

# SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

## Steering Committee Meeting

Westport Library

Meeting Minutes

February 3, 2016

### Steering Committee Members Present:

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
Bill Ross	Town of Mansfield
Jennifer Thompson	Town of Plainville

### Others Present:

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
Patti Firing	Town of Mansfield

Chris Sylvia began the meeting at 12:01 p.m.

### General Business

Ms. Gouveia made a motion to accept the minutes of the Committee's December 2, 2015 meeting. Ms. Defontes seconded the motion. The motion passed by unanimous vote.

Mike Breen from Blue Cross Blue Shield briefly reviewed the FY17 Health insurance renewal. He said the medical is trending at around 7% and the Rx is about 15% for a 10.2% composite increase. The administrative fee is being held again this year so there is no increase. The new level monthly effective July 1, 2016 is going to be \$4,871,000.00.

Ms. Sharry shared a document she had prepared regarding the FY17 renewal also. She prepared a few different rate scenarios for the group. A discussion followed. She said the group needs a strategy and she suggests preparing a 2 or 3 year strategy moving forward. Prescription trends are very high due to the specialty drugs that are out there. She also said the group should think about eliminating grandfathered plans or possible increasing the rates to try and force migration to the HMO's. The group has many rich plans and should think about phasing out a few of them.

Mr. Mulkern told they group that some Towns could save money if they would use Sections 21-22 of Chapter 32B. He said many have already gone through this process and ended up with the value plans.

The Town of Raynham went through this process a few years ago and they could go through it again although their savings probably wouldn't be very high.

The question of whether or not a group can force a Town to cancel some plans was possible. Mr. Mulkern said the group cannot mandate a change. There is a bargaining obligation attached to each member.

Mr. Foster also reminded the group that there were a lot of payouts last year. The Town of E. Bridgewater and the Town of Easton have both left the group, Affordable Care act fees were large too.

Ms. Sharry said 10.5% is the average that she is seeing with many other groups also. She also said the biggest would be seen by moving to the deductible plans. CanaRx could be an option to reduce drug costs. She said it is a voluntary program for subscribers to sign up for and there is no copay. It would also save money for the group.

Mike Gallagher asked if everyone can come together as a group and educate employees about the critical situation regarding their premiums and ways to shift costs, such as using a minute clinic instead of the Emergency room. He said this problem needs to be fixed, possibly try to hold more health fairs also. He asked Blue Cross Blue Shield what they are doing to help this situation. Mike Breen said Blue Cross is available to hold health fairs and educate employees in anyway possible. They are constantly placing pressure on providers and to try and the gets the best deals possible. Blue Cross and GBS will coordinate to gather data and help educate on plans and prices.

Mr. Mulkern said for Towns that haven't made any changes there can be considerable money to save. For members in a PPO there are probably about 75% to 80% that live in MA that could be in an HMO plan instead. GBS will send consumerism flyers to Units. We will also come up with some other rate scenarios for the next meeting. Some Steering members expressed that they would like to see the rates even higher on the PPO plans. GBS will take a look at the GIC benchmark quote from Blue Cross Blue Shield.

### **Financial Update**

Ms. Smith presented the financial report to the group. She said there was little change from last month.

### **Other Business**

Kate Sharry told the group that we are working with a company that is assisting some of our clients with a Part D reopening to see if there is any money available to return to clients. GBS would issue and RFP to begin the process. There is very little risk to the group. The 3<sup>rd</sup> party vendor only receives a fee if there is money found that would be returned to the group. Mr. Ross said it would be a good idea to send the RFP out for the Part D reimbursement. Mr. Ross motioned for GBS to begin the RFP process. Mr. Gallagher seconded the motion. The motion passed by unanimous vote.

George Foster reviewed the Treasurer's report. Mr. Foster said that he will be sending the Town of Easton a check for \$894,746.09 for their portion of the distribution due to them. Mike Yunits motioned to pay the Town of Easton their share of the distribution. Chris Defontes seconded the motion. It was passed by unanimous vote. Mr. Foster said the group has paid out a lot of money in the last year. East Bridgewater also received a little over \$900,000 and there have been a number of ACA fees that have also been paid. Mr. Foster said the Trust fund audit is complete and was sent to the Board members via email for approval.

The next Board meeting is scheduled for February 23, 2016 at 9:30 a.m. in Mansfield. There will be a Steering meeting the same day at 9:00 a.m.

At 1:45 p.m. Mr. Gallagher made a motion to adjourn the meeting. The motion was seconded by Mr. Buckner and passed by unanimous vote.

*Prepared by Pam Smith*