



# Southeastern Massachusetts Health Group (SMHG) Board Meeting

Thursday, July 25<sup>th</sup>, 2024

*Virtual Meeting / Remote Participation / Meeting Recorded*

## Meeting Minutes

### Board Members in Attendance:

Shawn Cadime, Board Chair	Seekonk
Michael Yunits, Board Vice Chair	Norton
Deborah Arruda	Rehoboth
Jim Hartnett	Westport
Kelly Usher	Raynham
Sheena Martin	SCEC

### Guests in Attendance:

Paula Linhares	Norton
Sue Brayton	Westport
Stella Farias	Westport
Chris Defontes	Seekonk
Darlenys Dominguez	Arthur J. Gallagher
Marianna Gil	Arthur J. Gallagher
Rich Bienvenue	Treasurer
Stephanie Ketcham	Blue Cross Blue Shield
Michael Breen	Blue Cross Blue Shield

Mr. Cadime, Board Chair began the meeting at 9:30 am. Darlenys Dominguez took the attendance roll. Towns present were Norton, Raynham, Rehoboth, SCEC, Seekonk, and Westport.

### Vote to Approve Meeting Minutes from June 20<sup>th</sup>, 2024

Michael Yunits made a motion to accept the minutes from the June 20<sup>th</sup>, 2024 board meeting. Jim Hartnett 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.



## **BCBS Wellness Credits Updates**

Stephanie Ketcham reviewed the SMHG wellness credit budget for FY24, including monthly fees, Fitbit orders, the 8-week optimal weight challenge, incentives, gift card vouchers, and the 2 wellness videos. She emphasized that this budget sheet would serve as a reference to identify effective strategies, areas that could be enhanced, and aspects that members appreciated, all of which have been taken into consideration when creating the FY25 budget.

Stephanie reviewed the upcoming renewal of the AHealthyMe program, scheduled for 8/1/24. She shared data collected from the inception of October 2023 to June 2024. 128 individuals registered on the platform, with 25 completing their health assessment. In the Q2 Step into Spring Challenge, 84 people participated of which 41 received gift card vouchers for successfully completing the challenge. The target for the challenge was set at 150 points, and 14 individuals achieved this goal. Stephanie also mentioned that the past year showed positive trends, particularly considering it was the platform's first year of implementation. Effective 7/1/24, individuals who earn 150 points on the platform will be eligible for a \$50 gift card reward through the gift card redemption center, which offers a wide range of merchants and donation options.

Stephanie proposed several suggestions for the AHealthyMe program. She recommended maintaining the offering of incentives to winners of the quarterly challenges, as the \$50 gift cards awarded during the Q2 challenge were well-received and effectively motivated participation. Stephanie also advised promoting the newly introduced gift card redemption center to encourage healthy behaviors and enable employees to earn cash rewards. Furthermore, she mentioned that a flyer containing details about the promotion and instructions for platform sign-up would be distributed by 8/1/24. Starting from that date, the platform would be extended to include the group's subscribers, spouses, dependents aged 18 and above, and non-members.

Stephanie highlighted the eight-week Optimal Weight Challenge had 57 registered participants. Among the various topics covered, Nutrition Counseling, Seven Habits for Truly Effective Weight Management, and Cooking Class had the highest participation rates. Participants actively engaged with these topics weekly, and the feedback received was overwhelmingly positive. The feedback indicated that participants enjoyed the challenge and gained valuable knowledge about healthy behaviors. Stephanie recommended repeating this challenge in the upcoming Spring, aiming to attract even more participants based on the positive outcomes observed during the previous challenge. She also acknowledged the gap between the number of participants who signed up and those who actually attended, emphasizing the need to address this issue and improve attendance rates.

Stephanie informed the group that, beginning in August, Fitbits would no longer be available through BCBS. This decision was made in response to a decrease in demand for Fitbits due to the availability of a wide range of other gadgets and devices, such as Apple Watches. Stephanie mentioned that BCBS is actively exploring alternative wellness-related tools and devices from various vendors. Updates regarding these alternatives will be provided to the group as soon as they become available.

Stephanie emphasized the importance of proactive planning and shared that SMHG's wellness credits have been renewed, with \$25k available for utilization until the following June. She suggested spacing out their usage throughout the term to ensure a more efficient allocation of these credits, thus avoiding any last-minute rush. Stephanie also recommended offering incentives for completing healthy quarterly challenges, as this would



encourage engagement on the platform and reward participants for their dedication. Additionally, she proposed organizing webinars for the upcoming winter and would present these ideas in the next meeting.

Lastly, Stephanie discussed the upcoming challenge, "Move it Move it," scheduled to begin in September. In this challenge, participants must log 600 minutes of physical activity to complete the challenge. Stephanie suggested offering incentives to those who successfully complete the fall challenge, similar to the \$50 gift cards provided in the spring challenge.

Kelly Usher stated that the incentive would be a great idea.

Stephanie stated that the incentive information would be included in the promotional flyer and sent to Marianna for group distribution.

### **Discussion of Town of Plainville Withdrawal Calculation and Possible Vote for Owed Amount**

Mr. Cadime acknowledged the work being done behind the scenes, including the completion of the annual audit and the treasurer's passing. Data was obtained from BCBS to perform the calculation based on the joint purchase agreement language. After analyzing the data received, it was determined that Plainville would not be eligible for any surplus. Mr. Cadime mentioned that the team had to reach out to BCBS several times to verify the data, causing a calculation delay.

Rich Bienvenue began by explaining the two key components outlined in the joint purchase agreement regarding the withdrawal of a member. The first is the potential payment for the withdrawing member's share of any surplus and the second is the potential amount owed for their withdrawal from the group. According to the BCBS data, Plainville owes \$101,347 as the withdrawing member, with a significant portion, approximately \$74,000, attributed to the actual claim runout for July. The agreement states that a withdrawing member is only entitled to a share of the surplus if their average per member per month claims are lower than the rest of the group. This condition ensures fairness in distributing surplus funds among members. Based on the data collected from BCBS, it was determined that Plainville did not meet the requirements for the request, as their average per member per month claims were higher than the rest of the group. Gallagher also reviewed this data and concurred with the findings. Rich stated that it is now up to the group to decide on the appropriate course of action regarding Plainville.

Mr. Cadime mentioned that during the process, the group sought legal advice from Leo Peloquin to ensure that SMHG was correctly interpreting the joint purchase agreement. It was essential to confirm that SMHG followed the agreement appropriately, and Leo Peloquin agreed with the calculations and SMHG's handling of the situation. The purpose of the JPA was to discourage communities from leaving, and it was crucial to adhere to the terms outlined in the document that all parties had agreed upon.

Michael Yunits stated that he agreed.

There was no further discussion regarding this subject.

Michael Yunits made a motion to notify Plainville that they would not be entitled to any surplus per the Joint Purchase Agreement. Jim Hartnett 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.

Mr. Cadime stated that a correspondence would be sent to Plainville.

Jim Hartnett questioned if Plainville's claims were lower, would that determine how much of the surplus portion they would receive or only had to be under to get their share of the surplus?

Rich stated that per the JPA they needed to be less than the rest of the group. He explained that if Plainville was entitled to surplus, it would be based on a participation basis. Plainville was 8.991% of the participation, so based on a preliminary surplus of \$13.6M, they would have been entitled to over \$1.2M.

**Treasurer's Report**

Rich presented the financial statements through May 31<sup>st</sup>. An issue had been raised which has been encountered with other groups in the past. In the past, SMHG has not accrued prescription rebates. For instance, in September, they received approximately \$960,000 for a prescription rebate. Historically, such payments were recorded upon receipt, but in reality, they should have been attributed to the prescription claims paid in the prior year and accrued accordingly. Following consultation with the auditor, this adjustment was to be made as part of the audit process, and it was already reflected in the group's balance sheet.

Rich reviewed information on the balance sheet, highlighting the new monthly rebate accrued amount being reflected. He also reported that the equity restated balance of \$13.648 million at the beginning of the year. The year-to-date earnings through May showed a loss of \$1.6 million. The fund balance stood at approximately \$12 million. A loss of \$815,000 was attributed to the premiums not covering the claim costs. He stated that once the group administrative fees and reinsurance-type premiums were applied, the loss increased to \$948,000. The investment income then reduced this amount, bringing the total loss to \$810,000 for the year. The audit has been completed pending a resolution with the Plainville issue, so Rich will communicate the decision made today regarding Plainville to wrap up the audit.

**Financial Report**

Marianna presented the financial report for the period ending on June 30<sup>th</sup>. The group concludes the year with a slight deficit, resulting in a loss ratio of 106.75% or a deficit of \$2 million. Although the loss ratio exceeded expectations, it was important to note that the group took on a certain level of risk when setting the FY24 rates. Marianna also highlighted that the loss ratio has remained relatively consistent compared to the previous months. Additionally, she pointed out that the portion of Rx claims as a percentage of total claim dollars, which stood at



23%, was average compared to other groups that have experienced pharmacy spending exceeding 30% due to costly specialty medications. This is despite less than 2% of the population typically utilizing specialty medications. She reminded the group that SMHG made a deposit of \$325,000 to pay for Medex runoff claims, as the plan terminated on 12/31/23. Marianna stated that the remaining deposit is being returned as very little claim activity is occurring now. As for the large claimants, she reported that the group now has 28 at the 50% level, with 8 over the spec. An additional claimant went over the spec for claims through June.

### **Medicare Buy-In Cost-Savings Analysis**

Marianna stated this topic has been moved to be discussed in the next meeting.

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

Mr. Cadime stated that the group has been discussing getting other communities to join and requested a meeting to discuss a potentially interested entity.

Marianna informed the group that efforts are underway to work with the potentially interested entity, and any further developments regarding their interest will be communicated.

Marianna also mentioned that the group can expect to receive a flyer and an email draft to help promote the WellConnection program. Additionally, she is collaborating with Hinge Health to put together material ahead of the October 1<sup>st</sup> launch.

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

The next meeting will be held on Thursday, August 22, 2024, at 9:30 am.

*Submitted by  
Darlenys Dominguez  
Gallagher Benefit Services*