

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting Minutes

Virtual Meeting/Remote Participation/Meeting Recorded

January 5, 2023

Board Members Present:

Michael Mullen	Dighton
Jennifer Prendergast	SCEC
Jim Hartnett	Westport
Mike Yunits	Norton
Kelly Usher	Raynham
Lisa Dias Cabral	Rehoboth
Janet Jannell	Plainville
Shawn Cadime	Seekonk

Others Present:

Maureen Valente	Treasurer
Pam Smith	Gallagher
Chris Nunnally	Gallagher
Mike Breen	BCBS
Chris Defontes	Seekonk
Lisa Cabral	Seekonk
Jen Argo	Seekonk
Paul Reynolds	Dighton
Sue Brayton	Westport
Paula Linhares	Norton

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

Rate Holiday

Mr. Cadime said there was a discussion at the last meeting regarding a rate Holiday for the Group, at this time he will turn it over to Maureen to discuss the financial piece and whether or not the group is comfortable with a one or two month rate Holiday. Ms. Valente told the group that the reserves they have in place are quite substantial and have continued to grow over the past few years. Ms. Valente said if the group decided on a two month Holiday they would still have almost double their target available in the Trust. There was no further discussion and a motion was made by Mike Yunits to move forward with a two month rate Holiday. The motion was seconded by Janet Jannell, the motion passed unanimously, roll call was taken. The rate Holiday will be for March and April.

Investment Policy Update

Ms. Valente said she is supposed to advise the Board per the investment policy on a quarterly basis if there is any excess over two months of operating expenses and recommend if we should move that money into an investment account, the other responsibility is to make an

annual review our the investment policy and make any necessary changes and review the portfolios current asset allocation and decide if any rebalancing is necessary. Treasurer Valente shared that she has received an informal opinion from the counsel for SMHG advising that when relying on the Legal List Statute the SMHG should hold no more than 10% of its total investments in those items identified in the Legal List Statute. Ms. Valente further stated that she will work with our Counsel to see if using the Prudent Investor Statute instead of the Legal List Statute will enable us to keep our current portfolio intact. Until this has been resolved she stated she will not begin any changes to the portfolio. Ms. Valente further stated she will work our Investment Manager to identify what changes might be needed to change our portfolio should we need to do so. Gallagher will have this topic on the agenda for our next meeting.

Ms. Valente mentioned that the investment subcommittee has lost some members and she would like to re-establish the committee, Mr. Cadime asked if there would be any volunteers, Ms. Defontes volunteered as well as Paula Linhare.

Health RFQ

Mr. Nunnally presented a timeline for a possible RFQ to be sent out, we realized the timeline is quite short and we realized this may not be as feasible as we had hoped. Mr. Nunnally said the challenge is if we decide to go forward and get quotes and then don't make changes we are risking other carriers not taking this as serious as we'd like if it is more of just an exercise the group is doing and there isn't adequate time for the process. Mr. Nunnally said the other option is to speak with Blue Cross to see if there is anything they can do on their end as far as adding more guarantees and or value adds as well as adjusting administrative fees. After some discussion the Board decided to wait until next Fiscal Year to send out and RFQ when there is adequate time, we can begin the process at the end of this year if the Board chooses to. Mike Yunits said December would be an ideal to do an RFQ, it would give employees ample time as well. Mr. Yunits made a motion to allow Gallagher to work with Blue Cross to secure additional cost savings as well as prepare a health RFQ for the FY25 plan year. The motion was seconded by Janet Jannell, roll call was taken the motion passed unanimously.

Treasurer's Report

Ms. Valente presented the Treasurer's report through December, she said there was money received from Abacus which is the Good Health Diabetes program the group put into place and we are seeing money back for the rebates. Ms. Valente said interest income has increased with the banks as well. There were no questions regarding the Treasurer's report.

Mr. Hartnett asked if there was any discussion regarding possible increase projections for budgeting planning purposes. Mr. Nunnally said he anticipates nothing higher than 4% due to the claims continuing to trend well, we had negative claims adjustment last year so with that he doesn't anticipate more than 4% and that is a conservative amount.

New Business

Mike Breen just wanted to remind everyone that as of January 1, 2023 the PBM has changed to CVS and he is hoping everything is going well and just a reminder that everyone has to use their new ID cards when they go to the pharmacy, since the ID numbers have changed.

Mr. Nunnally wanted to remind everyone that we are doing our educational series starting on January 11th and everyone is invited.

SMHG Board Meeting 1/5/2023

Mr. Yunits made a motion to adjourn the meeting at 10:07 A.M. Mr. Cadime seconded the motion. The motion was passed unanimously.

The next meeting will be on February 16th, 2023 at 9:30 A.M.