

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting

Virtual Meeting/Remote Participation/Meeting Recorded

January 28, 2021

Board Members Present:

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

Others Present:

Bruce Alexander	Seekonk
Maureen Valente	Treasurer
Pam Smith	Gallagher
Mike Breen	Blue Cross
Chris Nunnally	Gallagher
Taylor Whitcomb	Gallagher
Chris Defontes	Seekonk

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 December 17, 2020

Mike King made a motion to accept the minutes from the December 17, 2020 board meeting. The motion was seconded by Catherine Van Dyne. The motion passed unanimously.

Voluntary Benefits Implementation

Taylor Whitcomb updated the Board on the status of the Voluntary benefits marketing for the group. Mr. Whitcomb said the dental quotes offer a better price with richer benefits than those currently in place, all dental plans in the high option will include a \$1,500 orthodontia maximum as well. Altus dental has presented competitive rates and the good news is quite a few Towns already have Altus in place. The question was asked whether there can also be a quote for a 2 person plan. Mr. Whitcomb said he has these quotes but only presented individual and family, he will have these for the next meeting. In order to move forward with the consortium Gallagher will need broker of records from each Town, this allows Gallagher to work with carriers on transition strategy and begin implementation steps. Mr. Whitcomb said if everything can be

finalized in February we will be on track for a July 1, 2021 rollout. Mr. Cadime said at the next meeting there can be a vote taken on issuing BOR letters.

Treasurer's Report

Ms. Valente said she revised November and sent this out to everyone along with the December reports. Ms. Valente said between November and December the group had a net income of \$1M, and since July 1 the group has generated income of \$3.8M. The balance sheet now includes the investments under other current assets. Ms. Valente said currently the investments are made up of 65% Fixed Income, 18.9% in Equities and 16.1% in Money Markets. Ms. Valente said there needs to be a minimum amount in the money market accounts, she will talk further with Bartholomew regarding this minimum. Mike King said he is also curious to hear what Bartholomew suggest should be held in the Money Market account. Ms. Valente said we can have a discussion of how much money should be allocated to the investment accounts with Bartholomew. Mr. Cadime said it may be a good time to discuss the Rate Holiday and then loop back to this topic.

Financial Report

Ms. Smith said there are 6 months of claims data in and the surplus is almost \$2.5M with a loss ratio of 85%, claims are up about \$400K from last month. Ms. Smith there are currently three members at the 50% specific on the current stop loss policy and there wasn't any changes to the prior year policy.

BCBS Renewal

Mike Breen said the Blue Cross Renewal is coming in at 2% increase from last year. Mr. Breen said the group is 100% credible as they have been for quite a while. Mr. Breen said that BCBS raised the administrative fee 1% and the level monthly will be increased to \$2.5M. Ms. Valente questioned the amount of the level monthly. Mr. Breen said he will check on that and get back to her.

Rate Renewal

Mr. Nunnally said we take the rates that BCBS projects and then we build in other fixed cost such as stop loss premium, administration fees and other fees. We have two scenarios we are presenting today, the first one is showing a 2% increase with an estimated surplus of \$445K, the second scenario shows a rate hold with an estimated deficit of \$172K. Mr. Nunnally said he is comfortable with either option and opened it up for discussion. Mike King said he was not comfortable with a rate hold. The discussion moved to the Rate Holiday conversation. Mr. Cadime asked Chris Nunnally to talk about this now then we can go back to rate setting discussion.

Rate Holiday

Mr. Nunnally calculated the cost for a Rate Holiday for the group and estimated the rate holiday would cost the group \$2.6M for just the actives, if they include the Medex members it is an estimated to cost \$2.8M. Ms. Valente reminded the Board they had set a target at 15% which would require approximately \$4.5M in the trust, the actual ending position is \$17.9M, and you are currently at \$13 M over reserve target. Mike King said he would be happy offering a one month rate Holiday this fiscal year. Mike King made a motion for a one month rate Holiday in FY21, Cheryl Gouveia seconded the motion. Ms. Valente asked if this was for just active members. Mike King said his motion is for Actives and Retirees. Ms. Gouveia said she would still second the motion. Roll call was taken as follows, Dighton yes, Norton yes, Plainville yes, Raynham yes, Rehoboth yes, Seekonk yes, Scec yes and Westport no. The motion passed.

Mr. Cadime asked what month the group is looking to do this. Cheryl Gouveia said May would be a good month, Norton said April or May is fine with them. Mr. Cadime said May will be the month for the Rate Holiday.

Rate Renewal discussion continued. Mike King mentioned a 1% increase, Pam Smith ran the numbers for a 1% and 1.5% scenarios. Town of Norton said they are more comfortable with a 1% vs a rate pass. A discussion followed regarding rate setting. Cheryl Gouveia made a motion for a 2% rate increase. Catherine Van Dyne seconded the motion. Roll call was taken, Dighton yes, Norton yes, Plainville yes, Raynham yes, Rehoboth yes, Seekonk yes, SCEC yes, Westport No. The motion passed.

Discussion regarding investment strategy was discussed, Chris Nunnally suggested having Bartholomew attend the next meeting to discuss further investment strategies. Mr. Cadime asked Ms. Valente to reach out to Bartholomew to see if they are available to attend the next meeting.

Enrollment Audit update

Mr. Nunnally said the RFP is being sent out to BNI, Amwins, Seagul, Arthur J Gallagher and Continuum, we will have results back by February 15th. Mr. Nunnally said if anyone on the Board would like it sent to another vendor to please let him know. Mr. Nunnally said he would need to know the time of year the Board would like this performed, in the past we have learned that certain times work better than others. Mr. Cadime said he thinks September or October would be a good time for this, after some discussion it was decided to include that timeline in the RFP. Ms. Smith will have this item on the agenda for next month.

New business

The next meeting is scheduled for February 25th, 2021 at 9:30 A.M.

Cherly Gouveia made a motion to adjourn the meeting at 10:53 A.M. Catherine Van Dyne seconded the motion. The motion passed unanimously.