annual dollar limits with an 80 - 20 co-insurance feature. While this did not present a problem with regard to the non-grandfathered plans, Blue Cross determined that a co-insurance requirement would cause the loss of grandfathered status to the

remaining grandfathered plans. Accordingly, in order to preserve the status of the grandfathered plans, the DME benefit for those plans will provide 100% reimbursement (no co-insurance) while the benefit for the non-grandfathered plans will have the 80 - 20 co-insurance feature.

Ms. Donahue then discussed the new vision plan that Blue Cross is offering. She said the plan would be available to the Group's members as an option.

With regard to the limited out-of-pocket maximums that certain plans had provided, Ms. Donahue indicated that she had run a report to determine how many individuals had reached the \$2,000/\$4,000 maximums (excluding office visits and prescription co-pays). She said that 11 individuals had reached the limit in 2013 and one person had reached it in 2014. She said that Blue Cross would be determining a process for reimbursing persons who reached those limits in the future (as had been directed by the Committee at its last meeting). She confirmed that while Blue Cross Blue Shield does not have the systems in place to administer the \$2,000/\$4,000 maximums electronically, the \$1,000 maximums for in-patient co-pays in certain other plans would continue to be administered electronically.

Ms. Smith indicated that two of the Group's members had requested that the Group reimburse individuals for claims that had been denied by Blue Cross. The first request involved the spouse of a retiree who had not enrolled in Medicare Part B when the employee had retired. Blue Cross denied the spouse's claims (totaling \$5,585.19) as they would have been covered by Medicare if the spouse had enrolled as was required. Mr. Ross made a motion that the Committee take no action on the request. The motion was seconded by Mr. Fisher and passed by unanimous vote. The second request involved a claim for an ambulance transport that was denied by Blue Cross. The patient (the spouse of an employee) is blind and, at the time the ambulance transport was provided, could not walk, was very ill and needed to see his doctor. Blue Cross denied the payment of the claim because the individual's physician had not received approval from Blue Cross for the ambulance transport. Mr. Fisher made a motion that the Group direct Blue Cross to pay the bill. The motion was seconded by Mr. Buckner and passed by unanimous vote.

Ms. Sharry provided the Committee members with an analysis of the savings that the Group might expect if it adopted an EGWP. She pointed out that, if the Group adopted an EGWP, it would lose the RDS payments that it has been receiving for several years. The GBS analysis projected that the introduction of an EGWP would result in annual savings to the Group of \$2,416,737. That would be offset by the loss of projected annual RDS payments of \$955,900. Ms. Sharry noted that the RDS payments have been decreasing in recent years. Mr. Fisher asked if GBS could prepare an analysis of the savings that each of the Group's members could anticipate if an EGWP was adopted, effective January 1, 2015. GBS was also asked to provide a list of the drugs that are not covered by an EGWP (but are covered under the current plan) and, also, a list of the top 200 drugs used by the Group's subscribers and dependents. Ms. Sharry acknowledged that if the Group utilized an EGWP, a Medicare plan subscriber would need two cards. She also pointed out that the adoption of an EGWP would add a third tier to the Managed Blue for Seniors Rx plan. (It currently only has 2-tiers and Blue Cross doesn't offer a 2-tier Rx plan with an EGWP.)

Mr. Fisher asked whether the member units would face a bargaining obligation if the Group adopted an EGWP. Mr. Mulkern explained that while a municipal employer is not required to bargain over benefits for current retirees, it can be required to bargain over the future retirement benefits of current active employees. He said that, as with any proposed change to the terms and conditions of employment, the member units would be required to provide their bargaining units with notice of the intended change (to the EGWP) and, upon a request for bargaining, bargain to agreement or impasse.

Ms. Sharry discussed the Group's arrangement with Blue Cross for level monthly funding of claims.

She pointed out that Blue Cross had proposed to increase the level of the monthly charge from \$5.2 million to \$5.4 million. She explained that Ms. DeSilva and Mr. Yunits had approved the proposal under the Group's emergency voting procedure and she suggested that the Committee ratify that action. Mr. Fisher made a motion to ratify the increase to the monthly level funding to \$5.4 million. The motion was seconded by Mr. Buckner and passed by unanimous vote.

Ms. Sharry then discussed the transitional reinsurance fee imposed by the Affordable Care Act. She said that, at the rate of \$63.00 per member, the fee for the Group would approximate \$597,000. She said that it was the recommendation of GBS that the Group pay the entire fee in one payment rather than in two installments. Mr. Fisher made a motion to pay the entire fee in one payment. The motion was seconded by Mr. Ross and passed by unanimous vote.

Mr. Foster provided the Treasurer's report. Mr. Ross made a motion to accept the report. The motion was seconded by Mr. Fisher and passed by unanimous vote.

Ms. Smith provided the Committee with an update regarding the status of the new website.

Ms. Donahue provided an update on several benefit changes. She said that gender reassignment will be a covered benefit effective July 1, 2015. She also indicated that, effective July 15, 2015, dependents will maintain coverage through the last day of the month in which their 26<sup>th</sup> birthday occurs. (Currently, dependents lose coverage on the 26th birthday.) Finally, effective July 1, 2015, members will be eligible for two 90-day prescriptions for smoking cessation.

At 10:38 a.m., Mr. Fisher made a motion to adjourn the meeting. The motion was seconded by Mr. Buckner and passed by unanimous vote.

The Committee scheduled its next meeting for October 7th at 9 a.m at Easton Town Hall.