**HAMPSHIRE COUNTY GROUP INSURANCE TRUST**

**88 KING STREET**

**NORTHAMPTON, MA 01060**

**TO:** All Trust Member Units

**RE: Minutes of May 21, 2025**

Executive Committee Meeting

Via Zoom Teleconference

**MEMBERS PRESENT**:

Rich Carmignani, Jr. Shelley Poreda Emily Russo

Paula Harrison Joanne Misiaszek

**OTHERS PRESENT:**

Joseph Shea Cynthia Graves Jessica Hebert

Michele Komosa John Garrish

**CALL TO ORDER**

In compliance with the Governor’s orders suspending certain provisions of the open meeting laws due to Covid-19, this meeting was held via Zoom telephone/video conference.

Chairman Rich Carmignani Jr, called the meeting to order at 9:04 a.m. with no quorum present. With the lack of quorum, he stated the meeting was to continue for information only and no voting. The Chairman then officially opened the meeting at 9:07am when a quorum was present.

**APPROVAL OF MINUTES**

Rich Carmignani Jr requested that the minutes of March 19, 2025, be approved, motion made by Emily Russo & seconded by Joanne Misiaszek, approved by unanimous consent.

**FINANCIAL REPORT FOR APRIL**

The Financial Report for the month of April was presented reflecting a starting balance of $2,585,805.86 with a total monthly income received of $5,736,757.38 and monthly expenses of $9,633,613.34 with a total net monthly income of ($3,896,855.96) and an ending month balance of ($1,211,050.10) with accounts receivable of $1,900,280.17 leaving a total of $16,264,423.75.

*Investments and CD’s for April 2025*

The investments portfolio value was $6,953,131.67 with a market change of ($101,139.83) leaving a total of $6,851,991.84. The starting balance in CD’s was $3,923,230.27, with interest earned of $15,821.49 leaving a balance of $3,839,051.76.

*April Expenditures*

The expenditures for the months of April were reviewed.

Joe stated our claims continue to rise, and our reserves continue to deplete as we draw down money from our CD and Investments. We’ve been averaging $8 million in expenses and only $7 million in premiums. Approximately $9 million of our bottom line is for our own OPEB and claim reserves from unit deposits.

Chairman Rich Carmignani Jr requested that the full financial report, including the expenditures be approved, motion made by Paula, seconded by Emily, this report was approved by unanimous consent.

**Wellness Update:**

Per Michele, the Wellness Initiative has:

* Coordinated 11 onsite events
* Attended 6 benefits and health fairs
* Hosted 6 challenges (2 through Wellable and 4 through A Healthy Me)
* Learn to Live utilization is at 4%
* Has been awarded 50,000 wellness credits for FY 2026

**Weight Loss Drug Activity**

Per Joe, these drugs are running in excess of $400,000 per month for just over 300 users. The numbers continue to increase at a steady pace. BCBS went on record stating they will not be covering WLD effective 1/1/26. CVS Caremark will no longer be covering Zepbound and will only be covering Wegovy effective 7/1/2025. Joe mentioned he was unsure why they would choose to cover the higher cost Zepbound over Wegovy. The WLD activity/coverage continues to change week after week and will be monitored.

**Discussion on GLP-1 Benefit Change**

Joe has been in discussions with CVS Caremark & John Garrish regarding carving out the WLD all together while allowing continued coverage for type 2 diabetes diagnosis only. Joe had a meeting a few weeks ago with CVS Caremark for our semi-annual review. Much of the discussion was regarding the ongoing WLD spend, noting that all of the WLD have skyrocketed to the top of the top 25 list.

Removing these drugs should save the Trust $5.4 million, but CVS Caremark is adjusting our rebates by $2.6 million which means a net savings to the Trust of about $2.8 million dollars. Joe has gone back and forth with CVS Caremark regarding the loss of these rebates, and they are adamant that when we committed to our current 3-year contract (in late 2023), they projected this significant growth, and the rebates were already built into the contract accordingly. Joe argued this point saying there is no way they could have projected this at that time but was unsuccessful. CVS Caremark is willing to make this change for us as early as 7/1/25. Joe stated the sooner we do so the sooner the savings can begin and that was his recommendation. We would follow BCBS and CVS Caremark’s lead making this a formulary change.

Given the pullback of our rebates Joe has advised that we would like to put prescription coverage back out to bid for 7/1/26 as CVS Caremark is not willing to negotiate these rebates. Joe has asked that we vote to make formulary change to not cover the WLD except for type 2 diabetes diagnoses starting 7/1/2025.

A motion was made by Shelley Poreda to approve a GLP1 formulary change effective 7/1/2025 seconded by Paula Harrison. A roll call vote was taken; all were in favor.

**Stop Loss Update**

Joe is waiting on claim details from BCBS, final numbers should be in within a few weeks, Joe hopes to discuss this further in our June meeting.

**Claim Data Requests**

Joe deferred this discussion to a later date.

**FY26 Budget**

Joe presented a draft budget for FY 2026 stating there are a few things he needs to finalize. He is waiting for the contribution amount for Hampshire County Retirement and we still need to do our audit for FY24 & FY25. Joe has reached out about the audits but has not heard back as of yet. IT will also be cut in half moving forward based on our current cash flow. The draft shows a 5.6% reduction compared to the current year.

**Other Last Minute Items**

No last-minute items

**ADJOURNMENT**

Chairman Rich Carmignani, Jr. adjourned the meeting at 9:55 a.m.

Respectfully submitted,

Jessica Hebert

**Meeting Schedule**

Insurance Advisory Committee – May 28, 2025 10:00 a.m., via ZOOM

Executive Committee – June 18, 2025, 9:00 a.m., via ZOOM

Insurance Advisory Committee – July 16, 2025, 10:00 a.m., via ZOOM