

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting
Seekonk Town Hall
Seekonk, MA

May 30, 2018

Board Members Present:

Michael Yunits	Town of Norton
Jackie Boudreau	Town of Mansfield (alternate)
Sheena Martin	South Coast Ed. Collaborative
Cheryl Gouveia	Town of Rehoboth
Bruce Alexander	Town of Seekonk (alternate)
Mary Hathaway	Town of Dighton
Michael Gallagher	Town of N. Attleboro
Steve Schoonveld	Town of Mansfield

Others Present:

Pam Smith	GBS
Kate Sharry	GBS
Chris Nunally	GBS
Kevin Dumas	Town of Mansfield
Maureen Valente	Treasurer
Mallory Amstein	Town of Dighton

Mike Yunits began the meeting at 9:05 a.m.

Minutes from May 30, 2018

Cheryl Gouveia made a motion to approve the minutes from the March 29, 2018 Board meeting. Bruce Alexander seconded the motion and Mike Gallagher abstained, the motion passed.

Treasurer's report – Maureen Valente

Ms. Valente said the group is running well financially with disbursements averaging \$5.2 million and \$5.4 million being received. Things look well on a cash basis also. Ms. Valente has been in touch with the auditors and she is expecting things will go much smoother this year.

Strategy Discussion – Kate Sharry

Ms. Sharry told the group that five units moved their employees off the grandfathered plans leaving no enrollment on those plans. She thanked everyone for their hard work in getting that achieved. Ms. Sharry said GBS is always looking for ways to improve the group and reduce claims. One strategy would be Telemedicine. Blue Cross Blue Shield also has an embedded model of this in their plan the issue with this would be low utilization of the plan. GBS has been talking to an outside vendor called Telemedicine. They are present today to give an overview of how the product works.

Jeff Bean introduced himself from Telemedicine. Mr. Bean said they will work hard to promote this product by doing mailers and offering incentives. They have a 20% utilization with my Telemedicine. It's very simple to sign up, you can either call or use their app on your phone. The group has never had a malpractice suit filed against them since inception. The cost is \$2.05 per subscriber up to seven dependents, this includes behavioral health. Mr. Bean said they will attend benefit fairs as needed as they feel engagement is key. They will provide monthly or quarterly reporting as well as utilization and savings. They offer a 5% utilization guarantee and 100% ROI.

Kate Sharry said if this something the group would like to pursue there would not be any bargaining necessary to add this.

Continuing with the strategy discussion Ms. Sharry said they are also looking at possibly carving out prescription benefits. Carriers make money off drug rebates that come back from the manufacturer. If you put your Rx out to bid you would need a Pharmacy Benefit Manager (PBM). There could be anywhere from a 17% to 27% savings by doing this. The group would pay an administrative fee but they would also get the rebates back. Ms. Sharry said by doing this you would have control over your drugs and would capture the savings. The PBM would shop this out for you. You do not need to make any plan design changes for this as the formula would not change.

Ms. Sharry said it has been over eight years since the health insurance was put out to bid. She recommends the group do their due diligence and have the insurance put out to bid for Fiscal Year 2020. She said we would ask for quotes with medical claims and rx and also without rx. The overall goal is to have as little disruption to employees as possible

Ms. Sharry said there is also always the possibility of merging with the Mayflower Municipal Health Group as they are also looking to grow. Their plans are still a little richer than SMHG but they are starting to make changes.

A High Qualified deductible plan is another option but we need to further educate the employees on this. Ms. Sharry said anyone can reach out to Blue Cross and request a presentation at their Town.

Ms. Sharry said she has received emails from a few Towns in SMHG inquiring about the possibility of having another enrollment audit performed. Ms. Sharry said the last one that was performed was five years ago. She said if the group wanted they could just do an affidavit audit which would not be as difficult as the last audit.

At the last meeting the group requested we show a comparison for reinsurance which would show how the group has performed vs. trend. Ms. Sharry showed the group a chart which compared SMHG to how the MMRA has performed vs. trend. Both the MMRA and SMHG have come in below trend for the past three years. SMHG has decided to get quotes from the MMRA. Ms. Sharry said the goal is to create stability for the group. GBS will have the results from the reinsurance request for quotes at the next meeting.

Financial report – Pam Smith

Ms. Smith reviewed the report and said the group has a 92.9% loss ratio for all health plans with a \$3.6 million dollar funding surplus. She noted that the high cost claimant they discussed at the last meeting had a large credit come in. She said these claims will probably continue to be adjusted. GBS will monitor the claims.

Mansfield exception - update

Ms. Boudreau told the Group the Town of Mansfield has a retired teacher that is not eligible for Medicare. This subscriber had services that requiring prior authorization and there were issues with the correct PCP being listed on her policy, which resulted in a breakdown of communication. After looking into this further Ms. Boudreau said the amount was reduced to \$1,216.02. Ms. Boudreau said the member will left with paying these claims if the group does not approve this exception. She said the member has taken care of the PCP problem so this would not happen again. David Flaherty made a motion to cover anything that BCBS does not cover up to \$1,216.02. Cheryl Gouveia seconded the motion and it was passed by unanimous vote.

New Business

No new Business.

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

The next Board meeting will take place on June 20th at 9:00 a.m. in Seekonk.

*Prepared by Pam Smith
Group Benefits Strategies*