

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, February 4, 2009 at 10:00 a.m.

Primary & Alternate Board Members Present:

Gerald Martin, Chair
Anthony Logalbo
Denis Callahan
Melisa Doig
Donna Madden
John Flaherty
Timothy Bragan
Beth Poulin-Smith
Patrick McIntyre
Elizabeth Currier
Pauline Guilmette

North Middlesex Regional School District
Treasurer, MNHG
Town of Ayer
Town of Ayer
Town of Bolton
Concord-Carlisle Regional School District
Narragansett RSD
Narragansett RSD
Town of Clinton
Town of Groton
Town of Tyngsborough

Guests Present:

Rosalie Weiss
Marie Sobalvarro
Bill Hickey
Emily Savaria
Fred Winer
Rob Anderson
Emily Eaton
Carol Cormier
Karen Carpenter

Narragansett RSD
Town of Harvard Finance Committee
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Fallon Community Health Plan
Fallon Community Health Plan
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Chair Jerry Martin called the meeting to order at 10:15 a.m.

Approval of the minutes of the December 9, 2008 Board meeting:

Melissa Doig moved to approve the minutes of the December 9, 2008 Board meeting.

Donna Madden seconded the motion. The motion passed by unanimous approval.

Motion

GBS Reports:

Funding Rate Analysis by Plan - Carol Cormier reviewed the Funding Rate Analysis report with data through November 2008. She said the composite expense-to-funding ratio was 0.946 on a paid basis. Ms. Cormier said that the Retiree Drug Subsidy (RDS) payments for FY06 and FY07 have been received. She said that FY08 has not yet been reconciled.

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that for the first two months of the second quarter the Group has a credit balance of \$142K.

myMedicationAdvisor (MMA) – Carol Cormier reviewed the MMA report and noted that the reports are run on a November through October time period. Ms. Cormier said the alternative generic saving program is doing very well.

Stop Loss Reports – Karen Carpenter reviewed the report of excess claims for the CY08 policy period with claims paid through December 2008. She said that for this year there are five excess claimants with total paid claims of \$1,753,208. Ms. Carpenter said the Aggregating Specific Deductible of \$100K has been met. She said that a total of \$474,303 has been received to date and that the outstanding reimbursement total due the group is \$53,904. She said there were 12 claimants on the report of claims at 50%+ with a paid claims total of \$1,808,670.

Treasurers Report:

Tony Logalbo reviewed the unaudited financial statements for December 31, 2008 and said that the Uncommitted Fund Balance was \$4.4M as of December 31, 2008. He said the fund balance target was \$5.3M.

Proposed stipend to the Town of Concord for Treasury services:

Jerry Martin said that he would like to propose an increase of \$1K to the stipend of \$7K to the Town of Concord for Treasury services.

Carol Cormier said that independent treasury services could cost from \$30K to \$35K.

John Flaherty made a motion to increase the stipend to the Town of Concord for Treasury services from \$7K to \$8K.

Motion

Donna Madden seconded the motion. The motion passed by unanimous approval.

FY10 Rates:

Jerry Martin said that the Steering Committee is recommending funding scenario F with a composite health plan increase of 6% to the Board and asked Carol Cormier to review the projections.

Carol Cormier said that the health plan projections were very close to the GBS projections. Ms. Cormier said that the revenues from the RDS payments and expenses for myMedicationAdvisor cancel each other out so she did not include those figures into the projections. Ms. Cormier said that the Steering Committee is recommending Scenario F using an estimated \$ \$600K of the fund balance.

Donna Madden made a motion to accept the rate increases as reflected on Scenario F effective June 1, 2009 using about \$600K of the fund balance with a 6% composite increase.

Motion

Denis Callahan seconded the motion. The motion was passed by unanimous approval.

Carol Cormier reviewed information about the Rate Saver plans and said that the Steering Committee agreed to recommend to the Board to set the differential for the Rate Saver plans rates at 10%.

Rob Anderson said that Fallon calculates the differentials at 16%.

Jerry Martin said that the goal is to set the Rate Saver plan rates 10% lower than the legacy plan rates.

Patrick McIntyre asked if there would be different group numbers for the Rate Saver plans.

Carol Cormier said that new group numbers would be assigned to the Rate Saver plans and that the units should let GBS know as soon as possible if they will be offering the Rate Saver plans for June 1, 2009.

Elizabeth Currier asked why the Board would not want to set the rates with a 15% differential.

Carol Cormier said it would be less risky to do that this year when the expectation is that very few people will enroll in the Rate Savers and would be more risky as enrollments increase. She said, however, that the actuarial value difference between legacy and Rate Saver plans is about 10%.

Elizabeth Currier said the Town of Groton is doing everything it can to lower costs and would favor a differential of 15%.

Tony Logalbo asked the representatives from Tufts and Harvard Pilgrim health plans to speak about their differentials.

Bill Hickey from HPHC said that their underwriters admit that they do not know the changes in behaviors or health of the enrollees. He said the plans are too new and they have not seen anything of value either way. He said the plan's value is considered to be 10% less than the legacy plan.

Tony Logalbo said he feels more comfortable with a 10% differential and said that was what the Committee had targeted.

Rob Anderson said that the Fallon differential is greater.

John Flaherty said that the Board should not base its decision on Fallon alone since the Fallon plan enrollment is the lowest of the MNHG plans.

There was further discussion.

John Flaherty made a motion to accept the Rate Saver plans with rates 90% of the legacy plan rates.

Motion

Donna Madden seconded the motion. The motion was passed by majority approval. Elizabeth Currier voted against the motion.

Proposed changes to the Joint Purchase Agreement (JPA), Article 13.A:

Carol Cormier reviewed the draft of the proposed amended language to the Total Participation requirement and said the change would give flexibility with adding the Rate Saver plans. Ms. Cormier said that the new language would require participating governmental units to offer at least one Exclusive Provider Organization (EPO) from each health plan provider organization with which the Group contracts. Ms. Cormier said that with Fallon, it is agreed that both the Direct and Select plan would be offered. She said that the current language requires that all of the MNHG plans have to be offered.

Ms. Cormier said that the new language would allow each governmental unit to add one, all or none to the new Rate Saver health plans.

Tony Logalbo made a motion to accept the proposed language changes to the Joint Purchase Agreement.

Motion

Donna Madden seconded the motion. The motion passed by unanimous approval.

Fallon Wellness Program Report:

Emily Eaton, Manager Health Promotion Services, distributed and reviewed the Fallon Health Plan DxCG report for MNHG. Ms. Eaton said that the report compares the time period of April 1, 2006 to March 31, 2007 with the time period of July 1, 2007 to June 30, 2008 and compares MNHG against the FHCP population.

Ms. Eaton said overall MNHG compares favorably to the FHCP population and that the diagnoses selected are ones that are either preventable or minimized with lifestyle changes.

Ms. Eaton said the MNHG rates of diagnoses were equal to or lesser than the FHCP rates for heart disease, cancer and diabetes and have not changed significantly from the MNHG rates of the past year. Ms. Eaton said that the MNHG rates for screenings are significantly higher than those for FHCP which is one area that it is better to be high than low.

Ms. Eaton's recommendations include providing educational materials and articles on asthma, mental health and accidents and injuries to plan members. She said these are the health conditions for which the MNHG rates showed an increase.

Health Plan Reports –

Harvard Pilgrim Health Care (HPHC)-

Bill Hickey, Account Executive for Harvard Pilgrim Health Care, said that CMS is requiring the health plans to report on the social security numbers of all subscribers and their dependents as part of the Medicare Secondary Payer Act. He said this requirement is for all active members, not just retirees and said that CMS is guaranteeing privacy. Mr. Hickey said he is not sure how HPHC will be addressing it yet.

Tufts Health Plan -

Fred Winer, Account Executive of Senior Products from Tufts said that there was nothing new to report.

Emily Savaria, Account Manager of the active plan products said that a new program called Gaps In Care is being developed and should be ready to use effective July 1, 2009. She said the goal of the program is to improve the health of members and is in addition to the Disease Management programs. Ms. Savaria said that the program will look at the trends and determine if a member should be contacted to remind him or her to see a physician as scheduled or remind them of medication usage. Ms. Savaria said Tufts will also be contacting the physicians if the trend is showing that their patients are not getting screened at acceptable intervals.

Other Business:

Website Contract Renewal:

Carol Cormier said that the contract for website maintenance expired on January 31, 2009 and that the renewal fee is \$1,200. Ms. Cormier said the fee has not increased.

Tim Bragon made a motion to accept the renewal of the website maintenance contract from February 1, 2009 to January 31, 2010.

Motion

Donna Madden seconded the motion. The motion was passed by unanimous approval.

Carol Cormier asked everyone to notify GBS of their intent to offer the Rate Saver plans by the end of March.

The next Board meeting was scheduled for May 13, 2009 at 10:15 a.m..

Patrick McIntyre made a motion to adjourn the meeting.

Tim Bragon seconded the motion. The motion passed by unanimous approval.

Motion

The meeting adjourned at 11:55 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*