

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting
Seekonk Town Hall
Seekonk, MA

February 26, 2018

Board Members Present:

Michael Yunits	Town of Norton
Shawn Cadime	Town of Seekonk
Jackie Boudreau	Town of Mansfield (alternate)
Cheryl Gouveia	Town of Rehoboth
Chris Defontes	Town of Seekonk (alternate)
Wendy Cochrane	Town of Berkley
Jennifer Thompson	Town of Plainville
Mary Hathaway	Town of Dighton
Tim King	Town of Westport (alternate)
Jennifer Prendergast	SouthCoast Ed. Coll. (alternate)

Others Present:

Pam Smith	GBS
Kate Sharry	GBS
Mike Breen	Blue Cross Blue Shield
Catherine VanDyne	Town of Norton
Bruce Alexander	Town of Seekonk

Mike Yunits began the meeting at 10:02 a.m.

Minutes from January 23, 2018 and February 5, 2018

Shawn Cadime made a motion to approve the minutes from the January 23, 2018 and February 5, 2018 Board meetings. Wendy Cochrane seconded the motions and they were passed by unanimous vote.

Joint Purchase Agreement update – Mike Yunits

Mike Yunits said they are still working on the revisions for the joint purchase agreement, there is a conference call scheduled for the the following day with the attorney and GBS. He will update everyone at the next Board meeting.

FY19 Rates – Kate Sharry

Kate Sharry recapped the rate discussion from the last meeting telling the group that BCBS claims had a 2.8% decrease and there was a 2% increase to administration. She suggested 4% and 6% increases to rates at the last meeting. There is an estimated \$542K surplus with a 6% increase. There would not be a surplus with a 4% increase.

Ms. Sharry said there are two Units that are withdrawing and they will be entitled to money based on the FY18 Audited numbers. Maureen Valente is working with BCBS to get an estimate on runout figures. GBS sent out an email with financial information on all group expenses that was requested at the last Board meeting. It included warrant cover pages and information on wellness.

Mike Yunits asked if the group can use any surplus they have had to subsidize the rates. Maureen Valente said if all groups paid by the first of the month then there should be enough money. Unfortunatley, this is not always the case she said. A discussion followed regarding subsidizing rates.

Ms. Sharry said she does not recommend subsidizing the rates. She said there are unknown risks associated with doing this including not knowing how much money the Towns that are leaving are entitled to. Once the group is 6 months into FY19 we will have a better understanding of what the numbers will be. If the group is having a good year they could think about voting on a premium holiday for their employees.

Shawn Cadime asked if other Joint Purchase Groups have a policy into place regarding having a minimum amount for their fund balance. Ms. Shary said they do have policies in place.

A discussion followed on whether to increase rates 4% or 6% or even less than the suggested increase. Ms. Sharry said she does not recommend anything less than 4% and prefers the 6%. Tim King made a motion to increase rates by 4%. A second motion was not made and the motion was not passed.

Ms. Valente said she would like to talk to the auditors again regarding the calculation for payouts. She said there is roughly \$4.9 million available and the Towns leaving could be eligible for \$1 million dollars. Mansfield and North Attleboro make up about 40% of the group. Ms. Valente said based on BCBS runout Mansfield and North Attleboro run at about \$1 million in claims each.

Shawn Cadime made a motion to increase the rates 5%. Jennifer Thompson seconded the motion. Tim King from Wesport opposed the motion. Everyone else voted in support. The motion was passed for a 5% increase to the FY19 rates.

GBS will send out the rates by email to everyone.

New Business

James Fitzpatrick from Vitals/Smartshopper will be coming to the next meeting to explain the details of how the program works. We are also asking Blue Cross Blue Shield if Stephanie Burke is available to give a review on how an HSA plan works when paired with a High Deductible plan. We are going to invite all Benefit Coordinators, HR and anyone else that is interested in attending this meeting.

The next Board meeting is scheduled for March 29, 2018 at 10:00 a.m. at the Seekonk Town Hall.

At 10:35 a.m. Ms. Gouveia made a motion to adjourn the meeting. Mr. Cadime seconded the motion and it passed by unanimous vote.

*Prepared by Pam Smith
Group Benefits Strategies*