

Southeastern Massachusetts Health Group (SMHG)

Board Meeting

Wednesday, October 2, 2024

Virtual Meeting / Remote Participation / Meeting Recorded

Meeting Minutes

Board Members in Attendance:

Shawn Cadime, Board Chair	Seekonk
Michael Yunits, Board Vice Chair	Norton
Lisa Dias- Cabral	Rehoboth
Kelly Usher	Raynham
Sheena Martin	SCEC
Susan Brayton	Westport

Guests in Attendance:

Jennifer Sroka	Norton
Jen Argo	Seekonk
Chris Defontes	Seekonk
Stella Farias	Westport
Michael Breen	Blue Cross Blue Shield
Patrick Flattery	Arthur J. Gallagher
Marianna Gil	Arthur J. Gallagher
Darlenys Dominguez	Arthur J. Gallagher

Mr. Cadime, Board Chair began the meeting at 10:01 am. Darlenys Dominguez took the attendance roll. Member units present were Seekonk, Norton, Rehoboth, Raynham, SCEC, and Westport.

Vote to Approve Meeting Minutes of September 19, 2024.

Michael Yunits made a motion to accept the minutes of September 19, 2024. Kelly Usher seconded the motion. There was a roll call vote by Ms. Dominguez.

Motion

Norton	Yes
Raynham	Yes
Seekonk	Yes
SCEC	Yes
Westport	Yes

The motion passed by unanimous vote.

Review and Potential Vote to Add Blue Cross Blue Shield to Medicare Offerings for January 1, 2025

Patrick Flattery presented the 2025 BCBS Medicare proposal for SMHG of a Medex II plan paired with the Blue Medicare PDP RX plan. The Blue Medicare PDP Rx plan has retail copay levels at \$5, \$10, and \$25 and mail-order copays of \$10, \$20, and \$50. Blue Cross requires that a minimum of 100 members elect this plan by December 7, 2024 or BCBS will rescind the proposal. Additionally, it was noted that the group's Aetna plan would renew at a rate of \$344.19.

Mr. Flattery reviewed the 2025 pricing plan that Blue Cross proposed for the group. He explained that Blue Cross offered five different bands based on the number of subscribers. He mentioned that the PDP would be a fully insured product available to the group at a rate of \$233.34. The Medex II plan would be self-funded, incorporating both an administrative fee and a corresponding claims funding fee. Patrick then shared a chart that detailed the total rates for each band, which included the number of subscribers, administrative fee, Medex II claims funding, and the Blue Medicare PDP Rx premium. If the group secured between 100-250 subscribers, the total all-in rate would be \$469.63. The additional bands on the chart indicated that for 251-500 subscribers, the total rate would be \$468.25; for 501-750 subscribers, it would be \$467.35; for 751-1,000 subscribers, it would be \$465.97; and for over 1,000 subscribers, the total rate would be \$465.05.

Mr. Cadime inquired whether Blue Cross would consider making an exception to reduce the required number of subscribers for enrollment, even if it meant an increase in the total price.

Michael Breen from Blue Cross Blue Shield responded by stating that Blue Cross had a threshold of at least 100 subscribers required for self-funding to ensure the plan's credibility.

Chris DeFontes asked if Aetna's pricing would be affected if the group achieved enrollment of at least 100 members in the Blue Cross plan.

Mr. Flattery indicated that the group had 1,187 members at this time. Therefore, if SMHG managed to get 100 members to switch, it would still represent less than 10% of the total Aetna block, which meant there would be no impact. He did note that if an enrollment change exceeded 10%, Aetna had the right to rerate the plan.

Mr. Breen confirmed that the plan being proposed by Blue Cross matches the plan design previously in place. He added that BCBS based the rate on the claims utilization data from when the plan was in place in 2023 and that future rates would depend on future utilization.

A discussion took place regarding whether the board would face any penalties if they voted to proceed with the proposal and did not meet the threshold of 100 subscribers. It was confirmed that there would be no charge; the requirement was only to ensure that the group reached the 100-subscriber threshold.

Susan pointed out that if the group exceeded the 10%, they would need additional time to notify all members on the Aetna plan should the plan be rerated. She also noted that if the membership requirement for the Blue Cross plan was not met, they would need to notify the members that they would remain with Aetna instead.

It was decided that the group's internal deadline would be November 15th, 2024.

Kelly Usher inquired whether, if the vote passed, all entities would be required to offer the plan to their retirees.

Mr. Cadime confirmed that it was optional.

Mr. Flattery added that Gallagher is available to work with RetireeFirst to help resolve any member issues that arise as long as at least the member's name is provided.



Michael Yunits made a motion to add Blue Cross Blue Shield to SMHG’s Medicare offerings for January 1, 2025. Susan Brayton seconded the motion. There was a roll call vote by Ms. Dominguez.

Motion

Norton	Yes
Raynham	Yes
Seekonk	Yes
SCEC	Yes
Westport	Yes

The motion passed by unanimous vote.

Susan Brayton made a motion to adjourn the meeting. Michael Yunits seconded the motion. Board Chair Shawn Cadime adjourned the meeting by unanimous consent at 10:17 am.

The next meeting will be held on Wednesday, October 17th, 2024, at 9:30 am.

*Submitted by
Darlenys Dominguez
Gallagher Benefit Services*