

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting
Seekonk Town Hall
Seekonk, MA

February 5, 2018

Board Members Present:

Michael Yunits	Town of Norton
Steve Schoonveld	Town of Mansfield
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 9:06 a.m.

Joint Purchase Agreement update – Mike Yunits

Mike Yunits said they are still working on the revisions for the joint purchase agreement. He also said that he thinks there should be some parameters for any Town that is looking to join SMHG. The GIC currently makes Towns sign a three year commitment before joining. Mr. Yunits thinks there should be similar wording added to the joint purchase agreement.

Renewal – Kate Sharry

Ms. Sharry said that Blue Cross went back and revised their administrative fees down to a 2% increase. She said the administrative fee has been held for the last few years. The administrative and stop loss fees are added into the rates. GBS estimated a 20% increase for Stop loss, it may not be this high but we would rather be conservative when estimating. Ms. Sharry said that the group has run better than the BCBS projections for the past two years. Blue Cross has a new Rx contract they have put into place which should help overall with claims. Prescription trends are also starting to reduce.

Ms. Sharry said last year we did plan specific increases but it is important to try and have composite increases. There is no enrollment on the grandfathered plans and they are no longer being offered. GBS prepared two different rate scenarios, one showed a 4% increase and the other showed a 6% increase. Ms. Sharry said with 6 months of data in the group is showing a \$2.6 million dollar surplus. The 6% increase would build the trust fund up about \$542K while the 4% increase will not add anything to the trust fund. It will get them to where they need to be to fund the rates. The group may want to add a surplus which could help when they have to make the payouts to the Towns that are leaving.

From a consultants viewpoint Ms. Sharry said the group is running well. Mr. King asked if there was an estimate on how much the payouts would be. Ms. Valente had a handout with calculations on it. She said the two Towns leaving both represent a combined 41% of the population, with North Attleborough share of 20.14% and Mansfield with 21.34%. The calculation will be based off the net assets as of the final June 30 2018 audit. A discussion followed regarding payout calculations.

Mr. Cadime said he would like to see estimated payout calculations before the rates are voted on.

Ms. Thompson said her employees are eager to learn more about the high deductible plan and in hearing how it works with the HSA. Mike Yunits said she will need to send a letter to the union representatives telling them about the new plan the Town would like to put into place, if there is no opposition then you can put them into place. Kate Sharry said you aren't able to use Sections 21-22 for this, since the plans are richer than the GIC plans. Ms. Sharry said there is a definite savings for the employer and employee by moving to these plans.

A discussion followed regarding High Deductible plans.

New Business

The next Board meeting is scheduled for February 26, 2018 at 10:00 a.m. at the Seekonk Town Hall.

At 10:09 a.m. Mr. Cadime made a motion to adjourn the meeting. Ms. Gouveia seconded the motion and it passed by unanimous vote.

*Prepared by Pam Smith
Group Benefits Strategies*