

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Bolton Public Library
Bolton, Massachusetts

Meeting Minutes

Thursday, January 31, 2013 at 10:00 a.m.

Primary & Alternate Board Members Present:

Donna Madden, Chair
Margaret Dennehy, Vice-Chair
Anthony Logalbo, Treasurer
Beverly Beno
Suzanne Loverin
Melisa Doig
Kerry Colburn-Dion
Lorraine Leonard
Barbara Conti
Michael Connelly
Patrick McIntyre
Pamela Landry
Michael Hartnett
John Flaherty
Cheryl Gariepy

Town of Bolton
Town of Boxborough
Town of Concord
CASE Collaborative
Town of Groton
Town of Ayer
Town of Tyngsborough
Town of Harvard
North Middlesex RSD
Lincoln-Sudbury RSD
Town of Clinton
Town of Stow
Town of Pepperell
Concord Carlisle RSD
Town of Lancaster

Guests Present:

Tammy Coller
Kate Sharry
Bill Hickey
Fred Winer
Erin Hayes
Jason Fortin
Carol Cormier
Karen Carpenter

Narragansett RSD
Enrollment Audit Solutions (EAS)
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Fallon Community Health Plan (GCHP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Chair, Donna Madden, called the meeting to order at 10:10 a.m..

Approval of the minutes of the December 13, 2012 meeting:

Patrick McIntyre moved to approve the Board minutes of the December 13, 2012 meeting.

Kerry Colburn-Dion seconded the motion. The motion passed by unanimous vote.

Motion

Treasurer's Report:

Treasurer Tony Logalbo distributed the Treasurer's report through December (unaudited figures). He said the estimated Uncommitted Fund Balance was approximately \$8.21M and said that is \$3.3M over the target. He noted that the January financial information indicates a similar trend.

GBS Reports:

Funding Rate Analysis through December 31, 2012 – Carol Cormier reviewed the report with data through December and said that the expense-to-funding ratio is favorable at 91.1%. Ms. Cormier said that the Tufts POS and HPHC PPO plans are underfunded, but said the enrollments are low at 22 lives covered. She reviewed the Retiree Drug Subsidy (RDS) received to date and said that the subsidy will no longer be received due to the

change to the Tufts Medicare Supplement plan, an EGWP plan. Ms. Cormier said that the savings are now being received through lower plan rates.

HPHC Level Monthly Deposit (LMD) Reconciliation - Ms. Cormier reviewed the LMD reconciliation and said that the LMD was reduced to \$1.026M in December. She said at the end of December, MNHG has a credit balance of \$681K.

Stop Loss Reports – CY11 reports: Karen Carpenter said that there were 3 claimants exceeding the deductible of \$250K with total claims of \$1.26M. She said the reinsurance carrier has not yet applied any claims towards the \$400K ASD and that there are no reimbursements to date. She said one of the three claimants has a higher (\$500K) deductible. Ms. Carpenter reported 10 claimants exceeding the 50% level with claims totaling \$1.72 million.

CY12 reports: Karen Carpenter said that there were two claimants exceeding the deductible of \$275K with total claims of \$1.4M. She said one of the two claimants has a higher (\$500K) deductible. She said the reinsurance carrier has applied \$65,462 of the excess claims towards the \$450K ASD and there is \$119K in outstanding reimbursements due MNHG. She said MNHG has received reimbursements totaling \$58,987. Ms. Carpenter reported 9 claimants exceeding the 50% level with claims totaling \$3.7M.

Carol Cormier noted that effective January 1, 2013, the MNHG stop loss broker will be Gallagher Insurance Benefit Services and National Union Fire Insurance will be the carrier.

Update on Dependent Eligibility Audit:

Kate Sharry, co-owner of EAS distributed the Dependent Eligibility Audit final report and thanked the Board for its patience throughout the audit process. Ms. Sharry reviewed the results and said that each unit received a report of the audit findings to include the names of the subscribers and their dependents. Ms. Sharry said that the audit began in September, utilizing the August 1 enrollment data. Ms. Sharry said at the beginning of the audit, there was a total of 1,587 family subscribers and 3,713 dependents in the audit population. She said that 249 or 6.7% of those dependents were found to be ineligible at the end of the audit. Ms. Sharry said that equated to estimated future annual claims cost reductions of \$996K. Ms. Sharry briefly reviewed the process and noted that EAS did not process terminations for those found ineligible or who voluntarily terminated their coverage. She said that it is the employer's responsibility to send in the termination forms. Ms. Sharry said that the list of documents that should be collected going forward is included in the report. Ms. Sharry brought electronic copies of the audit documents collected and distributed them to each employer.

Donna Madden said that the employers could contact the subscribers of those found ineligible and try to obtain the missing documentation. She asked the Board to complete termination forms for those with missing documentation or that voluntarily removed their dependents. Ms. Madden asked the Board to send Karen Carpenter a final count of those that are removed.

The Affordable Care Act and MA State Mandates:

Carol Cormier said that there are three new state mandates that are expected to impact the claims cost by 0.05% to 1%. She said that the MNHG Board did not adopt the expanded autism mandate last year because they thought it was covered through the schools. Ms. Cormier said that the new mandates include coverage for hearing aids for children age 21 or younger, expanded coverage for cleft palate and lip treatment, and approving nurse practitioners and physician's assistants to fill the role of a PCP.

Donna Madden said that the Steering Committee is recommending to the Board to adopt the four mandates, to include the expanded autism mandate effective June 1, 2013.

In response to a question asked, Ms. Cormier said that self-funded groups have the option to either add or not add state mandates.

Patrick McIntyre made a motion to adopt all four mandates as described by Ms. Cormier to be effective June 1, 2013.

Motion

Margaret Dennehy seconded the motion. The motion passed by a unanimous vote.

Rate Projections for FY14:

Carol Cormier reviewed the health plan proposed administrative fees and said that Tufts, Fallon and HPHC held their FY13 administrative fees. Ms. Cormier noted that in past years, MNHG did not opt to build in the MMA Rx and Diabetes Program costs or fees into the rates, but said they could do so if they choose. She said as participation in these programs grows, it will become important to fund for the expenses. Ms. Cormier said that the MNHG renewal was very favorable. She said the Steering Committee reviewed the rate projections and the various Funding Scenarios.

Donna Madden said the Steering Committee recommended Funding Scenario F which puts \$1 Million of fund balance at risk.

Ms. Cormier reviewed Funding Scenario F, a modification of Scenario D with expected use of \$1M from the fund balance and a composite rate decrease of -1.0%.

Ms. Cormier said that the Affordable Care Act (ACA) includes a Transitional Reinsurance Program and gives the Department of Health and Human Services (HHS) the authority to collect "contributions" of \$12 billion in 2014, \$8 billion in 2015 and \$5 billion in 2016 from health plans and self-funded plans. She said these contributions will be used to help stabilize the individual insurance markets across the country and will be allocated to offset the cost of high cost claimants. She said that the reinsurance fee applies to both insured and self-insured health plans, and the 2014 fee is estimated to be \$5.25 per *member* per month, or \$63 per member per year. Ms. Cormier said that the Transitional Reinsurance Program is expected to run from 2014 to 2016 with fees decreasing each year. She said she expected FY14 fees to be about \$164,000 (1/2 year assessment). She also discussed the Patient-Centered Outcomes Research (PCORI) fees. She said that there is a one-time state assessment but the amount that will be assessed to MNHG is not known. She said that the recommended Funding Scenario does not include these fees in the rates.

Tony Logalbo said that under the Steering Committee's recommended funding scenario approximately \$1M or one half of the trust fund balance surplus is expected to be used to subsidize the rates. He said that the Board may want to add an addendum to the Fund Balance Policy to include strategic use of the surplus. He said he would bring a draft to the next Board meeting.

Beverly Beno said that she would support a conservative 2-year strategy utilizing \$1M of the surplus this year.

Patrick McIntyre made a motion to approve Scenario F as presented.

Motion

Kerry Colburn-Dion seconded the motion. The motion passed by unanimous vote.

Fallon Proposal to add a Steward Health Limited Network plan:

Donna Madden said that the Steering Committee heard the presentation and proposal from Fallon regarding the Steward Health Limited Network plan. She said that the Committee agreed to hold off on making a recommendation to the Board until they can review the options available from all of the MNHG carriers. She said that the Steward Health Limited Network plan rates are expected to be 20% lower than the Fallon SelectCare plan. Ms. Madden noted that there has not been much migration to the Fallon DirectCare Limited Network plan that is currently offered through MNHG.

Michael Hartnett left the meeting at this time.

Carol Cormier said that Tufts and HPHC will be presenting their limited network options at a future meeting.

Health Plan Reports:

Harvard Pilgrim Health Care – Bill Hickey said that HPHC is continuing to implement changes brought about under the Affordable Care Act (ACA). He said that they are developing new products and programs related to provider choice, shared risk programs and tiered networks. He said he would like to discuss these options as well as the HPHC wellness programs that reward members for healthy behaviors at the next meeting.

Tufts Health Plan, Active plans – Fred Winer said that effective January 1, 2014, Reliant Medical Group will contract exclusively with the Tufts Medicare HMO plan and that they will no longer be accepting Fallon Senior Plan. He said that Reliant Medical Group and Tufts Health Plan will be sending out communications about the change. Mr. Winer said that he will send Carol Cormier a copy of the letter.

Erin Hayes said that there are two Erin Hayes’s at THP and said that Erin Nicole Hayes works with Fred Winer on the senior plan products. Ms. Hayes said that THP is also implementing the changes brought about under the ACA. She said that THP is working on expanding the network of mental health providers and will have more information about wellness program opportunities for the group.

Fallon Community Health Plan (FCHP) - Jason Fortin said that Rob Anderson sends his regrets for not being present at the meeting today. He said that FCHP is also working on wellness programs and the growth of their provider networks. He said that a new Android App now allows for the FCHP ID card to be accessed through the phone. He said it is totally secure and has gone through beta testing with the FCHP employees. He said that although the Fallon Senior Plan will no longer be accepted at the Reliant Medical Group, the Fallon Direct and Select Care plans continue to contract with Reliant and will be accepted.

Other Business:

Donna Madden confirmed that the FCHP dental benefit will continue to be offered on the MNHG FCHP health plans. Ms. Madden said that after the start of the new fiscal year, the Steering Committee will be reviewing wellness options available through the health plans. She said these programs have costs associated with them.

Donna Madden said that the Steering Committee would like to make a recommendation to the Board to continue the \$9K stipend to the Town of Concord for the CY13 Treasurer’s service.

Margaret Dennehy made a motion to approve continuing the \$9K stipend to the Town of Concord for MNHG’s Treasurer’s service.

Motion

Patrick McIntyre seconded the motion. The motion passed by unanimous vote.

The next Steering Committee meeting was set for May 22, 2013 at 10:00 a.m. to be held at the Bolton Public Library. The next Board meeting was scheduled for May 30, 2013 at 10:00 a.m. to be held at the Bolton Public Library.

An additional Steering Committee meeting was subsequently set for April 4, 2013 at 10:00 a.m. to be held at the Bolton Public Library to hear a presentation on a Multi-Level Reinsurance Pooling Arrangement.

There was no other business.

Lorraine Leonard moved to adjourn the meeting.

Motion

Barbara Conti seconded the motion. The motion passed by unanimous vote.

Chair Donna Madden adjourned the meeting at 11:10 AM.