

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Steering Committee Meeting

Westport Library

Meeting Minutes

October 21, 2015

Steering Committee Members Present:

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| Randy Buckner | Town of Raynham |
| Chris DeFontes | Town of Seekonk |
| Chris Sylvia | Town of Westport |
| Cheryl Gouveia | Town of Rehoboth |
| Michael Gallagher | Town of North Attleboro |

Others Present:

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| Jackie Boudreau | Town of Mansfield |
| Michael Yunits | Town of Norton |
| George Foster | Group Treasurer |
| Pam Smith | GBS |
| Kate Sharry | GBS |
| Paul Mulkern | Group Counsel |
| Mike Breen | Blue Cross Blue Shield |

Chris Sylvia began the meeting at 1:00 p.m.

General Business

Ms. Sylvia made a motion to accept the minutes of the Committee's September 21, 2015 meeting. Mr. Buckner seconded the motion. The motion passed by unanimous vote with Mr. Gallagher abstaining.

Ms. Sylvia made a motion to accept the minutes of the Committee's September 28, 2015 meeting. Ms. Gouveia seconded the motion. Mr. Gallagher and Mr. Buckner abstained from voting on the motion but the other members voted to accept the minutes.

Mr. Breen from BCBS updated the Committee regarding a letter that Blue Cross had sent out to its accounts dealing with recent cyber attacks. He said that BCBS will be offering free credit monitoring to the Group's subscribers.

He also said that on October 1, 2015 HHS updated their coding system and this could result in a lag in claims processing. He said BCBS made all the necessary changes on their end but there could be some providers who are still converting and this may result in a lag in processing claims.

Financial Update

Ms. Smith reviewed the financial report for the Group. She reported that there is currently a loss ratio of 104.6%. She noted that this is a huge improvement from the month before when the ratio was 135.6%.

She said that a large reimbursement check had been received and this had helped reduce the loss ratio.

Mr. Foster reviewed the Treasurer's report. Mr. Foster noted that the person handling the audit had left the Group's auditing firm but that he had been assured by that firm that everything is still on schedule and the audit should be ready at the beginning of December.

Other Business

Ms. Sharry provided the Committee with recommended rates for the senior plans. She recommended a 6.8% increase for the Managed Blue for Seniors plan. She recommended a 6.1% increase for Medex 2. Blue Cross did not propose an increase to its administrative fees. These rates are for a full year from January 1, 2016 to December 31, 2016. Ms. Sharry said she thought these renewals were favorable compared to increases GBS has seen for some other clients. Ms. Gouveia made a motion to accept the senior plan rates as presented. Ms. Defontes seconded the motion and it passed by unanimous vote.

Ms. Sharry discussed the Cadillac Tax and the fact that each member entity would be responsible for the tax attributable to its subscribers. Mr. Mulkern noted that the IRS had not yet promulgated regulations dealing with the Cadillac Tax but had published 2 Notices in 2015 that seek input regarding the development of regulations. Ms. Sharry and Mr. Mulkern advised that employers should be looking toward strategies that will reduce the aggregate cost of the health coverage that they offer. Reducing the aggregate cost of coverage will reduce the amount that is subject to the excise tax.

Ms. Sharry informed the Committee that GBS was involved with the filing of the Transitional Reinsurance Fee for the Group. She indicated that the Group's fee for 2015, using the snapshot factor calculation method, would be \$273,527.00.

Ms. DeFontes explained that a Seekonk employee who was Medicare eligible had recently retired. She said that the employee and her Medicare eligible spouse had a son who was under 26 and enrolled in college. Ms. DeFontes asked if the son could be offered coverage under an Individual plan despite the fact that his parents would both be enrolled in Medex plans. Mr. Mulkern responded that, under those circumstances, the Town was required by Chapter 32B to offer the dependent coverage under an Individual plan.

Mr. Mulkern suggested that the Committee determine whether the Group's members are preparing for the ACA Reporting requirements. He noted that the Group could provide assistance to any members that were having difficulty with preparations for the filings.

The Committee scheduled a Board meeting for December 2, 2015 at 1:00 p.m. in Mansfield. The Committee asked that all benefit coordinators be invited to attend this meeting. It was agreed that a meeting of the Steering Committee would be held at the conclusion of the Board meeting.

At 2:15 p.m. Ms. Gouveia made a motion to adjourn the meeting. The motion was seconded by Ms. Sylvia and passed by unanimous vote.