

**MINUTEMAN NASHOBA HEALTH GROUP**

**Steering Committee Meeting**

Groton Town Hall  
Groton, Massachusetts

Meeting Minutes

Wednesday, June 11, 2008 at 9:15 a.m.

**Committee Members Present:**

Gerald Martin, Chair  
Anthony Logalbo  
Margaret Dennehy  
M. Larry Barton  
John Flaherty  
Pauline Guilmette

North Middlesex Regional School District  
Treasurer, MNHG  
Town of Boxborough  
Town of Carlisle  
Concord-Carlisle Regional School District  
Town of Tyngsborough

**Guests Present:**

Bill Hickey  
Rob Anderson  
Fred Winer  
Emily Chaves  
Carol Cormier  
Karen Carpenter

Harvard Pilgrim Health Care (HPHC)  
Fallon Community Health Plan (FCHP)  
Tufts Health Plan (THP)  
Tufts Health Plan (THP)  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Chair Gerald Martin called the meeting to order at 9:15 a.m.

**Approval of the minutes of the February 6, 2008 meeting:**

John Flaherty moved to approve the Steering Committee minutes of the February 6, 2008 meeting.

Larry Barton seconded the motion. The motion passed by unanimous approval.

Motion

**GBS COBRA Administration Fee Proposal:**

Carol Cormier said the GBS COBRA Administration fee proposal for FY09 to FY12 is an increase of \$.02 per subscriber per month for each of the three fiscal years.

Tony Logalbo made a motion to recommend that the Board accept the GBS COBRA Administration fee proposal for FY09 to FY12.

Motion

Margaret Dennehy seconded the motion. The motion passed by unanimous approval.

**HPHC Level Monthly Deposit Proposal for FY09:**

Bill Hickey from HPHC said the current Level Monthly payment amount is \$998K. He said based on the last 12 months of claims charges the monthly average claims expense was approximately \$1.16M. Mr. Hickey that the actual claims charges have been exceeding the Level Monthly payment consistently and proposed a new LMD payment of \$1.19M.

Larry Barton made a motion to recommend that the Board accept the increase of the HPHC Level Monthly Deposit to \$1.19M.

Motion

John Flaherty seconded the motion. The motion passed by unanimous approval.

**Proposed Optional Menu of Lower Cost Benefit Plans:**

Carol Cormier said the West Suburban Health Group (WSHG) and Berkshire Health Group (BHG) have each adopted a second menu of health plans that have higher co-pays and additional co-pays and therefore lower rates. She said she would refer to these plans as “rate saver” plans. She said the groups allow employers to offer all of the plans, just the standard plans, or just the “rate saver plans at each employer’s discretion. She reviewed the WSHG Rate Saver Comparison Chart example. Ms. Cormier said she thought MNHG should consider offering rate saver plans to its members. She said this would present an option to employers that might be considering the GIC.

Carol Cormier said the Rate Saver type plans have approximately a seven to fifteen percent difference in rates, depending upon benefits, as compared to the standard EPO plans.

Tony Logalbo asked when these would be implemented if MNHG were to add them to their current health plans. He also asked how these plans would impact the actuarial comparability requirement of Ch. 32B, Section 18.

Carol Cormier said there would not be enough time to add this year but would be able to add them to next years health plan offerings. Ms. Cormier said the senior plans would be actuarially comparable to the Rate Saver plans since the Rate Saver benefit level would be lower than those of the standard plans, and the senior plans were determined to be actuarially comparable to the standard plans.

Carol Cormier said she would ask the health plans to provide benefit designs for Rate Savers that would result in ten to fifteen percent rate differentials from the Standard plans. Ms. Cormier said the health plans would come up with the designs, and MNHG would be able to make a decision by this fall on whether or not to add the plans.

Jerry Martin said the Steering Committee would bring this to the Board at the fall meeting.

**Actuarial Studies: MNHG plans v. GIC plans:**

Carol Cormier reviewed the comparison of actuarial value of the MNHG current EPO with Tufts Navigator Tiered Network PPO offered by the GIC.

Carol Cormier said that the GIC’s Navigator plan is an open PPO structure requiring no primary care physician or specialist referrals. Ms. Cormier said that just going from a PPO to an EPO saves approximately 3% on rates.

Carol Cormier discussed the concept of tiering and said it raises the bar on quality care.

Bill Hickey said he was going to send Carol Cormier a similar comparison regarding the HPHC plan offered by the GIC as that provided by Tufts.

Tony Logalbo said the Rate Savers would be a comparable option to the GIC and asked what the Steering Committee wanted to say to the Board.

Jerry Martin said the Steering Committee should speak to the Board and ask to move forward with obtaining additional information.

Larry Barton said they should look at getting a 10% differential and then modify the design if necessary.

**Other Business:**

There was no other business.

Tony Logalbo motioned to adjourn the meeting at approximately 9:45 AM.

Motion
--------

John Flaherty seconded the motion. The motion passed by unanimous approval.

*Prepared by Karen Carpenter  
Group Benefits Strategies*