



# Southeastern Massachusetts Health Group (SMHG) Board Meeting

**Wednesday, February 21, 2024**  
*Virtual Meeting/Remote Participation/Meeting Recorded*

## Meeting Minutes

### Board Members in Attendance:

|               |          |
|---------------|----------|
| Sheena Martin | SCEC     |
| Mike Yunits   | Norton   |
| Shawn Cadime  | Seekonk  |
| Lisa Cabral   | Rehoboth |
| Paul Reynolds | Dighton  |
| Kelly Usher   | Raynham  |
| Jim Hartnett  | Westport |

### Guests in Attendance:

|                   |                     |
|-------------------|---------------------|
| Marianna Gil      | Arthur J. Gallagher |
| Karen Quinlivan   | Arthur J. Gallagher |
| Jennifer Argo     | Seekonk             |
| Chris Defontes    | Seekonk             |
| Paula Linhares    | Norton              |
| Rich Bienvenue    | Treasurer           |
| Michael Breen     | BCBS                |
| Stephanie Ketcham | BCBS                |
| Carol Days        | Seekonk             |
| Susan Brayton     | Town of Westport    |
| Stella Farias     | Town of Westport    |

Mr. Cadime, Board Chair began the meeting at 9:32 A.M. and requested a roll call to be taken. Ms. Quinlivan did roll call. Towns present were Norton, SCEC, Seekonk, Rehoboth, Westport, Raynham, and Dighton.

### Approval of Minutes from January 18, 2024

Mr. Yunits made a motion to accept the minutes from the January 18<sup>th</sup>, 2024 Board meeting. The motion was seconded by Ms. Kelly Usher. The motion passed unanimously.

Motion

### BCBS Wellness Credits:

Stephanie Ketcham, Health Engagement Strategist from Blue Cross reviewed slides based on Wellness credits.



The group has a fair amount of wellness credits available for us. Launched last year, ahealthyme is the current digital platform in use and there are a variety of resources available there. There are quarterly wellness challenges that people can opt into and earn points. This serves as a means to encourage and promote wellness. The program was launched in October, and since then, there have been 34 people registered, with 9 completing a health risk assessment. The Q1 challenge so far in 2024 has 40% of registered members participating. The next challenge will begin in April. \$25k wellness credits will be allocated to the group at the beginning of July. Additionally, there is a significant amount of money available for spending until June 30, 2024, totaling almost \$24k. Options were reviewed. Wellness Concepts is a health engagement program that offers a range of activities such as active challenges, virtual health fairs, webinars, videos, and cooking classes. Currently, members have access to the live platform, Healthy Me. To further encourage participation, Fitbits and gift vouchers can be utilized.

Michael Breen said that the credits are use it or lose it, so he encouraged the group to utilize the programming available.

Paul Linhares said that on-site classes can be effective. He said incentives with steps might be a good idea and tie into what will be done in the second quarter. Getting Fitbits into the hands of people so they can participate in the challenge may be a good idea.

Ms. Ketcham said that she can send options if the group decides how many it wants.

### **Treasurer's Report**

Mr. Bienvenue provided his report of the financial position as of December 31, 2023 (unaudited figures). He said the group did a little bit better for the second quarter. Things are looking better with payments coming in from participants on the liability side. IBNR has been the same since June. Although it was a larger number, there was an additional participant last year, resulting in a write-down of estimated liability. The Blue Cross reconciliation had the group come out ahead. Equity for the group is \$12.4 million, with a decrease of \$282,615 through December 31<sup>st</sup>. Operating expenses had a loss of \$422,000, but investment returns of \$450,000 offset that. Calculations for the withdrawing unit of Plainville have to be done. There will be a meeting with the group's council later today to make sure that the calculation is reviewed before the results are communicated.

### **Financial Report**

Marianna Gil said she was really hoping to have the report through January, but the report through December was reviewed. Things are running relatively status quo with Blue Care Elect Value and deductible plans running at a surplus. Network Blue plans are running at a deficit. The expense-to-funding ratio is 104.3%, with a deficit of \$651,714. At this time last year, the group was running at 93% with a surplus of \$1.1 million. It is important to note that December marked the end of the Medex plan for the group, and the group has transitioned to the Aetna fully insured plan. Currently, two claimants exceed the specific stop loss threshold of \$275,000, and nine members are at the 50% level. As the year progresses, it is possible that more members may exceed these thresholds, particularly considering their diagnoses.



**FY25 Active Employee Health Rates:**

Bob Jordan from Gallagher presented a brief claims summary. During calendar year 2022 there were three claimants over \$275,000. During calendar year 2023, there were six, three of which were over \$500,000. This represents a significant jump in claims, and the trend appears to be consistent. Prescription drug claims were \$6.4 million in 2022 and \$8.2 million in 2023. That is over a 30% trend on a per employee per month basis. Gallagher considers two years of claims data to calculate the funding requirement, applying a 40/60 weighted average. Medical and Rx trends are applied, along with fixed costs of administrative fees and stop loss. Gallagher also takes into account Rx rebates. Gallagher's calculations determined a 9.2% funding requirement for zero trust impact. On the other hand, BCBS conducts their own carrier calculations, which yielded a lower figure of 7.5%. BCBS does not include additional adjustments like rebates and stop loss, and they utilized a higher pharmacy trend compared to Gallagher. BCBS also has an additional 1.5% administrative increase.

Renewal options presented were composite increases of 9.2% at zero percent trust drawdown, 7.4% with a \$500,000 trust impact, 5.7% with a \$1,000,000 impact, and 4% with a \$1,500,000 impact.

Rich Bienvenue said that the group has sufficient surplus to return money to the units in the form of a rate subsidy. There is a certain amount required for working capital and the subsidy can be stepped down in a subsequent year so that too much isn't used all at once. Fund balance is at 35% of claims and 10% is needed for working capital.

Sheena Martin motioned to set a composite rate increase of 5.7% using \$1,000,000 of Fund Balance.

Motion

Kelly Usher seconded the motion. There was a roll call vote.

|             |     |
|-------------|-----|
| Dighton     | Yes |
| Norton      | Yes |
| Raynham     | Yes |
| Rehoboth    | Yes |
| Seekonk     | Yes |
| South Coast | Yes |
| Westport    | Yes |

The motion passed by unanimous vote.

Marianna Gil said there are a few other items that Blue Cross included as part of the renewal that the group can adopt. The first is a fitness enhancement that expands the categories that are eligible for reimbursement. It does not increase the overall amount but can include bicycles, bicycle helmets, athletic shoes, and sports activity fees. One of these can be added, or an all-inclusive rider can be adopted. The cost is nominal and would not impact the trust.

Paul Reynolds motioned to add the inclusive rider to reimburse for all available items on Fitness Reimbursement.

Motion



Michael Yunits seconded the motion. There was a roll call vote.

|             |     |
|-------------|-----|
| Dighton     | Yes |
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| Seekonk     | Yes |
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| Westport    | Yes |

The motion passed by unanimous vote.

Ms. Gil explained Sempre Health, a discount program designed to incentivize members to adhere to their medication regimen by filling their prescriptions on time. The program is free of charge and offers reduced out-of-pocket costs for participating members. This initiative would have an impact on 86 members within SHG.

A question was asked if any medications on the list were offered through the CanaRx program.

Ms. Gil said she would check and get back to the group. The final program is the Pharmacy Benefit Manager program, which was offered during the first year with CVS Caremark at no cost. This year, it is a buy-up program. The program includes a Medical Cost Avoidance program, a Pharmacy Advisor, and a Drug Savings Review program.

CVS was unable to release utilization data for the programs to see how many members are impacted. For that reason, Gallagher does not recommend adopting at this time.

Paul Reynolds motioned not to include the Blue Cross Rx programs on Gallagher's recommendation for FY25.

Motion

Kelly Usher seconded the motion. There was a roll call vote.

|             |     |
|-------------|-----|
| Dighton     | Yes |
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| Rehoboth    | Yes |
| Seekonk     | Yes |
| South Coast | Yes |
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The motion passed by unanimous vote.

Ms. Gil said that the virtual PCP is something that the group can come back to at another meeting because more details can be provided. It is another model of how members can increase access through more virtual care.



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## **New Business**

Ms. Gil said several board members have reached out regarding the March invoice. She apologized as the information was released from the carriers late due to the holiday weekend and Gallagher is working on releasing the invoices in the coming days. She appreciates everyone's patience.

Mr. Yunits made a motion to adjourn the meeting at 10:32 a.m. Ms. Cabral seconded the motion. The motion was passed unanimously.

Motion

The next meeting will be held on March 27<sup>th</sup>, 2023 at 9:30 a.m.

*Submitted by  
Karen Quinlivan,  
Gallagher Benefit Services*