

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting

Virtual Meeting/Remote Participation/Meeting Recorded

November 19, 2020

Board Members Present:

Shawn Cadime	Seekonk
Sheena Martin	SCEC
Michael King	Raynham
Tim King	Westport
Mary Hathaway	Dighton
Cheryl Gouveia	Rehoboth

Others Present:

Chris Defontes	Seekonk (alternate)
Bruce Alexander	Seekonk
Maureen Valente	Treasurer
Catherine Van Dyne	Norton
Pam Smith	Gallagher
Mike Breen	Blue Cross
Chris Nunnally	Gallagher

Shawn Cadime called the meeting to order at 9:33 A.M.

Mr. Cadime requested roll call to be taken. Towns present were Norton, Raynham, Seekonk, SCEC, Dighton, Westport and Rehoboth.

Minutes from October 22, 2020

Cheryl Gouveia made a motion to accept the minutes from the October 22, 2020 board meeting. The motion was seconded by Mike Yunits. The motion passed unanimously.

Treasurer's Report

Ms. Valente reported that the October income was \$3.2M which is an increase of \$200K from the prior month, primarily due to the fact that the group received some reinsurance checks. Ms. Valente said that about 89% of the expenses are from the active population and 8% is from the retiree population. The expenses for the month were \$2.8M, the month started at \$16.6M and ended the month at \$16.9M. Audit is almost done but continue to have questions regarding decrease of claims. Finally have workable calculation for IBNR, she can do under their guidance, have the number for this year also.

Investment Update

Ms. Valente said all the paperwork has been completed with the investors to open the new account and the Investment subcommittee met with Bartholomew remotely. Some of the highlights from meeting are that they wanted subcommittee to articulate goals for the group. Be more conservative for now. They will keep two months of expenses in a money market account to be cautious. Ms. Valente thanks Mike King and Chris Defontes for all their help, she asked if they could continue this ad hoc committee for a little while longer. Shawn Cadime thanked Maureen for all her work and due diligence through this entire process and also thanked Mike King and Chris Defontes. Mr. Cadime asked Maureen if she would like to continue the subcommittee for a while longer and she said she would welcome that. Tim King motioned to establish subcommittee to assist Maureen with the investments. The motion was seconded by Cheryl Gouveia. The motion passed unanimously. Mike King and Cheryl Defontes said they are willing to continue to serve on the subcommittee.

Financial Report

Ms. Smith said there are 4 months of claims data in and the surplus is \$1.7M with a loss ratio of 84.8%, claims are continuing to run steadily. Ms. Smith said there are two claimants on the current stop loss policy that have hit the 50% specific level. There is no movement on the prior stop loss policy.

Gallagher Contract Renewal

Chris Nunnally said the contract has expired. We can offer a two year continuation with current rates in place, or we can do annual renewal with the same rates. Mr. Cadime asked Gallagher to send the board most recent contract so they can review it prior to the next meeting. Ms. Smith will send this out to everyone.

Enrollment Audit

Mr. Nunnally said that every three years groups should perform an enrollment audit to be sure that everyone that is on the plan should be on the plan. The auditors did make this recommendation in the past audit. There are several vendors that participate in this and we could put RFP together for this if the board agrees. Mr. Cadime asked when we had a past audit completed. Ms. Smith said that she believes it has been longer than three years. Ms. Defontes recommended we do this. Mr. Cadime requested we put an rfp together and send to the Board for review before the next meeting if possible.

Canarx Update

Mr. Nunnally gave an update on this plan. Canarx offers medications at a \$0 copay and saves the member money as well as saves the group money. We recommend sending out a targeted mailer to continue to get the word out on this program, the more utilization the better. Projected annual savings is \$45K.

Medicare Migration

Mr. Nunnally told the group that it may make sense to take a look at their members that are still on active plans but are over 65 and no longer working due to the fact that they may not have enough quarters in place to move to a medicare plan. The idea of this is to take a look at that population, find out what their claims are and get an estimate of what the penalties might be to make them eligible for medicare. We then figure out if there is a claim savings to move them into the medicare plan. Mr. Nunnally said that other clients in particular the City of Lynn just went through this process and the members are very happy with the medicare plans that they

are moved to since there usually have no copays associated with these plans and the plans are very rich

Chris Defontes asked how they can enroll in Medicare if they don't have their quarters. Mr. Nunnally said that there is a one-time penalty that would have to be paid to make them eligible.

Ms. Van Dyne said that it was recommended to the Town of Norton after their GASB audit was completed that they should take a look at doing this also.

Mr. Cadime said they would like to entertain this and move forward with some calculations. Mr. Nunnally said it may take a few months to get this done but we can show a timetable at the next meeting.

New business

The next meeting is scheduled for December 17th, 2020 at 9:30 A.M.

Mary Hathaway made a motion to adjourn the meeting at 10:18 A.M. Catherine Van Dyne seconded the motion. The motion passed unanimously.