

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, April 28, 2004 at 10:00 a.m.

Primary & Alternate Board Members Present:

Evan Katz, Chairman
Denis Callahan
Stanley Smith
Tony Logalbo, Treasurer
Valerie Jenkins
Kimberly Goodwin
Carol Vogel
David Desgroseilliers

Town of Harvard
Town of Ayer
Town of Boxborough
Town of Concord
Town of Groton
Lincoln-Sudbury Regional School District
Town of Stow
Town of Tyngsborough

Guests Present:

Paula Martin
Gerry Martin
Robert Anderson
Linda Crumlin
Paul Lazar
Bill Hickey
Maria Chandler
Meredith Smith
Carol Cormier
Joelle Carlberg

Town of Groton
North Middlesex Regional School District
Fallon Community Health Plan (FCHP)
Fallon Community Health Plan (FCHP)
Harvard Pilgrim Health Care (HPHC)
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Chair Evan Katz called the meeting to order at 10:25 a.m.

Approval of the minutes of the March 10, 2004 meeting:

Tony Logalbo moved to approve the Board meeting minutes of March 10, 2004.

Motion

Carol Vogel seconded the motion. The motion passed by majority vote.

Fallon Community Health Plan presentation on Disease Management Programs:

Rob Anderson introduced Linda Crumlin, Assistant Director of Disease Management at FCHP.

Linda Crumlin thanked the Board members for asking her to present FCHP's disease management programs. She said disease management is a systems approach to health care delivery for members with chronic illnesses.

Ms. Crumlin talked about identifying members in need of disease management services. She said through claims data, pharmacy utilization and referrals, the targeted population is stratified into low and high-risk groups. She said both groups receive educational material. She said the high-risk group receives phone calls from an RN Care Manager, who provides further education on ways to manage their disease, including signs and symptoms, diet, activity and medications. She said via telephone, the care manager regularly monitors the member's status based on the member's acuity level.

Ms. Crumlin said the Disease Management Programs at FCHP are: Asthma, Congestive Heart Failure, Coronary Artery Disease, Depression and Diabetes. She provided an overview of each program. She said the largest program is the Diabetes program with 1,600 members. She said the other programs have fewer members. She mentioned that starting this year (July 2003), FCHP began running the Diabetes program internally.

Evan Katz said the Board previously heard presentations from the other health plans. He said he did not remember hearing about a disease management program for Depression.

Ms. Crumlin said Depression accounts for 80% of behavioral health admissions at FCHP. She said members with chronic diseases are prone to depression, and it is important to catch early onset of depression.

Tony Logalbo asked if the participation figures in the presentation include MNHG members.

Ms. Crumlin said that the participations figures do include MNHG members.

Ms. Crumlin mentioned that 30% of the members that are contacted would not participate in the programs. She said FCHP tries to inform members that these programs are positive, do not cost anything and are beneficial to them.

There was a discussion.

Ms. Crumlin said that she would send Carol Cormier the number of MNHG members participating in the programs.

Carol Cormier asked about the Asthma programs and if there is a Pediatric Asthma Program.

Ms. Crumlin said there is one care manager that handles the Asthma program for both adults and children.

Paul Lazar and Bill Hickey arrived at this time.

Dave Desgroseilliers asked if FCHP measures whether or not people are living longer because of these programs.

Linda Crumlin said there is a survey performed, which gives a sense of improvement, but not longevity. She said that would be a good thing to measure.

Paula Martin asked if there is a common age that participates in the programs.

Ms. Crumlin said typically the older population participates and likes the programs. She said the younger population is constantly "too busy" or just do not recognize the seriousness of their disease.

Mr. Katz thanked Ms. Crumlin for her presentation.

Treasurer's Report:

Financial Reports as of March 31, 2004 -

Tony Logalbo reviewed the Balance Sheet of March 31, 2004, (unaudited figures). He reported total assets of \$4,530,837 and total liabilities of \$2,665,160 on March 31st. Mr. Logalbo said that the Uncommitted Fund Balance on March 31, 2004 was \$1,865,677 just short of the targeted figure.

Mr. Logalbo said the annual audit process showed that the end of year IBNR target has been pretty accurate.

Mr. Logalbo reviewed the Uncommitted Fund Balance chart, which shows the change in fund balance position from month to month throughout the fiscal year. He said the last three months have been fairly stable. He said the April claims were on the lower than average side. He said the Group would probably end the year in this position, maybe higher.

Mr. Logalbo said that at the last meeting, there had been talk of using the fund balance for investment purposes. He said he invested \$1 million in a one-year CD at North Middlesex Savings with a 2% interest rate. He said he would probably take another \$500K to invest in a six month CD.

GBS Reports:

HPHC Level Monthly Deposit - Quarterly Accounting -

Ms. Cormier reviewed the HPHC Level Monthly Deposit Report. She said for the third quarter, the Group had a debit balance of \$4,347. She said actual paid claims for the third quarter totaled over \$1.1 million.

Paul Lazar asked if the actual paid claims and the level monthly payments have been pretty close.

Ms. Cormier responded affirmatively.

Funding Rate Analysis by Plan (FY04) -

Ms. Cormier reviewed the Funding Rate Analysis Report for FY04 with claims paid through March 2004. She said the only plan that was under-funded was the HPHC PPO/OOA plan. She said that overall, across all plans, expenses were 90.4% of funding. She said there was an overall estimated funding surplus at the end of March of \$1,389,196.

Stop Loss Reports -

CY2003

Ms. Carlberg reviewed the report for the 2003 calendar year policy period with claims paid through March 2004. She said that one member had exceeded the \$150,000 specific deductible to date. She said the claims totaled \$162,472 and the total reimbursements were \$12,472. She said that there were seven members with claims between 50-100% of the specific deductible of \$150K. She said the total claims were \$703,875, a decrease of over \$42K from the prior month.

Evan Katz asked why there was a decrease in claims.

Ms. Carlberg said that the decrease was due to a credit from an overpayment on one of the claimants. She said she could find out additional information on this particular claimant.

Same-Sex Marriage in MA -

Carol Cormier said that the Supreme Judicial Court (SJC) ruling that same-sex couples can legally marry in Massachusetts is scheduled to take effect on May 17, 2004. She said GBS sought advice of legal counsel relative to this topic. She said Chapter 32B does not define "spouse" and neither do the Plan Descriptions. She said, therefore, it is her understanding that beginning May 17th, the spouse of a same-sex marriage will be eligible for benefits. She said the marriage, she believes, would be a qualifying event, so the spouse could come onto the employer group health plan off-anniversary.

Ms. Cormier talked about the federal tax impact on employers and employees since the federal government will not recognize Mass. same-sex marriage. She said at this point, employers might want to handle the deductions as if the employee was on an individual plan. She said once she has more information on this topic, she would email the entire Group.

Ms. Cormier mentioned the issue of COBRA, which is a federal statute, and the fact that employers will not be required to offer COBRA to same-sex couples. She said GBS handles the COBRA Administration for MNHG. She said the SJC ruling is a state law and separate from federal guidelines. She said GBS will administer the COBRA according to the federal guidelines, which means GBS will not offer COBRA to same-sex spouses. She said if an employer chooses to treat all employees the same and would like to extend COBRA rights to same-sex spouses, then GBS would require a written notice stating that the employer would like same-sex spouses to be eligible.

Ms. Cormier called attention to the letter from legal counsel, which confirms the information she has been giving to her Groups relative to this topic. She said a communication would also be sent from President of GBS, Jack Sharry regarding GBS's position on COBRA administration.

There was a discussion.

Tony Logalbo distributed written opinions on this topic from a consulting firm and said that he does not think that special enrollments need to be afforded to the same sex spouses since qualifying events come from federal laws. He recommended that this topic be referred to the Finance/Steering Committee. He said the Finance/Steering Committee could review the issue and find answers to the questions that the Group has, possibly through an Attorney.

There was a discussion about pre-tax deductions.

Evan Katz said that he would be attending a Mass. Government Finance Officials Association (MGFOA) meeting on May 14th and there would be a speaker for this topic.

Medicare Rx Benefit -

Ms. Cormier said that some employers have inquired about the Medicare Prescription Drug Discount Card. She said the Medicare Rx Discount Card has no value for retirees who are on group health plans where the coverage for Rx is very good. She said employers should advise retirees with this inquiry that buying the Medicare Rx Discount Card would be a waste of their money. She said it is designed for people who do not have prescription drug coverage.

Evan Katz asked Ms. Cormier to send this to the Board members via email.

Tufts - Out of Area Members enrolled on EPO plan -

Carol Cormier said that it has been brought to her attention that there are two Town of Concord members enrolled on the Tufts EPO plan that are living out of the service area. She asked Joelle Carlberg to speak to this issue.

Ms. Carlberg said that Ruth Lynch, Manager of Enrollment and Billing at GBS, has had several conversations with Linda Clark, Personnel at the Town of Concord, in regards to this issue. She said there were two EPO contracts that have members that reside out of the service area. She said according to the GBS records, one lives in NH and one has a PO Box in MA listed as the address. She said apparently Linda Clark has mailed notices to these members explaining that they are not eligible to be enrolled on the plan, but she has received no responses. She said someone must send a letter to the members stating that their coverage will be terminated if they do not respond to the notice. She said Tufts has explained that since the Group is self-funded, then the letter should come from the Town or the Group.

Ms. Cormier said her opinion is that Tufts should send the communication to the member.

Meredith Smith said that Tufts has a "service area" and an "extended service area". She said the extended service area extends to NH, but covers only a small area. She said for the HMO (EPO) plans, members are required to reside in the network or service area, so that they will have access to the providers in the network.

Rob Anderson said that FCHP is a bit more lenient on this issue. He said even though HMO members are restricted to a network, according to the FCHP guidelines, a member can reside out of the network as long as he/she uses network providers. He said in some cases, employees live just outside of the network area, but are still close enough to receive care in-network.

Paul Lazar said if there were a question of residence, HPHC would send a notice to the member explaining that they are not eligible due to the fact that they reside out of the service area. He said if there were no response from the member, HPHC would terminate the coverage and send another notice to the member explaining that the coverage has been terminated.

There was a discussion.

Ms. Smith said that THP would certainly send a notice to the member explaining the eligibility requirements. She mentioned that THP has a zip code file for all the cities and towns in the network.

Maria Chandler asked Joelle Carlberg to send her the names and identification numbers of the members living out of network.

Tony Logalbo asked that he be copied on the emails that GBS sends to Linda Clark at the Town and THP.

Joelle Carlberg said she would email the information to Maria Chandler with a copy to Ms. Clark and Mr. Logalbo.

Dave Desgroseilliers suggested that a letter be sent to employers to be aware of changes of address and the network issues involved with certain plans.

Open Enrollment Update:

Evan Katz said this item was put on the agenda in order for Board members to express concerns with open enrollment issues or provide an update.

There was nothing to report.

Update on FCHP self-funding arrangement:

Evan Katz said that things were going smoothly with the FCHP transition from an insured financial arrangement to a self-funded financial arrangement.

Carol Cormier said GBS has been dealing with Julia Lebrun at FCHP. She said there is one delay. She said Fallon would not be able to provide electronic claims data to GBS until September. She said therefore, in September, GBS would receive paid claims for June, July and August. She said FCHP has some programming issues to deal with. She said this shouldn't be a problem.

Ms. Cormier said she would do a complete review of the contract this week. She said so far it looks good other than the language about ERISA. She mentioned that all FCHP members would receive new ID cards.

Mr. Katz thanked Carol Cormier, Tony Logalbo, Rob Anderson and the other FCHP representatives, who have been involved in this process, for their hard work with putting this on a fast track.

North Middlesex Regional School District application for membership:

Evan Katz said the Group had received an official letter from NMRSD requesting membership. He thanked Gerry Martin for attending the meeting and asked if he had any input.

Gerry Martin confirmed that he had sent the official letter from the appropriate public authority. He said the NMRSD Insurance Advisory Committee (IAC) has also signed up in favor of this.

Carol Cormier gave a preliminary review of the NMRSD data in comparison with MNHG data. She said the Finance/Steering Committee would meet to review this in greater detail. She said Mark Nicholson, who has been NMRSD's consultant for years, has always said that the rates are higher than the actual costs for NMRSD. She said the preliminary data on NMRSD compares well with MNHG for the Tufts plan but that it appears that the experience for the HPHC plan for NMRSD is higher than that of MNHG. She said that GBS would review claims back another year to see if this is an aberration.

There was a discussion.

Mr. Katz asked what the difference in rate would be from a \$5 co-payment to a \$10 co-payment.

Carol Cormier said BCBS has told her it is 1%.

Ms. Smith said for THP it is 1%

Mr. Lazar said for HPHC it is 1.7%.

Mr. Katz thanked Ms. Cormier for the initial overview of the NMRSD data. He said the Finance/Steering Committee would look at this in greater detail within the next couple of weeks.

Gerry Martin said NMRSD is open to the possibility of having higher rates if they were to come on Board with the Group.

Mr. Katz told Mr. Martin that he was welcome to attend the next Finance/Steering Committee meeting.

Ms. Cormier said she would break the reports down into more detail.

Discussion about Out-of-Area (OOA) plan rating:

Evan Katz called attention to the letter from the Town of Groton Selectmen. He said the letter expresses the Town's concern with the high OOA plan rates. He asked Valerie Jenkins if she would like to speak to this issue.

Valerie Jenkins said she was actually surprised by the IAC and Selectmen's letter. She said there were questions from early retirees that thought about moving out of the area. She said she has one retiree who lives in NH, but is enrolled on the HPHC EPO plan.

Evan Katz asked the Board members if there was any input from their employees/retirees that are enrolled on the OOA plan.

Kim Goodwin said she has four people enrolled on the OOA plan. She said one of them is switching to another plan because she is living back in the service area. She said overall, the retirees would like to see a cheaper alternative.

There was a discussion about the OOA plan and the members that may be eligible for the EPO plans instead.

Carol Cormier reviewed the different rate adjustments to bring the OOA plan rates down.

Mr. Katz asked if there was any interest from the Board members in lowering the rates for the OOA plan.

Dave Desgroseilliers said he would prefer to freeze the rates as opposed to giving a rate decrease.

Ms. Cormier suggested that this issue be addressed in January, during the next rate-setting process.

Mr. Katz said the Finance/Steering Committee could discuss this issue and come back with a recommendation to the Board in June.

Health Plan Reports:

Tufts Health Plan -

Maria Chandler reviewed a report of the Primary Cost Drivers for MNHG.

There was a discussion about making future benefit changes.

Meredith Smith mentioned that the MNHG co-payments are on target with THP's book of business.

Evan Katz said that it was Meredith Smith's last meeting as Account Manager for THP and Maria Chandler would be replacing her. He thanked Ms. Smith for her hard work over the past few years and wished her the best of luck with the next phase of her life. He welcomed Ms. Chandler as the new Account Manager for THP.

Ms. Chandler said she looked forward to working with each and every employer in the Group. She told the Board members to contact her with any questions or concerns.

Harvard Pilgrim Health Care -

Paul Lazar said that this was also his last meeting as Account Executive, but probably not his last meeting. He said Bill Hickey would be the new Account Executive for HPHC.

Bill Hickey said he did not have business cards as of yet. He said once he had business cards, he would visit each employer in the Group and introduce himself. He said in the meantime, if anyone needed to contact him, his direct line is (617) 509-3437.

Mr. Hickey reviewed Plan/Pricing Alternatives for MNHG and the MA Large Group Benefit Designs at HPHC.

Mr. Lazar said the Plan/Pricing Alternatives were based on MNHG's population.

Mr. Lazar mentioned that HPHC would be releasing a tiered network plan. He said it would be tiered on the PCP level based on provider quality and cost. He said the Group could ask Mr. Hickey about this a few months down the road or Mr. Hickey could bring it up for discussion.

Carol Cormier said the tiered network plan is the "Patient Choice" concept.

Mr. Desgroseilliers asked if the Benefit Design chart included MNHG plans.

Mr. Hickey said the chart did not include MNHG plans. He said the chart essentially covers all the plans offered to HPHC Large Accounts. He said it is to give the Group a sense of value on plan design.

Fallon Community Health Plan -

Rob Anderson mentioned that FCHP was continuing negotiations with Health Alliance Medical Care System, which is in the Fitchburg area.

Bridges to Excellence Program (BTE):

Stan Smith said that he had met with the West Suburban Health Group (WSHG) Steering Committee in January. He said, at which time, Jessica Lorenzo gave a presentation on the BTE program. He said BTE is a program in which physicians are rewarded financially. He said the program is viewed as an extensive wellness program. He said the Steering Committee is having another meeting in May to discuss this topic; however, there is not much excitement about starting the program now. He said possibly October 1st or even next year.

Mr. Katz thanked Mr. Smith for researching this program on behalf of the Group.

Update on BCBSMA:

Evan Katz said that he and Carol Cormier had been exchanging information about BCBSMA. He said there was hope in finding a jurisdiction to come into the Group that currently offers BCBSMA products, but there has been no luck as of yet. He said BCBSMA is out there as a possible business partner.

Ms. Cormier said she spoke with a BCBSMA representative yesterday and gave her the MNHG's FY05 rates.

Mr. Katz said Ashburnham-Westminster had gone out to bid for health insurance for January 1st and the Town of Lunenburg, which is currently an all Blue (BCBSMA) account, was issuing an RFP for health insurance.

Other Business:

Carol Cormier talked about purchasing prescription drugs from Canada. She said the City of Worcester just launched a prescription drug-purchasing program. She said the City of Boston issued an RFP to solicit providers. She said the RFP is due back on May 7th and the target date for a new program is July 1st.

Maria Chandler distributed her business cards.

The next Board meeting was scheduled for Wednesday, June 23, 2004 at 10:00 a.m. at the Groton Public Library.

A Finance/Steering Committee meeting was scheduled for Wednesday, May 4, 2004 at 10:30 a.m. at the Bromfield School in Harvard.

There was no other business to discuss.

Tony Logalbo moved to adjourn the meeting. Dave Desgroseilliers seconded the motion.

Motion

The motion passed by unanimous vote.

Evan Katz adjourned the meeting at 12:35 p.m.

*Prepared by Joelle Carlberg
Group Benefits Strategies*