

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, February 3, 2010 at 10:15 a.m.

Primary & Alternate Board Members Present:

Gerald Martin, Chair	North Middlesex Regional School District
Judy Belliveau	Lincoln-Sudbury Regional School District
Anthony Logalbo	Treasurer, MNHG
Denis Callahan	Town of Ayer
Melisa Doig	Town of Ayer
Donna Madden	Town of Bolton
Valerie Jenkins	Town of Groton
Cheryl Gariepy	Town of Lancaster
Michael Hartnett	Town of Pepperell
Lorraine Leonard	Town of Harvard
John Flaherty	Concord-Carlisle Regional School District
Patrick McIntyre	Town of Clinton
Pamela Landry	Town of Stow
Kerry Colburn-Dion	Town of Tyngsborough

Guests Present:

Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Jim Delisle	Tufts Health Plan (THP)
Fred Winer	Tufts Health Plan (THP)
Rob Anderson	Fallon Community Health Plan (FCHP)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

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

Approval of the minutes of the December 16, 2009 Board meeting:

Donna Madden moved to approve the minutes of the December 16, 2009 Board meeting.

Motion

Valerie Jenkins seconded the motion. The motion passed by unanimous vote.

Proposed Website Maintenance Service Agreement Renewal:

Judy Belliveau moved to approve the one year renewal of the proposed Website Maintenance Service Agreement with an annual fee of \$1,350 to be paid in three installments of \$450 in March, July and November of 2010.

Donna Madden seconded the motion. The motion was approved by unanimous vote.

Motion

Tony Logalbo joined the meeting.

GBS Reports:

Funding Rate Analysis by Plan - Carol Cormier reviewed the Funding Rate Analysis report for FY10 with data through December of 2009. She said the composite expense-to-funding ratio was 1.007 on a paid basis. She said that the Harvard Pilgrim EPO & PPO and Tufts EPO plans were under-funded and running a 1.01 to 1.10% deficit. She said that on a paid basis there is a shortfall of funding overall of about \$165K.

Ms. Cormier called attention to the Retiree Drug Subsidy payments and said that they are reconciled through 2008. She said that MNHG is getting over \$300K from the RDS per year.

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that the Level Monthly Deposits (LMD) for October through December exceeded actual expenses by \$213,064. Ms. Cormier said that the credit with Harvard Pilgrim would be taken off of the next LMD payment.

myMedicationAdvisor (MMA) – Carol Cormier reviewed the MMA report for the year from November 2009 to October 2010 and said the Group had a cumulative savings of \$38,792 through December 2009. Ms. Cormier said that 117 scripts were purchased through the import program. Ms. Cormier said that the MMA budget for next year projects a net savings of \$130,218.

Stop Loss Reports – Ms Carpenter reviewed the excess report for the CY09 policy period. She said that there are four claimants with total paid claims of \$2,110,356. Ms. Carpenter said the Aggregating Specific Deductible of \$100K has been met. She said that a total of \$860,320 has been received to date and that there is a total of \$36 in reimbursements due the Group. Karen Carpenter reviewed the report of claims at 50%+ for the CY09 policy period with claims paid through December 2009. She said that for this year there are eleven claimants with total paid claims of \$2,773,474.

Treasurers Report:

Tony Logalbo distributed the unaudited financial statements for January 31, 2010 and said that the financial statements for December are in the meeting packet. Mr. Logalbo said that the Uncommitted Fund Balance was \$2.8M as of January 31, 2010. He said the fund balance target was \$5.7M. Mr. Logalbo said that the fund balance has increased slightly over the past two months and said that the health claims are higher this year than last year.

FY11 Rate Projections:

Carol Cormier said that the Steering Committee met last week and discussed ways to make the Rate Saver plans more appealing to the employees. Ms Cormier said the enrollments in Rate Savers are low. Ms. Cormier said that the proposed rates are not based on the experience of these plans but rather on the actuarial values. Ms. Cormier said that the actuarial value of the Rate Saver plans is 10% lower than the value of the Legacy plans. Ms. Cormier said that the Committee discussed discounting the Rate Saver plans an additional 5%.

Ms. Cormier reviewed FY11 Funding Scenario E and said that the rates are based on a 10% to 11% medical cost trend.

Valerie Jenkins made a motion to approve Scenario E using approximately \$550K from the Fund Balance with a 15% differential between Legacy and Rate Saver plans and with rates rounded up to the nearest dollar.

Motion

Judy Belliveau seconded the motion. The motion was passed by unanimous vote.

Health Plan Reports:

Harvard Pilgrim Health Care (HPHC)-

Bill Hickey, Account Executive for HPHC, said that the state may be asking for a surcharge to help with covering the cost of the H1N1 vaccine for children.

Tufts Health Plan (THP) –

James Delisle, Manager of Client Services for THP, said that there has been no direction received from the state regarding a line item on the funding statement for the Health Safety Net. He said that he would keep the Group informed of any updates.

Mr. Hickey said that the universal line item is primarily for the H1N1 vaccine.

Tony Logalbo asked the health plans for a report of all 2009 surcharges with the total paid. Mr. Logalbo said that it would be useful to see how much of the health care cost is not actual claims.

Mr. Delisle said that Melissa Connell will be the interim Account Manager for the Group in Emily Savaria's absence. He said that Jesse Kline would be available, too.

Fred Winer, Account Executive for Tufts Senior products, said that new health plan cards will be sent to the members of the Tufts Medicare Complement and Medicare Preferred plans. Mr. Winer said that the social security numbers on the cards are being replaced with generic ID numbers. Mr. Winer said that he would send Carol Cormier a communication for distribution.

Fallon Community Health Plan (FCHP):

Rob Anderson, Account Executive for FCHP, said that Fallon will be moving to a new computer system that will allow the health plan to provide a higher level of support to providers, members and employers. Mr. Anderson said that there may be some initial enrollment delays but said that the claims information should not be delayed.

Mr. Anderson said that the standard benefit for the fully insured Fallon plans is a \$0 co-pay for the annual wellness physical and said that it encourages healthy behaviors. Mr. Anderson suggested that the Group could consider adopting this for the Fallon Rate Saver plans.

Carol Cormier said that if the MNHG were to do this, it would be good to do this across all of the Rate Saver plans. Ms. Cormier said that changing the benefit would require notification to the unions, but since it would be an added benefit, she said that it would most likely not be contested. Ms. Cormier said that the Board could vote today subject to change after notifying the unions. Ms. Cormier said that once the bargaining obligations have been met, the change could take effect.

Lorraine Leonard asked Ms. Cormier if she could send out a sample letter that could be used to send to the unions.

Ms. Cormier said that she would send a sample letter to the Board.

Ms. Cormier asked the health plans to find out what they would need to do to make the change.

Jim Delisle said that Tufts would be able to accommodate the change.

Carol Cormier asked Rob Anderson to clarify how Fallon defines the annual physical and what codes they use. She said that it might be possible that the other health plans could define it in the same way.

Tony Logalbo made a motion to change the benefit design of the Rate Saver plans by changing the annual wellness visits to a \$0 co-pay subject to collective bargaining and health plan implementation. Mr. Logalbo said that implementing the change would require each of the units to report back by March 5, 2010 stating that their bargaining obligations have been met.

Motion

Patrick McIntyre asked how the change would affect the administrative fees.

All of the health plan representatives said that the change would not affect the administrative fees.

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

Tony Logalbo asked Carol Cormier to send an email to the Board to notify them once the health plans give their approval that the change can be made.

Other Business:

Lorraine Leonard made a motion to adjourn the meeting.

Motion

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

Jerry Martin adjourned the meeting at 11:10 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*