

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, February 15, 2006 at 10:00 a.m.

Primary & Alternate Board Members Present:

Paul Cohen, Chairman

Valerie Jenkins, Vice Chair

Pauline Paste

Tony Logalbo, Treasurer

Melisa Doig

Margaret Dennehy

M. Lawrence Barton

Edward Orenstein

Patrick McIntyre

John Flaherty

Lorraine Leonard

Stephen Hemman

Jerry Martin

Pam Landry

Pauline Guilmette

Town of Harvard

Town of Groton

Lincoln Sudbury Regional School District

Town of Concord

Town of Ayer

Town of Boxborough

Town of Carlisle

Case Collaborative

Town of Clinton

Concord Carlisle RSD

Town of Harvard

Narragansett R.S.D.

No. Middlesex Regional School District

Town of Stow

Town of Tyngsboro

Guests Present:

Rob Anderson

Bill Hickey

Maria Chandler

Kelly McCausland

Amy Leland

Carol Cormier

Lisa Trombly

Fallon Community Health Plan (FCHP)

Harvard Pilgrim Health Care (HPHC)

Tufts Health Plan (THP)

Town of Concord

Town of Concord

Group Benefits Strategies (GBS)

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Chair, Paul Cohen called the meeting to order at 10:10 a.m.

Approval of the minutes of the December 8, 2005 meeting:

Larry Barton moved for approval of the Board meeting minutes of the meeting of December 8, 2005.

Motion

Jerry Martin seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Financial Reports as of January 31, 2006 -

Tony Logalbo reviewed the Balance Sheet of January 31, 2006, (unaudited figures). He reported an uncommitted fund balance of \$1,789,255. He said that the fund balance target as of 1/31/06 was \$3.6 million. Mr. Logalbo said that the fund balance is largely driven by the Incurred But Not Reported (IBNR) claims estimate. He reviewed the graph of the fund balance since 6/30/04. He said the fund balance declined in June 2005 but has been coming back up since November.

Group Benefits Strategies Reports:

Funding Rate Analysis by Plan Type – Carol Cormier reviewed the report and said that the expenses exceed funding through December 2005 by 1.1%. She said that Fallon expenses were running at a 14.2% loss.

Stop Loss Reports – Ms. Cormier reviewed the FY05 policy report with claims paid through November 2005. She said there was \$223,081 in excess claims. She said that the group has received \$137,762 in reimbursements.

Rate Projections for FY07:

Chair Paul Cohen said that the Steering Committee had met twice to review the claims projections and rating scenarios. He asked Carol Cormier to review the rating packet.

Carol Cormier reviewed the fees the health plans had proposed for plan administration. She said that the HPHC and Tufts plan fees included the fiduciary fees. She said Fallon fees were high compared to the other fees and that Fallon had originally proposed a significant increase. She said Fallon withdrew its original proposal and agreed to hold fees at the current levels for FY07. Ms. Cormier then reviewed four rating scenarios. She said that No. Middlesex RSD will become a legacy member on June 1 and will no longer pay surcharged rates.

Paul Cohen explained that the Steering Committee recommended Funding Scenario C, which is a 14.5% composite increase in funding for FY07.

Tony Logalbo asked about the MNHG-specific trend factors compared to health plan book of business trends.

Bill Hickey said that the MNHG was running similar to the HPHC book of business regarding claims trends.

Rob Anderson said that MNHG was running higher than other municipal groups. He said 15% and lower were typical increases for FY07. He said that he hopes the high claims trend for MNHG is a one-time event.

Larry Barton moved to adopt Funding Scenario C.

Motion

Pauline Paste seconded the motion. The motion passed by unanimous vote.

Tony Logalbo talked about technology-driven costs. He said these costs will continue to increase and that some employees would not be able to afford coverage in the future. He said the Steering Committee suggests looking into low premium plan designs as alternatives and reporting back to the Board on this in early fall 2006.

Paul Cohen asked the health plan representatives about typical plan designs in the private sector.

Bill Hickey said that the private sector has higher co-pays and has added co-pays to more services. He talked about the Consumer Driven Health Plans (CDHPs) and said that when these are offered as options, they work best when the employer contribution is based on the CDHP and employees must buy up to the other options.

Maria Chandler said that Tufts has had innovative plan designs and that they are now coming out with Advantage plans that have front-end deductibles. She said the Advantage plans are considered CDHPs Tufts HP has a portfolio of plans under the Consumer Driven Health Products, such as Liberty, Navigator, Choice Copay and now Advantage EPO. She said employees enrolled in these new plans would receive Explanations of Benefits (EOBs) showing full the billed and allowed charges and member responsibility for the cost of services.

Carol Cormier asked Ms. Chandler if Tufts could provide EOBs on the current HMO plans.

Maria Chandler said she would look into this.

Steve Hemman moved to authorize the Steering Committee to explore low-premium plans.

Motion

Jerry Martin seconded the motion. The motion passed by unanimous vote.

Groton Dunstable Regional School District’s (GD RSD) application for membership:

The following representatives of the GD RSD were present: Superintendent Alan Genovese; Director of Business & Finance, Craig Young; and Benefits Administrator Jeanne Mitchell.

Carol Cormier said that District is seeking membership for June 1st 2006. She reviewed the data received on GD RSD and compared the claims costs per member to that of MNHG. She reviewed the benefit comparison noting very few differences between MNHG and GD RSD.

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Paul Cohen said the Steering Committee reviewed the data and recommends that the Board offer the District membership at the Clinton rates with a one-time new member fee of \$15K.

Craig Young asked about the timing of notification to the Board of the District's decision.

It was agreed that GD RSD would have to notify the MNHG by March 31st about whether it accepts membership or not for a June 1 effective date.

Valerie Jenkins moved to offer the Groton Dunstable Regional School District membership in MNHG effective June 1, 2006 at the rates paid by the Town of Clinton for FY07 and then surcharged at the same levels for FY08. She further motioned to assess a one-time new member fee of \$15,000.

Jerry Martin seconded the motion. The motion passed by unanimous vote.

Motion

Narragansett RSD request to add participation of Town of Phillipston:

Steve Hemman said that Town of Phillipston entered into a joint purchase agreement with Narragansett RSD and wishes to have access to the MNHG health plans. He said that Narragansett would represent the town on MNHG which has only eleven health plan enrollees.

Carol Cormier said that she was able to learn that there are no high cost claims among the Phillipston enrolled population.

Pauline Paste moved to allow Narragansett to add Town of Phillipston to its membership and to represent the Town on the MNHG Board effective March 31, 2006.

Motion

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

Fitness Reimbursement Benefits:

Bill Hickey presented the Harvard Pilgrim proposal to add a fitness reimbursement benefit on June 1st. He said that the benefit would be for up to \$150 per calendar year per contract for reimbursement for membership fees in a fitness club provided that the member has been in both HPHC and the fitness club for at least four months at the time the request is made.

Maria Chandler said that Tufts proposes the same benefit but could also offer the benefit at the member level.

Rob Anderson said that the FCHP Fitness reimbursement benefit, "It Fits", is \$100 Individual / \$200 Family per calendar year. And the benefit now includes reimbursement for town and school sponsored sports fees for kids.

The Board reviewed cost estimates of the benefits assuming 6% of the subscribers take advantage of it.

Valerie Jenkins moved to add the HPHC and Tufts fitness club reimbursement benefit of \$150 per subscriber per calendar year starting on June 1, 2006.

Motion

Jerry Martin seconded the motion. The motion passed by unanimous vote.

Medicare RDS Update:

Carol Cormier said that the new application for the Retiree Drug Subsidy (RDS) would be filed for the policy year FY07. She said she would request quarterly reimbursements rather than the annual reimbursement. She said that GBS was getting ready to send the data to Tufts and HPHC in order for their actuaries to do the attestations.

Health Plan Reports:

Harvard Pilgrim Health Care - Bill Hickey said that he is working with the employers to schedule representation at health fairs for open enrollment. He said that he encouraged employers to schedule early and to schedule disease screenings.

Tufts Health Plan - Maria Chandler said that she agreed with Bill Hickey regarding scheduling representation and screenings for open enrollment health fairs.

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Fred Winer, Tufts Retiree Products, distributed literature on the new Tufts Advantage plans.

Fallon Community Health Plan - Rob Anderson talked about the new feature, *Nurse Connect*. He also said that Nashoba Medical Center is now a participating provider on the commercial HMOs but not for the Fallon Senior Plan.

In response to an inquiry by Tony Logalbo, Rob Anderson said there is nothing in Chapter 32B that specifically prevents municipal employers in Massachusetts to contribute to Health Savings Accounts (HSAs). He said that there is no specific guidance on this from the Division of Insurance. He offered to review this question further and report back to Tony with any additional information.

Other Business:

Paul Cohen said Town of Harvard has adoption of MGL Ch. 32B, Section 18 on the Town Meeting warrant for a July 1, 2007 effective date.

Tony Logalbo requested that, as in years past, the MNHG authorize a stipend to Town of Concord for provision of Treasurer’s services to MNHG. He said that he would propose a \$6,000 stipend.

Larry Barton moved that MNHG pay to the Town of Concord a stipend of \$6,000 for Treasurer’s services.

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

Motion

There was no other business.

Steve Hemman moved to adjourn.

Motion

Jerry Martin seconded the motion. The motion passed by unanimous vote.

Chair Paul Cohen adjourned the meeting at 12:30 P.M.

*Prepared by Carol Cormier
Group Benefits Strategies*