

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting
Seekonk Town Hall
Seekonk, MA

January 23, 2018

Board Members Present:

Michael Yunits	Town of Norton
Steve Schoonveld	Town of Mansfield
Mike Gallagher	Town of North Attleborough
Shawn Cadime	Town of Seekonk
Jackie Boudreau	Town of Mansfield (alternate)
Cheryl Gouveia	Town of Rehoboth
Chris Defontes	Town of Seekonk (alternate)
Tim King	Town of Westport (alternate)
Wendy Cochrane	Town of Berkley
Jennifer Thompson	Town of Plainville
Mary Hathaway	Town of Dighton

Others Present:

Pam Smith	GBS
Kate Sharry	GBS
Mike Breen	Blue Cross Blue Shield
Anthony Marini	Lynch, Marini, CPAs
Catherine VanDyne	Town of Norton
Bruce Alexander	Town of Seekonk
Daniel Masher	Berkley IAC

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

Minutes from December 5, 2017 – Mike Yunits

Mr. King made a motion to accept the Board minutes from the meeting on December 5, 2017.

Mr. Schoonveld seconded the motion and it passed by unanimous vote.

Trust Fund Audit - Anthony Marini

Ms. Valente introduced Anthony Marini, Auditor for the Southeastern Mass health group. Mr. Marini said he received help from both Mr. Foster and Ms. Valente on this audit. The fund balance of the group is approximately \$5 million dollars as of June 30, 2017. This is an increase over last year of approximately \$850K. The year before there was a loss of approximately \$2.1 million dollars. Mr. Marini said the cash increased to approximately \$550K. There was a lag in collections from Towns last year. Mr. Marini said the IBNR is an estimated \$3.8 million. Mr. Marini said there is an internal

control issue he would like addressed. Someone should look at the bank reconciliations and sign off on them. Ms. Valente said this is being put into place and she has spoken to Mike Yunits about this.

Mansfield Withdrawal – Steve Schoonveld

Mr. Schoonveld told the group that Mansfield is withdrawing from the Southeastern Massachusetts Health Group effective June 30, 2018. He said that this was researched for 8 months and they looked at the history of rate increases for the group and did their own analysis. He said they wanted to see what else was available for options, without having to make plan design changes. Mr. Schoonveld said they looked at the GIC, MIAA and direct with BCBS. They decided to proceed with MIAA and ended up getting a higher rate than they were originally quoted. He said they are concerned with wellness and felt MIAA had some good initiatives in this area. He also feels that MIAA is very flexible and that they have a lot of say in their health insurance. Mr. Schoonveld said they have a \$10.8 million dollar budget for health insurance.

Ms. Sharry said she applauds any Town that does their due diligence but she disagrees with the amount of flexibility and voice a town has when they belong to MIAA. She said every member has a vote in SMHG on plan offerings and rates, among other initiatives such as wellness, disease management, and other vendors. Ms. Sharry also said she would appreciate the opportunity to be included in any discussion a current town may have regarding their membership in SMHG. Ms. Sharry said there are many opportunities within a joint purchase group to control costs.

Joint Purchase Agreement update – Mike Yunits

Mike Yunits said a conference call was held with himself, Mike Gallagher, Kate Sharry, Shawn Cadime and Leo Peloquin. He said the revisions are still being worked on regarding concerns over Towns leaving and possible financial implications to the group. He said they are working on other details as well. Mr. Schoonveld asked what the implementation date will be. Mr. Yunits said they did not discuss a date. Mr. Schoonveld said he wanted to reiterate that there is no harm done to a group from runout. He also said that Mansfield does not have great claims experience. Ms. Sharry said the goal is to protect the trust fund.

SmartShopper update – Kate Sharry

Ms. Sharry said that after the SmartShopper presentation at the last meeting Mr. Fitzpatrick went back and ran some numbers for the group and found that there is potential savings with this program. He also said they are able to offer the shared savings product.

Mr. King made a motion to offer the SmartShopper program. Mr. Cadime seconded the motion and it was passed by unanimous vote.

BCBS renewal – Mike Breen

Mr. Breen reviewed the renewal for FY19 and said the BCBS calculations came in at a 2.8% decrease. He said the projected decrease excludes Mansfield and North Attleboro. The subscriber count has decreased to 1,668 actives. Mr. Breen said the claims experience improved when they removed the Towns that are leaving. Mr. Breen said the administrative fee is being increased by 3%. Ms. Sharry asked that BCBS re evaluate this increase. Mr. Breen said the group was originally given a 5% increase for administrative fees and he argued on behalf of the group that was too large of an increase. He will go back and ask to have it reduced, but that BCBS has held the administrative fees for a few years.

Mike Breen also mentioned that Blue Cross Blue Shield has contracted a new prescription benefit called Smart90. It works the same as mail order, it's a 90 day supply of drugs through your pharmacist with the same copay as 90 day mail order.

Financial Report – Pam Smith, GBS

Pam Smith reviewed the financial report with 6 months of claims data. The overall loss ratio is at 91.4% with a funding surplus of \$2,611,383. Ms. Smith reviewed the stop loss report and said there are five members on the current policy at the 50% specific and one of these members is lasered at \$500K.

Treasurer's report – Maureen Valente

Ms. Valente said the trust fund has a balance of \$10.3M at the end of the month.

New Business

The next Board meeting is scheduled for February 5, 2018 at 9:00 a.m. at the Seekonk Town Hall.

At 10:07 a.m. Mr. Cadime made a motion to adjourn the meeting. Mr. Gallagher seconded the motion and it passed by unanimous vote.

*Prepared by Pam Smith
Group Benefits Strategies*