

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Steering Committee Meeting

Westport Fire Department

Meeting Minutes

September 17, 2015

Steering Committee Members Present:

Randy Buckner	Town of Raynham
Chris DeFontes	Town of Seekonk
Chris Sylvia	Town of Westport
Cheryl Gouveia	Town of Rehoboth
Bill Ross	Town of Mansfield

Others Present:

Michael Yunits	Town of Norton
George Foster	Group Treasurer
Chris Hatch	Shields MRI
Pam Smith	GBS
Kate Sharry	GBS
Paul Mulkern	Group Counsel
Mike Breen	Blue Cross Blue Shield

Mr. Yunits began the meeting at 1:02 p.m.

General Business

Ms. Sylvia made a motion to accept the minutes of the Committee's June 18, 2015 meeting. Ms. DeFontes seconded the motion. It passed by unanimous vote.

Chris Hatch from Shields MRI gave a presentation to the Committee on their free standing MRI clinics and the cost savings that can be achieved by visiting these clinics. A handout showing detailed savings was presented to the group. Mr. Hatch stated that, due to some corrected numbers he received, the savings will be even greater than those on the handout. Mr. Hatch will send these revised numbers to GBS when he returns to the office.

Ms. DeFontes asked if Shields will have a facility in Seekonk in the near future or somewhere nearby in Rhode Island. Mr. Hatch said that Shields has no plans to expand in Rhode Island but there are locations in Dartmouth and New Bedford.

Kate Sharry mentioned that BCBS waives the copay for scans when a member uses a free standing clinic.

Financial Update

Pam Smith reviewed the financial report for the Group. She reported that there is currently a loss ratio of 135.6%. She explained that there are two primary reasons for this. The first reason involves the Town of Easton's runout claims of about \$600K for July. This amount should decrease dramatically next month. The next reason is due to a high cost claimant who has incurred claims of approximately \$1 million dollars. There is a substantial reimbursement pending from the reinsurer but that reimbursement has been held up due to lack of documentation regarding the member's status as a divorced spouse. Ms. Smith said that she expected to receive the needed divorce documentation later that day.

George Foster reviewed the Treasurer's report.

Mr. Foster noted that the Auditors have, once again, mentioned that there is not a system of checks and balance in place. He indicated that the auditors have raised this issue in every audit. Mr. Foster said he would like to address this issue and rectify it. He suggested that Ms. Sylvia be authorized to perform quarterly checks of the account balances. There was a motion by Ms. Gouveia to have Ms. Sylvia do so. Ms. DeFontes seconded the motion and it passed by unanimous vote.

Other Business

GBS representatives left the room while the Committee discussed the RFP for Health Insurance Management Services.

Mr. Yunits stated that GBS was the only firm that submitted a bid. He said that, while the rate in the expired contract was \$.89 per subscriber per month, their proposal was \$1.35 per subscriber per month in the first year of the contract, increasing to \$1.75 per subscriber per month in the second year and \$2.20 per subscriber per month in the third year. The consensus of the members was to ask GBS to reconsider its proposal as it was higher than the members considered reasonable.

Upon the return of the GBS representatives to the meeting room, Mr. Yunits noted that the GBS proposal for the first year represented a 52% increase over the current rate and was followed by other steep increases for the two succeeding years.

Ms. Sharry responded that the current rate that GBS was charging was highly discounted and that the workload required in the provision of central benefits administration had increased dramatically. Mr. Yunits asked if GBS had flexibility on the proposed rates and suggested a 12% increase for the first year. Ms. Sharry responded that GBS would review the proposed rates and get back to Mr. Yunits with a response.

Mr. Yunits suggested that the Committee schedule another meeting to consider the issue after Ms. Sharry had provided the GBS response. The Committee agreed to meet on September 24th to further discuss a contract.

A discussion ensued regarding the ACA reporting requirements. Mr. Mulkern stated that dependent enrollment information was needed to complete the necessary forms. Ms. Sharry noted that GBS was offering to provide that information (for a fee) prospectively but was unable to provide the information back to January 1, 2015. Mr. Mulkern then asked Mr. Breen if Blue Cross could provide the information. Mr. Breen responded that he was not certain that Blue Cross could provide the information but he was researching the question and would respond at the Committee's next meeting.

In answer to a question, Ms. Sharry responded that GBS had not received a PDP rate for January 1 from Blue Cross.

Ms. Sharry reviewed an analysis that GBS had prepared of the Group's potential liability under the Cadillac Tax. She projected a liability of approximately \$630,000 in excise taxes that the Group's members might face in the first year (2018) if no changes were made to the Group's plan offerings and if rates increased by 7% per year.

Ms. Sharry urged the Committee to find a point person for a wellness committee. She noted that Blue Cross offers a number of wellness programs that the Group is not currently utilizing. It was the consensus of the Committee that flyers should be posted to try to locate persons who would be interested in spearheading wellness efforts.

At 3:03 p.m. Mr. Ross made motion to adjourn the meeting. Ms. Sylvia seconded the motion and it passed by unanimous vote.