

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, February 9, 2011 at 10:00 a.m.

Primary & Alternate Board Members Present:

Donna Madden, Vice-Chair
Anthony Logalbo
Valerie Jenkins
Teresa Watts
Melisa Doig
Lorraine Leonard
Kathy Wylie
Patrick McIntyre
Barbara Conti
Stephanie Gintner
Margaret Dennehey
Kerry Colburn-Dion
John Flaherty
M. Larry Barton

Town of Bolton
Treasurer, MNHG
Town of Groton
CASE Collaborative
Town of Ayer
Town of Harvard
Narragansett RSD
Town of Clinton
North Middlesex RSD
Town of Ayer
Town of Boxborough
Town of Tyngsborough
Concord Carlisle RSD
Town of Carlisle

Guests Present:

John Moak
Arthur St. John
Lisa Gabree
Bill Hickey
Elizabeth Lewis
Emily Savaria
Fred Winer
Kelly Fay
Taylor Allen
Rob Anderson
Carol Cormier
Karen Carpenter

Town of Pepperell
Town of Concord Firefighter
Town of Ayer
Harvard Pilgrim Health Care (HPHC)
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Fallon Community Health Plan (FCHP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Vice-Chair, Donna Madden, called the meeting to order at 10:00 a.m.

Ms. Madden asked the Board members to state their names and what unit they represent.

Approval of the minutes of the January 5, 2011 meeting:

Lorraine Leonard moved to approve the Board minutes of the January 5, 2011 meeting.

Teresa Watts seconded the motion. The motion passed by unanimous vote.

Motion

Treasurer's Report:

Tony Logalbo said that the Uncommitted Fund Balance was \$200K as of January 31, 2011. He said the fund balance target was \$5.98M. Mr. Logalbo said that claims increased significantly over the past several months and said that this is the first time since August that the fund balance was not a negative number.

GBS Reports:

FY11 Funding Rate Analysis by Plan – Carol Cormier reviewed the Funding Rate Analysis report for FY11 with data through December 2010. Ms. Cormier said that the expense-to-funding ratio was 108.4%. She said that the Harvard Pilgrim EPO and PPO and the Tufts EPO plans were significantly under-funded and accounted for the negative numbers. Ms. Cormier said that the individual high cost claims were largely responsible for the higher-than-expected claims spend.

Ms. Cormier said that the Retiree Drug Subsidy (RDS) payments are averaging between \$300K to \$500K per year.

Ms. Cormier said that the Early Retiree Reinsurance Program (ERRP) application has been accepted and said that GBS is waiting for the claims data from the health plans.

Ms. Cormier said that the enrollment in the Rate Saver plans is still too low to rate them separately. She said that the Rate Savers are not credible for rating purposes. She said that the MNHG discounted the Rate Saver plans 5% in addition to the 10% actuarial difference. Ms. Cormier asked that GBS be notified when any of the units make a change to their contribution rates or if they replace the Legacy plans with the Rate Saver plans.

Larry Barton asked when the units would be required to pay into the trust fund should the fund balance continue to drop.

Tony Logalbo said that would only happen if a unit leaves the Group.

Carol Cormier said that it is possible to have a cash deficit that would require the units to be double billed with a year end settle-up if the financial situation improved.

Level Monthly Quarterly Accounting Reconciliation for HPHC, 2nd quarter– Ms. Cormier said that at the end of the second quarter, MNHG has a debit balance with HPHC of \$689,853.

myMedicationAdvisor® Report– Carol Cormier said that the myMedicationAdvisor® program is running better than projected and said that the cumulative net savings for the month of November 2010 was \$22,770. She said that the employee savings through November was approximately \$5,917. Ms. Cormier noted that the generic program is running slightly under projections.

Ms. Cormier said that there were questions about whether or not some of the drugs on the health plan Step Therapy list were available on the MMA program. She said that GBS sent a list of the MMA drug lists to Tufts and HPHC to see if any were on their step therapy programs.

Extortion Alert pertaining to the Rx import program – Ms. Cormier said that at least one person was scammed when a criminal posing as a US law official, phoned individuals to inform them of prosecution for ordering controlled substances outside of the US, unless they pay a fine. Ms. Cormier said that this was not a widespread issue and as of February 2nd, CanaRx was informed by one patient of the scam.

Mail Delay – Ms. Cormier said that there was a notification of a temporary delay of international US bound mail shipments of prescriptions due to severe weather conditions. Ms. Cormier said that members affected who are running short of medications will be advised to fill a 30-day supply locally and CanaRx will reimburse the copay amount.

Stop Loss Reports – Ms. Carpenter reviewed the Excess Loss Report for the CY10 policy period. She said that there are nine members with claims exceeding the \$225,000 specific deductible with total paid claims of \$3.57M. Ms. Carpenter said the Aggregating Specific Deductible of \$400K has been met and said that reimbursements of \$386,818 have been received. Ms. Carpenter said that there are reimbursements due MNHG in the amount of \$415,260. She said there were 22 claimants on the report of claims at 50%+ with a paid claims total of approximately \$3.19M.

Rob Anderson joined the meeting.

Fallon Dental Benefit:

Rob Anderson said that as a solution in response to MNHG's concern about the decision Fallon made to discontinue the dental benefit from their health plans, Fallon is offering a dental rider. Mr. Anderson said that the benefits and network will remain the same. He said that provider networks do change periodically, and it is up to the dentists as to whether or not they want to participate. Mr. Anderson said that Fallon provides for preventative dental visits, and fillings are generally paid at 80%. He said that the benefit is a good one and the cost to keep the dental benefit on the MNHG Fallon Directcare and Selectcare plans is \$15.30 per contract or \$8.00 per member per month.

Mr. Anderson recommended asking for a utilization report half way through the year and said if the utilization is low, Fallon may be able to reduce the fee. Mr. Anderson noted that the senior plan dental benefit is not changing and said that there are separate risks and demographics for the active plans.

MA Autism Mandate:

Donna Madden said that in the past, the Steering Committee has recommended to not add any additional benefits that were not required by law.

Bill Hickey said that the MNHG health plans already offer a benefit to members with autism, however the new mandate will cover additional services. Mr. Hickey said that the benefit has not been fully clarified. He said that cost to MNHG to expand the autism benefits would be approximately six-tenths of a percent.

The Board took no action.

FY12 Rate Projections:

Carol Cormier said that the full rate packet is available and to contact her if anyone would like one emailed to them. Ms. Cormier said that the trust fund balance does not have a surplus to use to supplement the FY12 rates. Ms. Cormier said that the health plans and the GBS projections were close this year. She said that the Steering Committee voted to recommend a 14.5% increase across all of the plans with the exception of the PPO and POS plans for which the recommended increase is 25.5%.

Donna Madden said that the Committee reviewed two scenarios and tried to keep the total budget projections of 15% in mind.

John Moak asked what would happen if the new legislation requires plans to mirror the GIC plans or if Rate Saver enrollments rise.

Carol Cormier said if all of the units move to the Rate Saver plans, those plans may be under-funded because of the 5% discounting. However, she said that mirroring the GIC plans would require other changes, and she said in that case the plans would have to be re-rated.

John Flaherty said that the projections were originally at a 14.1% increase and said if the increase approved is 14.9%, the Group may have a better chance to help re-build the fund balance.

Tony Logalbo said that moving from 14.1% to 14.6% saves approximately \$130K. He said that there is already a cushion built in to raise the trust fund balance and said he favors keeping the increase no higher than 14.6%. Mr. Logalbo said that the Group needs to promote wellness as a long term solution. He said that the health plans disease management programs help, and he said that the Board voted to change the routine physicals and colonoscopy visits to a \$0 copay last year.

Margaret Dennehy made a motion to approve the Steering Committee recommendation to increase the rates for all plans by 14.5% with the exception of the PPO and POS plans which will increase by 25.5%.

Motion

Teresa Watts seconded the motion. The motion passed by unanimous vote.

Annual Limits and The Affordable Care Act:

Carol Cormier said that The Affordable Care Act (PPACA) prohibits annual limits to essential benefits even for Grandfathered plans. Ms. Cormier said that Durable Medical Equipment (DME) currently has an annual benefit limit. Ms. Cormier said that all of the health plans with the exception of BCBS have determined that DME is an essential benefit. She said a summary of how each health plan is handling the benefit is included in the packet.

Bill Hickey said that HPHC will remove the annual DME benefit cap since they have determined DME to be an essential benefit. Mr. Hickey said that HPHC is removing the cap from its insured business on anniversary following January 1, 2011, but allowing self-funded groups to make their own decisions. Mr. Hickey said that he is encouraging removal of the cap. He said that if MNHG chooses to keep the benefit limit, MNHG will assume the liability associated with violating the PPACA requirement.

Emily Savaria, Tufts Health Plan, said that Tufts approached outside counsel, and it was determined that the definition of DME falls under “rehabilitative and habilitative services and devices” as described under The Affordable Care Act. Emily Savaria said that Tufts will need at least 60 days notice to prepare if the Group decides to keep the benefit limit.

Bill Hickey said that HPHC agrees with that definition and noted that not many members reach the cap as it is now.

Rob Anderson said that he will get clarification on how Fallon will be handling the DME benefit limit.

Patrick McIntyre made a motion to accept the removal of the DME benefit limit effective June 1, 2011.

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

Motion

Ayer Shirley RSD interest in membership:

Carol Cormier said that the Ayer-Shirley RSD (ASRSD) will be forming effective July 1, 2011. Ms. Cormier said that there are 138 Ayer subscribers and 77 subscribers from Shirley. Ms. Cormier said that they are currently receiving their benefits with MIIA and offer two BCBS plans. Ms. Cormier said that they were considering membership with the Group Insurance Commission (GIC), MIIA, and MNHG. She said that the Steering Committee reviewed their renewal data and the Town of Shirley’s large claim losses above \$50K. She said that out of a total of thirteen high cost claims cases, five are no longer enrolled.

Donna Madden said that the Steering Committee is recommending that the Board extend an offer of membership in MNHG to the Ayer-Shirley RSD.

Tony Logalbo said that most of the subscribers are already members of MNHG and said he favors waiving the surcharge for the additional 77 subscribers.

Tony Logalbo made a motion to make an offer of membership to the Ayer-Shirley RSD and allow the new district to join with an effective date of July 1, 2011 and waiving a surcharge.

Motion

Stephanie Gintner seconded the motion. The motion passed by unanimous vote.

Health Plan Annual Reports:***Tufts Health Plan-***

Emily Savaria, Account Manager for Tufts Health Plan, introduced Taylor Allen, Account Coordinator to the Board. Ms. Savaria said that Tufts Health Plan and Harvard Pilgrim Health Care are in preliminary discussions about a possible merger. She said the talks are very preliminary and that she will share any future news. Ms. Savaria introduced Kelly Fay and said she would be presenting the annual report.

Kelly Fay distributed and reviewed the annual report with EPO plan data for two years, September 1, 2008 to August 31, 2009 and September 1, 2009 to August 31, 2010. Ms. Fay said that the membership of MNHG decreased 6% from January 2009 to January 2010. Ms. Fay said that the average age of the population was slightly higher than both the plan and peer comparisons. Ms. Fay said that overall costs increased 14%, and pharmacy costs increased 1%. She said 1% of the membership accounted for 26% of the total costs. Ms. Fay said that 43 high cost claimants accounted for 26% of the total costs and noted that 6 of those claimants are no longer enrolled. She said that the top high cost claimants had infectious diseases such as septicemia. She said that the cost increase was largely due to top high cost claimants.

Harvard Pilgrim Health Plan -

Bill Hickey, Account Executive for HPHC, introduced Elizabeth Lewis who reviewed the HPHC annual report for plan year 2010.

Ms. Lewis said that the data in the report is for the two most recent plan years, June 2009 to May 2010 and June 2008 to May 2009 with claims paid through December 2010. Ms. Lewis said that there was an overall decrease in EPO membership which could be attributed to an increase of membership into the Rate Save EPO. She said that 25% of members are now in the Rate Saver EPO. Ms. Lewis said that the MNHG population is older and less healthy than plan and industry populations. Ms. Lewis said that member liability is lower than plan or industry and that the high cost claims are driving the per member per month cost increase. She said that the high cost members account for 32.5% of the total costs. Ms. Lewis said that recommendations include encouraging members to explore more about wellness and to increase cost sharing with members.

Bill Hickey encouraged the Board to communicate the availability of the HPHC website to HPHC members. He said that there is a Health and Wellness portal that is full of information ranging from available discounts, wellness activities, nutrition, and other valuable tools for all stages in life.

Fallon Health Plan -

Rob Anderson said that the Fallon Annual Report will be ready for the next Board meeting. Mr. Anderson said that Fallon offers tools to employers to be able to set up their own walking programs. He said that "Walk Across America" is a program that promotes healthy habits and behaviors for employees. He said that it is an easy program for employers to offer and said it is web-based. Mr. Anderson said that program kits are available with all of the information MNHG employers would need to get started.

Other Business:

There was no other business.

Stephanie Gintner motioned to adjourn the meeting.

Motion

Tony Logalbo seconded the motion. The motion passed by unanimous approval.

Vice-Chair Donna Madden adjourned the meeting at 11:45 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*