

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, February 13, 2008 at 10:00 a.m.

Primary & Alternate Board Members Present:

Valerie Jenkins, Chair
Anthony Logalbo
Denis Callahan
Gerald Martin
Michael Hartnett
Margaret Dennehy
John Flaherty
Elizabeth Currier
Judy Belliveau
Pauline Guilmette
Donna Madden
Teresa Watts

Town of Groton
Treasurer, MNHG
Town of Ayer
North Middlesex Regional School District
Town of Pepperell
Town of Boxborough
Concord-Carlisle Regional School District
Town of Groton
Lincoln-Sudbury RSD
Town of Tyngsborough
Town of Bolton
CASE Collaborative

Guests Present:

Bill Hickey
Fred Winer
Emily Chaves
Jim Delisle
Robert Anderson
Carol Cormier
Karen Carpenter

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

Chair Valerie Jenkins called the meeting to order at 10:10 a.m.

Approval of the minutes of the October 24, 2007 Board meeting:

John Flaherty moved to approve the meeting minutes of the October 24, 2007 Board meeting.

Gerald Martin seconded the motion. The motion passed by unanimous approval.

Motion

Nominating Committee Report:

Tony Logalbo Gave the Nominating Committee report.

Mr. Logalbo motioned to appoint Gerald Martin as MNHG Chair, Judy Belliveau as Vice Chair and Tony Logalbo as Treasurer. He said Jerry Martin agreed to serve a one-year term.

Motion

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

There was a discussion about Steering Committee representation.

Tony Logalbo said the Nominating Committee and Steering Committee recommended expanding the membership.

Margaret Dennehy motioned to expand the members of the Steering Committee from seven to nine members.

Motion

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

The Board asked for volunteers who would like to be nominated to serve on the Steering Committee.

Donna Madden volunteered to serve on the Steering Committee.

Pauline Guilmette asked the Board to explain the additional responsibilities of the position.

Valerie Jenkins explained that there would be six to seven additional meetings to attend and that the term would be one year.

Pauline Guilmette volunteered for the Steering Committee.

Tony Logalbo motioned to submit into nomination the names of Donna Madden and Pauline Guilmette to serve as Steering Committee members for a term of one-year.

Motion

Judy Belliveau seconded the motion. The motion passed by unanimous approval.

Margaret Dennehy motioned to accept Donna Madden and Pauline Guilmette to serve as members of the Steering Committee for a term of one-year.

Motion

Judy Belliveau seconded the motion. The motion passed by unanimous approval.

Valerie Jenkins handed the gavel to Gerry Martin.

All congratulated Valerie Jenkins on a job well done as Chair.

FY07 Auditor's Report:

Treasurer, Tony Logalbo reviewed the "FY07 Audited Financial Statements and Management Discussion and Analysis with required supplementary information years ended May 30, 2007 and 2006". He reported year-end Net Assets of \$1,247,220 which, he said was up by \$1,117,089 from the prior year. He said cash and investments continue to climb and resulted in a 34.78% increase from FY06. Mr. Logalbo reported the total claims and claim adjustment expenses at the end of year was \$36,222,997.

He said most of the questions regarding the Management Letter were answered at the Steering Committee meeting. He also said the division of financial duties would be discussed further at the next Steering Committee meeting.

Treasurer's Report:

Treasurer Tony Logalbo reviewed the financial statements of January 31, 2008 (unaudited figures). He reported an Uncommitted Fund Balance of \$3,514,297. Mr. Logalbo said this was up as claims costs have been recovered. He said the Fund Balance target was \$4,823,552.

GBS Reports:

Funding Rate Analysis by Plan - Carol Cormier reviewed the Funding Rate Analysis report with data through December. She said the composite expense-to-funding ratio was 0.90 on a paid basis and that funding exceeded expenses by \$2.2M. She said that the funding for Harvard Pilgrim EPO plan is not supporting the expenses, and there is a funding shortfall for this plan of \$139K through December.

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that for the quarter ended December 31st the Group owed Harvard Pilgrim \$595,205.

MMA Program – Carol Cormier reviewed the report for November and December 2007. She said the Group is falling a bit short of projections for the Canadian purchasing program. Ms. Cormier said the decline in value of the US dollar is a problem that will need to be discussed.

Carol Cormier said there is a motivational tool on the MMA website called Heart Age®. She said by answering a few questions the site calculates the age of your heart and risk factors. Ms. Cormier said it can motivate people into making healthy changes and might be something to build into the Health Fairs. She said there is a link to Heart Age® on the MNHG website through MMA.

Stop Loss Reports – Carol Cormier reviewed the report of excess claims for the CY07 policy period with claims paid through November 2007. She said that for this year the group has received \$547,214 in reinsurance reimbursements and is owed an additional \$30,129. She said that there were 14 claimants with claims between \$100K and \$200K.

Carol Cormier reviewed the CY06 report and said the policy was complete and that the Group had received a total of \$1.12 million in reimbursements.

Proposed Stipend to Town of Concord for Treasury Services:

Judy Belliveau motioned to increase the stipend to the Town of Concord from \$6K to \$7K.

Motion

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

FY09 Administrative and Disease Management (DM) fee proposals:

Emily Chaves reviewed Tufts proposed administration and disease management fee increases which averaged a little over 1% for each program offered.

Bill Hickey reviewed the DM increases for Harvard Pilgrim Health Care which were a little over 5%. He said the expenses did not line up with the other carriers but the costs are reasonable based on the impact of the programs.

Rob Anderson of Fallon Community Health Plan said Fallon does not charge a separate fee for its programs. He said that 17% of the employees who work on their programs are experienced medical personnel.

Preliminary Rate Projections for FY09:

Carol Cormier said the rate projections were discussed in detail at the February 6th Steering Committee meeting. She said that at that meeting, the Scenario C proposal was acceptable to the Steering Committee but that she would be happy to explain the detail for those that were not in attendance. The Board agreed that was not necessary.

Jerry Martin said the Steering Committee recommended Scenario C but with a 9% increase for the HPHC EPO rather than the 10% increase on Scenario C.

Tony Logalbo asked the health plan representatives to comment on the trend and rate increases for their respective books of business.

Rob Anderson from Fallon Community Health Plan said the Group has been doing very well. He said the normal rate spread between the Direct Care and Select Care plans is 17% which should be an incentive for members to migrate to the Direct Care Plan.

Carol Cormier pointed out that the Fallon underwriters had not suggested such a large spread in funding for the two versions of the Fallon plan.

Jim Delisle from Tufts Health Plan said the Group is doing well. He said the claims trend is 7% - 8% and that Tufts looked at the administrative expenses, tightening up, to cut its costs.

Bill Hickey from Harvard said he is seeing rates going up 10%-12% for other groups.

Carol Cormier told the Group that by accepting the proposed rates that they are also accepting the administrative fees.

Judy Belliveau motioned to accept Funding Scenario C with the Harvard Pilgrim EPO increase at 9% and all rates rounded up to the nearest whole dollar.

Motion

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

Actuarial Studies:

Tony Logalbo asked if there would be value in engaging an actuary to do a comparison of the GIC offerings compared with the other health plans.

There was a discussion.

Margaret Dennehy motioned to authorize GBS to solicit three quotes from actuarial companies to do a comparison between the GIC plan benefits and those of the MNHG.

Motion

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

Health Plan Reports:

Bill Hickey distributed the Harvard Pilgrim Health Care FY09 Renewal Packet.

Jim Delisle from Tufts said he would distribute a copies of the Tufts rate development.

Rob Anderson reviewed a flyer on Fallon's Direct Care plan noting the expanded network has now included Lahey Clinic.

Michael Hartnett asked what the deadline for data to be submitted to GBS for open enrollment.

Carol Cormier said the last day of April would be the deadline in order for employees and retirees to get their health plan ID cards by June 1st.

Bill Hickey told the Group that he would be more than happy to attend any Health Fairs that were planned.

Carol Cormier said that participation in the Health Fairs tend to be better when they are scheduled during work hours.

Elizabeth Currier asked if there was a way to see the benefit and results of the participation in the health fairs.

Bill Hickey said that in addition to the disease screenings being fun and interactive, they can occasionally identify people who are in serious need of medical care. He said in one town the screenings identified seventeen people needing to see a doctor for their high blood pressure. He said that alone could have saved health costs of a more severe nature if not caught in the early stages.

Other Business:

Mike Hartnett wanted the Group to clarify that they were looking at getting a GIC actuarial study for a possibility in FY10.

The Board responded affirmatively.

Carol Cormier said any employer adopting the GIC now would be doing so blindly since the new rates and benefits have not yet been disclosed.

Judy Belliveau said she completed a rate comparison of several communities with the MNHG rates showing the most expensive to the least expensive plans. She said that the comparison was favorable to the MNHG.

Carol Cormier asked Ms. Belliveau to forward a copy of the comparison to GBS and to the Group.

The next Board Meeting was scheduled for Wednesday, June 11, 2008.

There was no other business.

Valerie Jenkins motioned to adjourn the meeting.

Motion

Judy Belliveau seconded the motion. The motion passed by unanimous approval.

Chair Jerry Martin adjourned the meeting at approximately 11:30 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*