

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting
Seekonk Senior Center
Seekonk, MA

September 13, 2018

Board Members Present:

Michael Yunits	Town of Norton
Bruce Alexander	Town of Seekonk (alternate)
Christine Defontes	Town of Seekonk
Brad Brightman	Town of Westport
Wendy Cochrane	Town of Berkley
Patrick McIntyre	Town of Plainville

Others Present:

Kate Sharry	GBS
Pam Smith	GBS
Maureen Valente	Treasurer
Mike Breen	BCBS
Catherine Van Dyne	Town of Norton
Jeanne Hanlon	Town of Norton

Mike Yunits began the meeting at 9:06 a.m.

Minutes from July 26, 2018

Chris Defontes made a motion to approve the minutes from the July 26, 2018 Board meeting. Mike Yunits seconded the motion and it was passed by unanimous vote.

Joint Purchase update – Mike Yunits

Mr. Yunits said there will be a vote made at the next meeting so he would like everyone to review the changes being made to the Joint Purchase Group. Ms. Smith will send the revisions to everyone later today for a final review.

Strategy – Kate Sharry

Ms. Sharry discussed the additional benefits that the group has added which include MyTelemedicine, Smartshopper and Canarx she stressed that participation in these plans is important for success. The purpose of all these additional programs is ultimately to lower claims and save money. Ms. Sharry said the newly Qualified High Deductibles plans which were recently put into place do not have any enrollment in them. Everyone will need to continue with further education of these plans to their employees in order to move enrollment into them. It is a long process but will be worth it in the end.

Senior Renewal – Pam Smith

Ms. Smith reviewed the senior renewal. Ms. Smith said she received the renewal calculation from BCBS and the medical claims had a 2% reduction. Blue Cross raised the administrative fee 2% over last years rate. The Managed Blue for Seniors rate increased 5.7% and the PDP increased 5%. With this information GBS can then build the funding rates. Ms. Smith said she has two options she is presenting to the group. Option 1 will build an estimated surplus of \$172K with a rate of \$375.16 and option 2 will build an estimated surplus of \$251K with a rate of \$382.66. The current Medex rate is \$375.16 therefore option 1 is a rate hold. The group discussed their options, Sean Cadime made a motion to elect Option 2 with a rate of \$382.66, Patrick McIntyre seconded the motion and it was passed by unamou vote.

Financial Report – Pam Smith

Ms. Smith reviewed the report for the group she said there is one month of claims data received and the loss ratio is at 86.7% with one month of data in. Ms. Smith said that there was runout of over \$1 million dollars from the two groups that left effective 7/1/18, this amount should be much lower next month as the first month of runout is always the highest. Ms. Smith said the stop loss policy for FY17 is being reconciled and will be closed out at soon as the last stop loss check is received, which should be very soon.

Westport Medicare Issue – Brad Brightman

Update –Mr. Brightman said he did have more information on this claims issue. The spouse went to Social security and is eligible to also sign up for Medicare under his wife but it won't take effect until 7/1/18. The exchange was also something the member looked into but this is not a viable option. Mr. Brightman made a motion to allow claims to be covered for the member until they are able to sign up for Part B. There was no second motion, the motion did not pass.

Treasurer's report – Maureen Valente

Ms. Valented reiewed the Treasurer's report and said she has two months of data in. Ms. Valente said she has been talking with the Auditors and the audit will begin at the end of Septmber.

Contract – Kate Sharry

Ms. Sharry told the group she sent an email to Mr. Yunits explaining that the contract between GBS and SMHG was ending on September 30, 2018. Ms. Sharry said there was an option in the contract to extend the contract for two more years. Ms. Sharry also explained that with no changes made to the per subscriber fee her fee will be reduced by half with the two Towns leaving. The service the group receives will remain the same as well as the work load we have. Ms. Sharry said she is proposing a fee of \$3.00 per subscriber per month for year one which comes to about a \$100,000 annual fee which is lower than the current annual amount of \$128,000 per year. For year two, the amount will increase to \$3.10 per subscriber per month. Ms. Sharry said she feels this is a fair increase and it is still quite less than other Joint purchase groups are currently paying. Ms. Sharry said she also added language in the contract about renegotiating the rate if enrollment increases or decreases, to protect both sides. Ms. Sharry said GBS will leave the room if the Board would like to discuss in private. The Board said that was not necessary.

Mr. Cadime said he feels that GBS has done a phenomenal job for the group as well as other Towns he has worked for in the past that had GBS as their consultant. Mr. Cadime made a motion to adopt the

new rate as proposed by Ms. Sharry, Wendy Cochrane seconded the motion and it was passed by unanimous vote.

New Business

At 9:50 a.m. Mr. Cadime made a motion to adjourn the meeting. Mr. Yunits seconded the motion and it passed by unanimous vote.

The next Board meeting will take place on November 27th at 1:00 p.m. in the Seekonk senior center.

*Prepared by Pam Smith
Group Benefits Strategies*