

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Board Meeting Minutes

Virtual Meeting/Remote Participation/Meeting Recorded

October 20, 2022

Board Members Present:

Michael Mullen
Sheena Martin
Jim Hartnett
Mike Yunits
Kelly Usher
Lisa Dias Cabral
Janet Jannell
Chris Defontes
Lisa Cabral

Dighton
SCEC
Westport
Norton
Raynham
Rehoboth
Plainville
Seekonk
Rehoboth

Others Present:

Maureen Valente
Jennifer Argo
Pam Smith
Anthony Lively
Mike Breen
Stella Farias
Vanessa Pointe
Kathleen Glowacky
Brian Jamros

Treasurer
Seekonk
Gallagher
Gallagher
BCBS
Westport
Westport
Bartholomew
Bartholomew

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

Minutes from September 15, 2022

Mr. Hartnett made a motion to accept the minutes from the September 15, 2022 Board meeting. The motion was seconded by Ms. Defontes. The motion passed unanimously.

Investment Update

Mr. Jamros reviewed the most recent data that was available through September 2022. Mr. Jamros said about 20% of the portfolio is targeted towards equity which is up \$214K for a positive gain, even though this is the riskier part of the portfolio it is still running well even with the volatile market we are in. At this time most of the unrealized loss is coming from fixed income side. Kathleen reviewed the portfolio in detail and said for Fiscal year so far loss of \$304K due to bond side but October is starting to look up but it isn't shown on this report. Even with the market doing poorly the group still made money with the Equities initial investment of \$2.3M and they are at about \$2.5M currently. There were no questions regarding the investment update.

BCBS Senior Renewal

Mike Breen reviewed the renewal for the Medex and Managed Blue for Seniors which are set to renew on 1/1/23. Mr. Breen said the projections are coming in at a 2.7% decrease for Medex and the administrative fees are going up 2%, the Managed Blue for Seniors rate is going up 5.2% and the PDP rates are decreasing 3.7%. The level monthly deposit is increasing to \$189,900.00.

Senior Rate Proposal

Anthony Lively presented the Senior rate recommendations to the Group for the Medex plan, there are 1012 subscribers, medical projections are down as well as the PDP rates. Overall projections are coming in at a -6.5% for Medex. We have three options we feel comfortable with, they are Option 1 which is a break even rate, with no surplus built in and setting the rates at the carrier projections. Option 2 would be a 0% increase with a \$300K surplus, Option 3 is a 1% increase with a \$353K surplus.

The plans historically have run well, we would recommend option 2 to the group at this time. The MBS has an overall increase of 1.8%, this is a fully insured rate, we can't change the amount.

There were no questions regarding rates. A motion was made by Mike Mullen to accept Option 2 at a 0% increase with a rate of \$390.35, Chris Defontes seconded the motion. The motion passed unanimously.

Direct Enrollment Discussion

The group voted to move to direct enrollment with BCBS, we have had a lot of success with other groups that have moved to this platform as well. We are offering some one on one training sessions with BCBS for those that are interested, if anyone is interested please reach out to us and we will have BCBS coordinate the training.

Treasurer's Report

Ms. Valente wanted to follow up from the Investment discussion and remind the group that with cash flow the policy is to keep two and a half months of operating expenses in the money market account, so if there is money needed we wouldn't need to sell anything in order to get money. Ms. Valente said the group is in good shape with expenses at about \$3.3M per month and there is a little over \$7M in the money market account. Ms. Valente has been working with the auditors and has sent over the IBNR to them as well. Income down 291 but this unrealized losses as explained earlier, other than that running on target for the year.

Financial Report

Ms. Smith presented the Health funding analysis, claims are paid through September 2022, all active plans are running at a surplus with a loss ratio of 85% with a surplus of \$880K which is about a \$360K increase from last month. Medex is running at a surplus of \$53K with a loss ratio of 87%. Ms. Smith said there are no claimants on the stop loss policy effective 7/1/22 and there is an estimated \$79K due for the prior policy.

Abacus

Ms. Smith said the Kristin McKenna has offered to do in person events at each Town to help spread the diabetes benefit available to members, she told the groups that Kristin will be in touch to set up some dates and times.

New Business

Mike Breen updated the group regarding changes to the prescription drug plan, he said that BCBS is going to be using the CVS caremark vendor effective 1/1/23, letters will be going out to members in November.

Mr. Hartnett made a motion to adjourn the meeting at 10:17 A.M. Ms. Defontes seconded the motion. The motion was passed unanimously.

The next meeting will be on November 17th, 2022 at 9:30 A.M.