

## SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

**Board Meeting**  
Seekonk Town Hall  
Seekonk, MA

December 18, 2019

### **Board Members Present:**

Sheena Martin	South Coast Educational Collaborative
Michael King	Raynham
Catherine Van Dyne	Norton
Cheryl Gouveia	Rehoboth
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 9:32 A.M.

Mr. Cadime requested roll call be taken. Towns present were Rehoboth, Seekonk, SCEC, Norton, Raynham and Westport were present. Plainville and Dighton were not present. Tim King arrived at 9:35 A.M.

### **Minutes from November 18, 2019**

Cheryl Gouveia made a motion to accept the minutes from November 18, 2019 board meeting. Ms. Valente said she would like the minutes changed to reflect a change in the wording regarding banks from- "We do business with..." to banks "Gallagher does business with...". The motion was seconded by Catherine Van Dyne. The motion passed unanimously.

### **Financial Report**

Pam Smith reviewed the financial report for claims paid through November 2019. She said overall the plans are running at 88.9% loss ratio with a funding surplus of \$1.5M. Ms. Smith said last year at this time the loss ratio was the same and the group had a surplus of \$1.4M. She also reviewed the stop loss for both years and said the current year has one claimant at the 50% specific level and there was no update from last month for the prior period. She said all plans are running positive with five months of claims in.

### **Treasurer's Report**

Ms. Valente said the balance at the end of November is \$12,420,369. Ms. Valente also showed the prior years report at the request of the Board from the last meeting and she included a detailed breakdown of FY20 Administrative Costs and explained in detail. Ms. Valente stated she has asked the Board in the

past how much detail they would like at meetings and was told that it wasn't necessary. She said going forward she will show the reporting like she did today.

### **Audit Update**

Ms. Valente said there are some delays in the audit being finalized due to some missing pieces but it is close to being done at this point. The new partner Rob Lynch said he does not want the firm performing the IBNR calculations, since they are realistically auditing their own numbers. Ms. Valente said there will need to be discussion on how this will be handled and whether the Board hire a firm to handle this or if the Treasurer would do the calculations. Ms. Valente said at this point she would need training if the board wanted her to take on this duty in her job description.

Ms. Valente also said before the payout to the Town of Berkley can be made the audit must be completed so this is a priority right now.

### **Joint Purchase Group voting conflict matter**

Ms. Sharry said at the last meeting it was voted to have GBS draft a guideline for the group regarding this issue and she distributed a draft for everyone to review.

Ms. Sharry said anyone that does sign this document must file with the Town clerk and then please send us a copy for our file. We will send out a copy to anyone that didn't attend the meeting today.

### **Trust Fund Balance Policy/Investment Policy**

Shawn Cadime said there are three parts to the trust fund policy that should be discussed. The first thing is to decide whether to base the target amount on total annual claims or total annual expenses. The group discussed and then decided they are more comfortable using the total annual expenses. Also, they need to decide how much should be used to offset rates in the future. Before anything can be decided the group will need to know the Unrestricted fund balance but it is safe to assume the IBNR will be about \$2.5M and the group has \$8M in reserve now. Tim King made a motion to set a 15% target of unreserved fund balance. Catherine Van Dyne seconded the motion. The motion passed. There was some discussion whether the group should adjust rates or do a premium Holiday. Tim King made a motion that no more than 30% of the total excess should be used. Cheryl Gouviea seconded the motion. The motion passed. Ms. Sharry said we will update the guideline to reflect these changes and send out.

There was a discussion about using some of the reserve funds to start to make investments. Ms. Valente stated that currently there is no investing done for the group. She said BayCoast would be happy to come in and discuss investment strategies. Mr. Cadime said that if anyone knows a firm and would like to invite them to do a presentation to let him know. If the group decides to begin investing the Treasurer would work with an investment manager. Mr. Cadime asked Ms. Valente if she could put together some options that may work for the group such as money market accounts, long term cd's or short term investments for example. Ms. Valente said she is dealing with a lot right now and is trying to get the audit wrapped up as her first priority.

Mr. Cadime asked if she could prioritize what she has going on right now so the group can better understand her workload. Ms. Valente said she has been dealing with a lot since taking over the position. She was involved in the IRS audit that was already ongoing and there was a lot of documents she had to look for that were packed away in boxes. Ms. Valente said she had to switch everything over to Quickbooks per the Auditors request and has been writing down the procedures and policies for anyone that comes in after her so they have some guidelines to look back on.

**Town of Plainville**

Ms. Sharry said that Patrick McIntyre from the Town of Plainville has resigned so we will need someone to take over the position of Board Vice Chair. Shawn Cadime made a motion to appoint Tim King as Board Vice Chair. Cheryl Gouviea seconded the motion. The motion passed.

**Dental/Vision Updates**

Ms. Sharry said that we sent out a link with a survey for everyone to complete. Once we have all the responses we will compile a summary to present to the group in January at the next meeting.

**New Business**

Mr. Cadime asked about the status of the Health RFQ and Ms. Smith said the RFQ has been issued to the carriers.

Tim King asked if anyone has heard anything about what the rates might look like for next year. Ms. Sharry said trend is about 7% to 8%. She also said the SMHG trend has typically been lower than National trends in the past.

Mr. Cadime asked Ms. Sharry if she could reach out to the Town of Plainville to see who they will be appointing to the board.

Cheryl Gouviea made a motion to adjourn the meeting and Catherine Van Dyne seconded the motion. The motion passed.

The meeting was adjourned at 10:32 AM.

The next meeting is scheduled for January 23<sup>rd</sup>, at 9:30 AM at the Seekonk Town Hall.

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