

Southeastern Massachusetts Health Group (SMHG) Board Meeting

Thursday, December 19th, 2024
Virtual Meeting / Remote Participation / Meeting Recorded

Meeting Minutes

Board Members in Attendance:

Shawn Cadime, Board Chair	Seekonk
Michael Yunits, Board Vice Chair	Norton
Paul Reynolds	Dighton
Kelly Usher	Raynham
Lisa Dias-Cabral	Rehoboth
Debra Robidoux	SCEC
Jim Hartnett	Westport

Guests in Attendance:

Jennifer Sroka	Norton
Jennifer Prendergast	SCEC
Jennifer Argo	Seekonk
Chris Defontes	Seekonk
Stella Farias	Westport
Susan Brayton	Westport
Stephanie Davison	Blue Cross Blue Shield
Michael Breen	Blue Cross Blue Shield
Rich Bienvenue	Treasurer
Taylor Whitcomb	Arthur J. Gallagher
Marianna Gil	Arthur J. Gallagher
Darlenys Dominguez	Arthur J. Gallagher
Jacob Hunter	Arthur J. Gallagher
Patrick Flattery	Arthur J. Gallagher
Joseph Anderson	Arthur J. Gallagher
Scott Lapp	Arthur J. Gallagher
John Scholl	Arthur J. Gallagher

Mr. Cadime, Board Chair began the meeting at 9:30 am. Darlenys Dominguez took the attendance roll. Member units present were Norton, Raynham, Rehoboth, Seekonk, SCEC, and Westport. The Town of Dighton joined the meeting at 10 am.

Vote to Approve Meeting Minutes of November 19th, 2024

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

Motion



Norton	Yes
Raynham	Yes
Rehoboth	Yes
Seekonk	Yes
SCEC	Yes
Westport	Yes

The motion passed by unanimous vote.

2025 SMHG Medicare Offerings Update

Patrick Flattery provided an update on the 2025 SMHG Medicare offerings. He began by mentioning that on October 2nd, he contacted SMHG’s account manager at Aetna to inform them that the board had voted to potentially offer the Blue Cross Medex plan. As the month went on and it seemed likely that SMHG would meet the required enrollment threshold of 100 members, he reached out to Aetna again to discuss the possibility of a re-rate, given the likelihood of implementing the Medex plan. However, for about six weeks, neither he nor Marianna received any response regarding the re-rate, despite multiple attempts to reach out.

Patrick stated that on December 2nd, Marianna sent an email stating that, since it was already December, they had to assume the rate was set at \$344.19. Only then did they receive a response from Aetna, indicating that additional information was needed, which led to a \$100 increase, raising the rate to \$445. In response, the Gallagher team contacted Aetna’s executive team to expedite the process of halting the re-rating. Aetna reassessed the situation due to initially misinterpreted information but still came back requiring an additional \$40 increase. Patrick noted that he followed up with Aetna, stressing that the timing was challenging since it was already December, making it impractical to present a new rate to members. Eventually, Aetna agreed not to increase the rate for January 1st. The Gallagher team is currently awaiting official documentation of this agreement. Patrick shared that the rate would remain at the 2025 renewal rate of \$344.19 for the first half of the year, although the plan could be re-rated for July 1st.

Mr. Cadime expressed gratitude for Marianna and Patrick’s hard work overseeing this matter with Aetna.

Sue Brayton asked if there would be another open enrollment for retirees mid-year.

Patrick confirmed that if there were a rate change for July 1, 2025, retirees would indeed need to be offered another open enrollment period. He also mentioned that the Gallagher team is working to prevent a re-rate for the second half of the year and more information will come in the spring.

Update on Voluntary Benefits (Ben Admin System Demo)

Taylor Whitcomb introduced two colleagues from the Gallagher Enrollment Solutions team, Scott Lapp and Jacob Hunter. He briefly discussed that they are in process of securing competitive offerings for the dental and vision benefits renewal effective July 1st, plus capabilities regarding a voluntary benefits reboot that would include a benefits administration system at no cost to the group. The system aims to provide enrollment access for medical, dental, and vision benefits, along with voluntary benefits, with the goal of reducing the HR workload and transitioning away from paper forms.

Scott Lapp provided an overview of his and Jacob's roles within the voluntary benefits practice, emphasizing their focus on communication and engagement. He mentioned that they have resources available to engage with employees either in person or by phone to educate them about their benefits. These interactions could occur in



person, through a call center, or in conjunction with the benefits administration system. Scott noted the group's interest in leveraging technology and integrating with their payroll systems. He explained that they would assess which carriers are best suited for the voluntary benefits program, how the group would receive the benefits administration system technology, and how they would assist in engaging and communicating with employees.

Jacob Hunter presented a demo of the benefits administration system. He explained that all current employee demographic and enrollment information would be uploaded into the system and then employees can make changes during their open enrollment or a qualifying life event. Jacob indicated that any updates requested by the group, such as adding text or additional links, could be accommodated. He walked through the demo page by page, illustrating the steps employees would take when using the system and showing how the pages would change as employees added or removed information, including details about their dependents and beneficiaries.

Mr. Cadime inquired if the system can provide coverage details for different plans during the selection process.

Jacob confirmed that brochures and additional information can be added to the system to help employees compare plans. He also noted that other clients include additional languages, such as Spanish, in the system.

Jacob pointed out that members would be able to see the cost of the plans as they navigated the system and selected their benefits.

Sue Brayton asked whether the enrollment process would be completed by the employee or a town representative.

Scott replied that both employees and HR would have access to the system. He explained that it would be most advantageous for employees to interact with the enrollment counselors and utilize the system to finalize their enrollment, ensuring they fully understand their selections and the benefits available. Scott also noted that there would be a self-service option, enabling employees to choose their benefits independently.

Sue Brayton inquired if the group could request that employee interaction not be an option.

Jacob confirmed that it could be an option, noting that this would depend on the employer's preference.

Scott highlighted the importance of how the system is presented to the employees by the employer, noting that employers should be cautious not to appear passive, as this could lead to less employee interest in using the system.

Jacob outlined the required steps to finalize employee enrollment, whether by the employee or the employer. He also mentioned that additional information would be available on the site, including the enrollment completion date, any correspondence sent, and a history of events from the benefit sessions. Jacob noted that once enrollment was completed, various reports could be pulled from the system. He noted they can work with various payroll systems to have file feeds process updates accordingly.

Jim Hartnett asked if the setup would be different per entity, given that they all have different contribution rates.

Jacob confirmed the system can handle different rates and structures.

Chris DeFontes asked if enrollment changes would also be directly provided to Blue Cross, Altus, and other carriers.



Jacob confirmed that carrier files would be provided on a weekly basis, and the IT team would be involved to ensure proper file formatting.

Michael Breen asked if the system had already been implemented with other accounts where Blue Cross Blue Shield was the carrier.

Jacob confirmed that they work with BCBS already.

Mr. Cadime asked for confirmation that there would be no cost to the group.

Taylor Whitcomb confirmed that the service would indeed be provided at no cost to the group. He explained that it would be financed through a revamp of the voluntary benefits program, which would generate the necessary revenue to develop and maintain the system.

Paul Reynolds from the Town of Dighton joined the meeting.

A discussion followed, confirming that all benefits offered by various communities would be included on this system, creating a group-based voluntary benefits program that would provide better benefits at a lower cost.

Marianna Gil asked for confirmation whether FSA and HSA elections would also be options through this system.

Jacob confirmed that they could indeed work with FSA and HSA enrollment.

Paul Reynolds inquired whether the reboot would affect the existing business relationships with the representatives that the town has traditionally worked with voluntary vendors like Aflac.

Jacob confirmed that it would, as they would be moved into group programs. He offered to meet with Paul to discuss how to navigate this process further.

Scott mentioned that they would also reach out to the national representatives for the vendors to assist the local representatives to navigate the transition.

Treasurer's Report

Rich Bienvenue presented the treasurer's report through October. He noted that the past couple of months have been relatively uneventful, maintaining a status quo. The current year earnings show a loss of \$279,000 as of October. When compared to the previous fiscal year, the performance is quite similar. Last year, there was a loss of approximately \$674,000 for the same period. For the current four-month period, the loss stands at \$564,000. He pointed out the investment pool managed by Bartholomew has performed well, particularly due to its heavy weighting in bonds, which are currently yielding good returns. The investment income has contributed a surplus of \$284,000, which has helped reduce the overall loss. Rich emphasized that the overall performance was slightly better than the previous year on an operating basis, and investments continued to support the group positively. He also mentioned that he had been in contact with the Bartholomew group, who will provide an update to the board about the portfolio at the next meeting.

Rich further shared that everything had now been submitted to the auditor and that he expected the prior fiscal year audit to be completed by the end of January.

Gallagher's Financial Report

Marianna Gil presented the financial report for the period through November. It was noted that November's actual cost exceeded the budgeted cost, largely due to a high-cost claimant who has since passed away. The report showed that the overall expenses for the first five months were operating at a 100% loss ratio. The Medex plan continues experiencing a small run-out. With the January BCBS invoice, the level monthly deposit was adjusted to account for the reintroduction of the Blue Cross Medex plan. Marianna noted that the high-cost claimant mentioned earlier was expected to result in a reimbursement of at least \$200,000. There are two additional claimants this month at the 50% threshold, bringing the total to give claimants at this level. For the prior policy year, some additional claims dollars have been paid in November, and ongoing filings continue to be submitted to RMTS, with approximately \$90,000 in outstanding reimbursements owed to SMHG.

Medicare Migration Update

Marianna discussed the preparation of the letter that would be sent to affected retirees by RetireeFirst. She highlighted that the letters would have the entity's letterhead and return address to ensure retirees recognize the significance of the information. The purpose of the letter is to inform retirees about the upcoming general election period from January 1st to March 31st, during which they must coordinate with Social Security to obtain their Part A and B coverage. RetireeFirst will support them throughout this process, addressing any questions and facilitating communication among all parties involved. Marianna pointed out that, as these retirees are not eligible for Social Security, they will receive direct bills for their Part B premiums, with the cost detailed in the letter. She also mentioned that the letter can be customized for specific entities to include additional information about plan offerings and retiree cost shares. Furthermore, she announced a virtual meeting scheduled for January 14th at 10 AM, which impacted retirees are encouraged to attend.

Marianna expressed hope that all retirees would engage in the process in a timely manner, with some completing their enrollment as early as February 1st. She acknowledged that some might encounter complications but assured that RetireeFirst would assist in navigating any potential challenges.

BCBS Wellness Credits Updates

Stephanie Davison provided an update on the current budget and the spending of BCBS wellness credits. The credits are being used to support wellness initiatives, with a recent decision to allocate \$1,000 to each town for individual use. The budget is still a projection, and Stephanie emphasized that it is open for discussion and adjustments based on needs. She outlined the monthly fees already billed for the AHealthyMe platform and projected costs for the remainder of the fiscal year. Stephanie also discussed the new gift card redemption center, which enables participants to earn points through healthy activities and redeem them for gift cards. She anticipates that approximately thirty people will participate to redeem a \$50 gift card by June and stressed the importance of promoting this feature to boost platform engagement. Additionally, Stephanie provided details on the quarterly challenges, mentioning that participants who completed the November challenge would receive gift card vouchers soon.

Furthermore, she urged towns to consider how to utilize their \$1,000 credits for upcoming health fairs and wellness-themed months, suggesting activities like nutrition awareness stations and webinars. Stephanie will



provide a packet of wellness offerings for 2025 and expressed her openness to further discuss ideas in future meetings.

Open Session for Topics Not Reasonably Anticipated 48 Hours in Advance of the Meeting

Marianna noted that during the meeting, an update was received from Aetna that they are implementing a non-binding \$80 increase, which will be evaluated in the first quarter of 2025 based on migration and risk pool assessments. This increase could potentially be adjusted to zero.

Jim Hartnett inquired about the preliminary budget increases for FY26, asking if there was an anticipated range, such as 5-10% or 4-8%.

Marianna explained that the Gallagher actuary is currently working on a preliminary budget and hopes to have it ready in the next few days, pending a report from Blue Cross. Once available, it will be shared with the board.

Mr. Cadime inquired about the need for authorization to explore additional communities and organizations that might be interested in joining SMHG. Marianna had contacted him to convey that Tri-County Vocational School in Franklin might be interested in exploring SMHG. Shawn noted that he also contacted the business manager at Tri-County. Initial conversations took place, indicating that Tri-County was exploring leaving their current arrangement as it did not meet their budgetary needs. Shawn expressed his intention to present this to the board, seeking authorization to collaborate with Marianna to see if good fit for both Tri-County and SMHG.

The board expressed no objections.

It was proposed that Marianna would proceed with further discussions with Tri-County and provide the board with updates throughout the process.

Next Meeting

The next meeting will be held on Tuesday, January 21st, 2025, at 9:30 am.

Michael Yunits made a motion to adjourn the meeting. Shawn Cadime seconded the motion. The meeting was adjourned by unanimous consent at 10:30 a.m.

Motion

*Submitted by
Darlenys Dominguez
Gallagher Benefit Services*