

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting Minutes

Virtual Meeting/Remote Participation/Meeting Recorded

March 16, 2023

Board Members Present:

Michael Mullen
Sheena Martin
Mike Yunits
Kelly Usher
Lisa Dias Cabral
Janet Jannell
Shawn Cadime
Paul Reynolds

Dighton
SCEC
Norton
Raynham
Rehoboth
Plainville
Seekonk
Dighton

Others Present:

Maureen Valente
Pam Smith
Chris Nunnally
Mike Breen
Chris Defontes
Lisa Cabral
Jen Argo
Sue Brayton
Paula Linhares

Treasurer
Gallagher
Gallagher
BCBS
Seekonk
Seekonk
Seekonk
Westport
Norton

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

Minutes from February 16, 2023

Mr. Yunits made a motion to accept the minutes from the February 16, 2023 Board meeting. The motion was seconded by Mike Mullen. The motion passed unanimously.

Three Tier Rates

Mr. Nunnally presented draft rates as requested by the Board showing what rates would look like if an Individual plus one rate was added as an option. Mr. Nunnally explained that the monthly claims and fixed cost don't change regardless if you added another option so we need to set rates that would still equal the current overall funding that is needed. When you add an Individual plus one option it increases the family rate about 30%, the single plan increases about 1% as well. You need enough revenue to cover your claims as well as other expenses. After some discussion the group decided this is not something they will pursue.

Billing Discussion

Mr. Nunnally discussed the transition of the invoices and explained that an issue we are having is due to daily pro ration. All the joint purchase groups that we bill for use what is called the "wash rule" which is if anyone is hired before the 15th of the month the group is charged for

entire month if they are hired after the 15th they are not charged for the month, the same would apply for terminations. Mr. Nunnally asked if the group would take this under consideration, this would help with the adjustment issues. The Board asked to see an example of this, Mr. Nunnally will present at the next meeting.

Treasurer's Report

Ms. Valente reviewed the Treasurer's report through February, she said there is a negative \$148K at the end of the month. We should see the effects of the rate Holiday next month. Overall the account is up over \$700K to date. The investments are a little over \$20M. There were no questions on the report.

Investment Update

Ms. Valente is still working on a few things, no update at this time.

Plainville Disbursement

Ms. Valente told the group that as of June 30, 2023 Plainville will no longer be a part of the Group which means that there is still run out claims but no revenue will be coming in for them. Ms. Valente briefly reviewed Article 13 Section A which was amended to require departing Towns to pay for the full amount of runout costs incurred. Ms. Valente brought up that she wondered if this might require the departing town to in effect pay twice for July, once by the procedure described in Section A, and then again when calculating what share of Trust Fund surplus the departing town is entitled to based on section C of that article.

Ms. Valente ran this interpretation by counsel, and they agreed that the amended new agreement calls for the departing town to pay for their July runout claims by the timeline in section A, then they would get their share of Trust Fund surplus, which includes Calculating an Incurred but Not Reported (IBNR) holdback in calculating Net position at year end. Since this is the first Town to leave with new agreement in place and it would be up to the Board to decide if they want to create new procedure to deal with this situation. Ms. Valentes opinion is to refund the departing Town any overlap between the July runout claims and the amount of the IBNR that is calculated to cover all runout claims. There was some discussion that SMHG might not be holding onto enough funds to pay all the runout claims for the departing town, and that some claims might come in after the calculation of the year end net position. Mr. Nunnally said he suggest waiting until after the Audit to refund any money. After some discussion the Board requested the Treasurer to raise the question with Counsel. There will be a follow up on this at the next meeting.

Treasurer's Contract

Mr. Cadime reviewed the Treasurer's contract and said the salary has not increased since the beginning and the hours of work have also increase from an average of 33 a month to 37 a month. Mr. Cadime said the revised contract increases the salary from \$1,800 a month to \$2,220 a month along with a 2% cola increase. Mr. Cadime said he in support of the new contract. Mr. Yunits made a motion to accept the new contract as presented. The motion was seconded By Ms. Usher. The motion passed unanimously. The Board thanked Ms. Valente for all her work including modernizing a lot of the work.

Financial Report

Ms. Smith presented the health analysis to the group, she said she emailed the full report to everyone and will review high level to them today. Ms. Smith reported on claims received through January, the funding ratio is 90% with a \$1.9M surplus which is an increase of \$800K

over last month, and there are no stop loss reimbursements due. There are seven members who have hit the 50% specific for stop loss, there is no one over the specific to date.

BCBS Value Add ons

Mr. Breen said he looked at utilization for the fitness reimbursement and said it is an underutilized benefit at this time, there were 209 reimbursements paid for a total of \$32K. Mr. Breen said he isn't sure if increasing the reimbursements is even the answer at this time since it is so underutilized. There were changes made to the rx reimbursements and those will also get better each year for 2023 to 2025 for the new contract. Mr. Breen also reminded the group that as of July 1, 2023 they have a \$25K wellness credit that will need to be used or it will be lost, this can be put towards any wellness programs.

New Business

None

Mr. Yunits made a motion to adjourn the meeting at 10:24 A.M. Mr. Reynolds seconded the motion. The motion was passed unanimously.

The next meeting will be on April 20th, 2023 at 9:30 A.M.