

## MINUTEMAN NASHOBA HEALTH GROUP

### Board Meeting

Groton Public Library  
Groton, Massachusetts

Meeting Minutes

Wednesday, April 12, 2006 at 10:15 a.m.

#### Primary & Alternate Board Members Present:

Paul Cohen, Chairman  
Michael Hartnett  
Pauline Paste  
Denis Callahan  
Melisa Doig  
Margaret Dennehy  
Edward Orenstein  
John Flaherty  
Lorraine Leonard  
Stephen Hemman  
Pam Landry

Town of Harvard  
Town of Pepperell  
Lincoln Sudbury Regional School District  
Town of Ayer  
Town of Ayer  
Town of Boxborough  
Case Collaborative  
Concord Carlisle RSD  
Town of Harvard  
Narragansett R.S.D.  
Town of Stow

#### Guests Present:

Rob Anderson  
Bill Hickey  
Maria Chandler  
Fred Winer  
Carol Cormier  
Lisa Trombly

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

Chair, Paul Cohen called the meeting to order at 10:15 a.m.

#### Approval of the minutes of the February 15, 2006 meeting:

Lorraine Leonard moved for approval of the Board meeting minutes of the meeting of February 15, 2006.

Motion
--------

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

#### Treasurer's Report:

##### Financial Reports as of February 28, 2006 -

Paul Cohen said that Treasurer Tony Logalbo was unable to attend the meeting. Mr. Cohen reviewed the Balance Sheet of February 28, 2006, (unaudited figures). He reported an uncommitted fund balance of \$1,318,680. He said that the fund balance target as of 2/28/06 was \$3.7 million. Mr. Cohen noted that the Fund Balance is declining and would need to be watched closely.

Carol Cormier stated that the high cost claims are driving the fund balance down.

#### Group Benefits Strategies Reports:

Funding Rate Analysis by Plan Type – Carol Cormier reviewed the report and said that the funding for the majority of the plans is not sufficient to cover the expenses. She said the estimated funding shortfall was 2.2% on a paid basis. Ms. Cormier stated that the MCP and HPHC EPO plans were running well.

Margaret Dennehy said that last year the MNHG made a conscious decision to use some of the Trust Fund balance to reduce the rates. She asked about the impact of that decision.

Carol Cormier said the impact was not good but that the projections had more favorable than actual claims experience. She referred again to the impact of the individual high cost claims.

Stop Loss Reports – Ms. Cormier reviewed the FY05 policy report with claims paid through February 2006. She stated that there were 8 claimants totaling over \$1.7M in claims. Ms. Cormier said that the excess is \$562,479. She said there are 19 claimants at 50% with claims totaling \$1.9M.

Ms. Cormier said that the MNHG employers need to be sure that they have policies in place regarding leaves of absence which must state clearly the length of time allowable to be out of work on leaves of absence with and without pay. She explained that the reinsurance carriers have become particular about this.

Carol Cormier reviewed the FY06 Stop Loss report and said there is 1 claimant in excess and 1 claimant at 50%.

**Prescription Benefits Services (PBS) report on *myMedicationAdvisor*® program:**

Carol Cormier said that PBS reports each month on how the program is doing compared to the projections. She said instead of running at a deficit at the end of February as projected, the Group showed savings. She told the Group to be prepared because this is still very early. Ms. Cormier also said that the units should be helpful to MMA representatives to schedule future sessions with employees and retirees.

**Status of Applicants to MNHG:**

Groton-Dunstable Regional School District:

Paul Cohen reviewed the letter sent to MNHG by Groton-Dunstable Regional School District (GDRSD) Superintendent, Dr. Alan D. Genovese. He said that GDRSD was declining to join MNHG at this time mostly due to the fact that they had recently negotiated co-payments that were lower than those of MNHG and that they had achieved significant savings by signing a contract directly with Harvard Pilgrim Health Care.

Steve Hemman said that he spoke to Alan Genovese regarding the future. He said that Dr. Genovese said that GDRSD appreciated the opportunity to join MNHG and remains interested in considering membership in the future.

Town of Phillipston:

Paul Cohen asked about status of Town of Phillipston as a member through Narragansett RSD (NRSD).

Steve Hemman stated that things were going well. He explained that Phillipston and NRSD entered into a joint purchase agreement to allow the Town to have participation in MNHG through the representation of NRSD. He said that the process of the conversion was moving along well and that representatives of GBS had met with the Town and NRSD the day before to go over administrative procedures.

Town of Lunenburg:

Mr. Cohen said that Town of Lunenburg has expressed some interest in joining the group and wanted to know if there were any objections to sharing the MNHG information with them so that they can make an assessment.

Carol Cormier said that the Town will probably be putting health insurance coverage out to bid and that the Town of Lunenburg has HMO Blue, which would need to be compared to what MNHG offers. She said this would be done with each health plan offered by the Town of Lunenburg and MNHG.

Mr. Cohen said since there were no objections that GBS should proceed with an analysis.

**Open Enrollment Issues:**

Carol Cormier reviewed the health plan enrollments and the enrollment by plan by governmental unit as of April 10, 2006. She said there are a total of 3,252 active plan enrollments and 793 retiree plan enrollments for a total of 4,045.

**Plan Design Issues:**

Carol Cormier explained some possible benefit changes for FY07 and estimated claims decrements associated with those changes. She said that if all the changes listed were adopted, that the savings would be as highlighted on the handout and would total a decrease to claims expense of 7.4% for Tufts EPO plans, 9.6% for HPHC EPO plans and a decrease of 8.5% for the Fallon plans. She said the decrease for the Tufts POS plan was estimated to be 5.6% and 7.9 for the Harvard Pilgrim PPO plan. . She said that these estimates were very preliminary and would need to be re-calculated based on group-specific data.

Ms. Cormier then reviewed the” low benefit plan options and savings using the price impact provided by health plans for the West Suburban Health Group (WSHG), January 2006. She said the WSHG was considering adding these so-called “lite” plans to the current menu of benefit plans.

Paul Cohen asked if a comparison of benefits could be put together for the MNHG Steering Committee to review based on group-specific data.

Ed Orenstein asked Carol Cormier if she thought many people would want to switch to these “lite” plans.

Carol Cormier said that it would depend on the employee but that it would at least give the employee another option to review. She said that she recommends going for a benefit change, for example with adjusted co-payments, and work with the unions to make the changes. Ms. Cormier said that if the Group chose to do the benefit changes to current plans and some unions did not want to get on board, then the employer would have to make those employees whole through a reimbursement mechanism but she also said, the employer would have the right to charge those union employees the rates that would have been in place had the benefit changes not occurred. She said that this was the advice that counsel had given to another joint purchase group a few years ago when it implemented benefit changes. She said the MNHG needs to get more involved with disease management programs and wellness programs in order to control high cost claims. She said that reducing risk is the most effective cost-control strategy.

There was a discussion about co-pay options and deductibles.

Maria Chandler, Tufts Health Plan, said that Tufts was available to answer any questions at the IAC meetings if any of the towns were interested.

Carol Cormier asked the Group if it was interested in holding a super IAC meeting as had been done in the past when MNHG had undergone large changes to benefit plans. Ms. Cormier said the Group may want to target early fall and utilize the Health Plan Representatives for assistance.

There was additional discussion on revamping the MNHG website so that it was more modern and up-to-date.

**Medicare Plan Issues:**

Carol Cormier gave an update on the Retiree Drug Subsidy (RDS) application for 6/1/06- 5/31/07. She said there were more plans filed than previously and that all plans passed the actuarial net value test. .

*Section 18:* Ms. Cormier said that the Town of Harvard adopted Section 18 and other towns are reportedly in the process. Carol Cormier suggested that the Board authorize an actuary to undertake an actuarial comparability study of the plans offered by MNHG to make sure that the senior plans are actuarially comparable to the active employee plans as required by Section 18. She said that The Segal Company had recently done such a study for West Suburban Health Group and that the MNHG plans were very similar to those of WSHG  
There was a brief discussion.

Pauline Paste made a motion to pursue the actuarial study with the Segal Company and when doing so, to not exceed a fee threshold of \$5,000.

Motion
--------

Ed Orenstein seconded the motion. The motion passed by unanimous vote.

**Health Plan Reports:**

Fallon Health Plan – Rob Anderson asked that an amendment be made to the minutes of the February 15, 2006 under the “It Fits” information he provided. He said the minutes should say that Fallon reimburses the member for a fitness club membership at \$100 per Individual plan and \$200 per Family plan even if only one family member participates.

Mr. Anderson said that the health fairs were going well.

Rob Anderson said that enrollments on the Fallon DirectCare® plan are low and that the towns would save money if they could get more employees to switch from the SelectCare® plan over to the DirectCare® plan.

Carol Cormier stated that the “Peace of Mind” program allows members to go to Boston area providers for specialist and tertiary care and is part of the DirectCare and SelectCare programs. She said this knowledge could create incentives for the lower cost DirectCare option.

Harvard Pilgrim Health Care - Bill Hickey said that he has been attending a lot of the health fairs and offered his assistance at any meetings and to set up screenings.

Tufts Health Plan – Fred Winer announced that Peter Stoner had left Tufts to join Fallon Health Plan. He said the new manager of Group Sales Senior Plans is Mary Bartkiewicz.

Maria Chandler stated that at the previous Board meeting Ms. Cormier had asked if Tufts plan members could review their explanation of benefits on line and Ms. Chandler said she was happy to report that they do have this option available and they can also view their claims history.

Maria Chandler said that the health fairs are going very well and she is also available for meetings and to arrange for screenings.

**Other Business:**

Pauline Paste asked Carol Cormier if she knew how many towns were starting to think about GASB45 and if any requests for proposals had been done yet.

Carol Cormier said that Town of Groton had a study done recently using Angell Pension Group of Rhode Island. She said that GBS has arranged for discounted fees from Angell and from Milliman of Windsor, CT for GASB45 actuarial work for its clients.

Paul Cohen said that he will check with MMA about GASB45 as well.

Mr. Cohen said that Pauline Paste will be retiring from the Steering Committee so if anyone is interested in serving on the Committee they should send an email to him. He said the Steering Committee will have two seats vacant.. Ms. Paste said that her replacement at Lincoln Sudbury RSD has expressed interest in serving on the Steering Committee.

Paul Cohen said that the next Steering Committee meeting is scheduled for May 31, 2006 at 2:00 p.m. at the Harvard Town Hall.

Mr. Cohen scheduled the next Board meeting for June 7, 2006 at 10:00 a.m. at the Groton Public Library.

There was no other business.

Lorraine Leonard moved to adjourn.

Motion
--------

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

Chair Paul Cohen adjourned the meeting at 11:25 A.M.

*Prepared by Lisa Trombly  
Group Benefits Strategies*