

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting

Virtual Meeting/Remote Participation/Meeting Recorded

December 17, 2020

Board Members Present:

Shawn Cadime	Seekonk
Sheena Martin	SCEC
Michael King	Raynham
Tim King	Westport
Mary Hathaway	Dighton
Cheryl Gouveia	Rehoboth
Mike Yunits	Norton
Janet Jannell	Plainville

Others Present:

Bruce Alexander	Seekonk
Maureen Valente	Treasurer
Catherine Van Dyne	Norton
Pam Smith	Gallagher
Mike Breen	Blue Cross
Chris Nunnally	Gallagher
Taylor Whitcomb	Gallagher
Chelsea Callahan	Lynch Marini & Assoc.
Rob Lynch	Lynch Marini & Assoc.

Shawn Cadime called the meeting to order at 9:32 A.M.

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

Minutes from November 19, 2020

Cheryl Gouveia made a motion to accept the minutes from the November 19, 2020 board meeting. The motion was seconded by Janet Jannell. The motion passed unanimously.

Voluntary Benefits Implementation

Taylor Whitcomb updated the Board on the Voluntary benefits quotes he received. Mr. Whitcomb said they secured enhanced plan options for the group effective 7/1/21, these plans have the same coverage or even enhanced in some cases for a better price. Mr. Whitcomb said there is savings for all groups in the dental plans as well, all groups must participate to receive these discounted rates. The Board said they would like to continue with the benefit plan changes and will have Mr. Whitcomb back in January to update them with a more formal pricing plan and an implementation timeline. The Board thanked Mr. Whitcomb.

Audit Update

Ms. Valente introduced the auditors to the Board, they presented the audit.

Rob Lynch has been the person handling the FY20 audit for the Board. Mr. Lynch said there were no compliance issues and no material weaknesses found. Mr. Lynch said the group had a good year despite Covid. The total unrestricted net assets are at \$14M which was an increase of \$5M over last year. The IBNR decreased from \$2M to \$1.8M. Member contributions are \$35.8M and total claims expenses are \$24.9M. There were no questions from the group on the audit, everyone should have received the email with the audit included. Mr. Cadime thanked Rob and Maureen for all the work and coordinating of this report.

Ms. Valente thanked the auditors, Gallagher and BCBS for their help with the audit as well.

BCBS update

Mr. Cadime moved Mike Breen up on the agenda so he could attend another meeting he had scheduled. Mr. Breen updated the group on Covid, he said they are still seeing delays in elective surgeries and they have not seen any spikes in claims. Mr. Breen said there is still a lot of uncertainty with regards to Covid claims and BCBS is taking this into consideration with their renewals and they are adding a pandemic factor into their projections. Mr. Breen said they are hoping with news of the vaccine things start to return to normal next year but we could continue to see changes for a few years.

Treasurer's Report

Ms. Valente reported said that the November report was not final as she is still waiting on some numbers from the Audit. Ms. Valente said there was \$20K in investment earnings that she still needs to post, the auditors are still setting this up for her in quickbooks. The November income was \$900K, the month started with \$16.9M and ended with \$17.8M.

Investment Update

Ms. Valente said they invested an initial \$7M, 60% of the investments are fixed income, 28% for cash and equivalents, 12% for domestic equities and .23% for international equity. Ms. Valente said she is still waiting to get information from two other Joint Purchase groups regarding their investing policies, she is still waiting to hear back from them. Initially, the group said we would add funds to account over time, another million dollars is what had been previously discussed. Ms. Valente said the group needs to think about adding the additional money or waiting a while longer before investing. Mr. Cadime suggested that it may make sense to add the money in a little slower to wait and see what market is going to do. Mr. Michael King said he would like to still see a rate holiday put into place before we move more funds into the investment account, the board was in agreement with this. Ms. Smith will add to the January agenda the rate holiday and additional investing of money.

Financial Report

Ms. Smith said there are 5 months of claims data in and the surplus is \$2M with a loss ratio of 85%, claims are continuing to run steadily. Last year at this time they were at \$1.5M. Ms. Smith went through the plans individually and said the plans are all running well.

Gallagher Contract Renewal

Chris Nunnally said the contract that was in place has expired and Gallagher is offering a few different renewal options for the Board. Gallagher is offering a 1, 2 or 3 year renewal at current

rate of 3.10 per subscriber per month. Also included is an audit subscriber fee of \$14.00 per subscriber if we were to conduct an audit.

A motion was made by Mike Yunits to approve the contract for three years as presented. The motion was seconded by Janet Jannell. The motion passed unanimously.

Enrollment Audit

Mr. Nunnally showed an RFP draft with scope of services for a dependent audit, this ensures that everyone on the plan should be on the plan. Chapter 32B suggest and audit be done every three years, it's been at least 4 years since the last audit was completed.

Mike Yunits made a motion to issue the RFP. The motion was seconded by Janet Jannell. The motion passed unanimously.

Mr. Nunnally will issue the rfp and said please let us know if the group has any vendors they would like the rfp sent to.

Medicare Migration

Chris Nunnally said we sent the data from the Towns to BCBS with the names of any members that are not actively at work which will allow us to make them eligible to move to the medex and remove them from the active plans. Once we receive the claims data back from BCBS we can review it to see if there is any savings to migrate these people. We will look at the projected penalties and be able to provide a recommendation if we should move forward with Medicare Migration. Mr. Nunnally said we have used a company called Retiree First in the past that has helped with education, outreach and actual migrating to take the burden off the Towns, this can be discussed later once a decision has been made. Mr. Nunnally reviewed the migration timeline, implementation would be effective July 1st, 2022. (Presentation attached)

Mr. Cadime thanked Chris for the information.

New business

The next meeting is scheduled for January 28th, 2021 at 9:30 A.M.

Cherly Gouveia made a motion to adjourn the meeting at 10:23 A.M. Mike Yunits seconded the motion. The motion passed unanimously.