

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting

Southcoast Educational Collaborative
Swansea, MA

November 18, 2019

Board Members Present:

Christine Defontes	Town of Seekonk (Alternate)
Sheena Martin	South Coast Educational Collaborative
Michael King	Raynham
Mary Hathaway	Dighton
Catherine Van Dyne	Norton
Cheryl Gouvier	Rehoboth
Michael Yunits	Norton
Shawn Cadime	Seekonk
Tim King	Town of Westport

Others Present:

Kate Sharry	Gallagher
Pam Smith	Gallagher
Mike Breen	BCBS
Jean Hanlon	Norton

Shawn Cadime called the meeting to order at 9:01 A.M.

Mr. Cadime requested roll call be taken. Towns present were Dighton, Rehoboth, Seekonk, SCEC, Norton, Raynham and Westport were present. Plainville was not present. Tim King arrived at 9:34 A.M.

Minutes from October 3, 2019

Mike Yunits made a motion to accept the minutes from October 3, 2019 board meeting, seconded by Cheryl Gouviea. The motion passed.

Financial Report

Pam Smith reviewed the financial report for claims paid through October 2019. She said overall the plans are running at 87.2% loss ratio with a funding surplus of \$1,405,395. Ms. Smith said last year at this time the loss ratio was the same and the group had a surplus of \$1.4M last year at this time. She also reviewed the stop loss for both years and said the current year does not have anyone reaching the 50% specific level and there are only two active members over the 50% specific for the prior and there are not any reimbursements pending. She said the plans are running well and things look very positive.

Contract Amendment

Ms. Sharry said the Auditors reached out requesting an amendment be made to the Group's contract stating that Group Benefit Strategies was acquired by Arthur J. Gallagher on October 31, 2018. Ms. Sharry explained that as contracts come up for renewal we are updating the language in them. Mike Yunits made a motion to amend the contract to show the change of ownership. Tim King seconded the motion. The motion passed. Ms. Smith passed around the drafted amendment for everyone to see.

Samples of Trust Fund balance guidelines

Ms. Sharry told the group that they should be seriously thinking about investing some of their money as most of our Joint Purchase groups are already doing this. She said there is minimum risk to the group and the Board would be voting on everything. Ms. Sharry said that Gallagher does business with both Rockland Trust and Berkshire Bank for other JPG clients and we could have them come to a meeting and do presentation on investment options. There was also discussion on drafting a fund balance guideline for the Group. Discussion followed regarding what amount would be appropriate to keep in reserve and to have a target amount, then the group could share some of the funds back to the employees. Ms. Sharry said most of our groups have a target of 8-15% of prior years claims. SMHG numbers for 2017 would be an \$8.5M target if 15% was used as a factor and \$5.7M target if 10% was used as a factor. She said the numbers were almost the same for 2018. Two months of claims would come to about 15%, Ms. Sharry thinks that 10% to 15% of claims and fees would be good for this group. Tim King said he thinks 15% might be too high of a number. He would like to see two years of Treasurer's reports and then they could decide on a number that will work. Mr. Cadime said he thinks 15% is a good target. Ms. Smith handed out examples of Treasurer's reports and fund balance guidelines for everyone to see.

Joint Purchase Group voting conflict matter

Ms. Sharry discussed the voting conflict and said that any voting member with a financial interest should be signing the document. Ms. Sharry has received legal advice on this matter and was told it should not be a policy of SMHG but rather an agreement based on each voting member. We have forms available to anyone that needs them just reach out to us and we will get them to you.

Mike Yunits asked if union members in the GIC are signing these documents also, he said it would be interesting to know this.

Ms. Sharry said that anyone that does sign this document must file with the Town clerk and then please send us a copy for our file. Mike Yunits made a motion to have GBS draft a guideline for the group on this issue Cheryl Gouviea seconded the motion. The motion passed.

RFQ Update

Ms. Sharry said the RFQ is almost ready to be distributed we are just waiting on a few items from BCBS and we should be fine with our target dates as of now. She also told the group that BCBS will not insure the senior population if they do not insure the active population.

FY20 and Beyond Strategy

Ms. Sharry said even though the group is putting the health insurance out to bid we still need to discuss strategies going forward. Ms. Sharry handed out some ideas she wanted to share to help identify and control cost drivers. She said she would like BCBS to provide an analytics report to identify major cost drivers. She said the group should evaluate carrier embedded condition management programs and

evaluate programs offered by outside vendors as well. Ms. Sharry said it would be a good time to discuss setting some money aside and thinking about obtaining a wellness coordinator to help with engagement. She said the Mayflower Municipal Health group has a wellness coordinator and they do a great job. Ms. Sharry said the current plan designs that are in place seem to be working well for everyone at this time so we don't need to think about changes in plans for now. We are still vetting companies for retiree benefits and as always stop loss reinsurance is a concern. We have three joint purchase groups that formed a captive and they are always looking to grow, so that is something to keep in mind. We also can offer additional services if anyone is interested. Mike Breen said that BCBS offers dental and vision products as well as short term and long term disability. Mike King said he would be interested in looking at some dental options. A discussion followed regarding dental insurance and it was decided that they would like to get quotes. Kate requested that everyone send us their dental plan design so we can take a look at it.

BCBS Southcoast Update

Mike Breen said an agreement was reached and a four year contract was signed but he does not know the details of the agreement.

Wellness/Wellbeing

This was discussed with the strategy discussion.

New Business

Pam Smith said that Smarthshopper will be launching an Activation campaign and they will be supplying gift cards as part of the incentive to get members to participate. Mary Grannon would like to have a conference call in preparation for this launch, I will coordinate this for the group.

Tim King made a motion to adjourn the meeting and Mike Yunits seconded the motion. The motion passed.

The meeting was adjourned at 10:36 AM.

The next meeting is scheduled for December 18, 2019 at 9:30 AM at the Seekonk Town Hall.

*Prepared by Pam Smith
Gallagher Benefit Services, Inc.*