

Minuteman Nashoba Health Group

Board Meeting

Thursday, May 4, 2017 at 10:30 AM
Groton Center Fire Station
Groton, MA

Meeting Minutes

Board and Alternate Members Present:

Donna Madden, Chair	Town of Bolton
Patrick McIntyre, Vice Chair	Town of Boxborough
Tony Logalbo, Treasurer	Town of Concord
Melisa Doig	Town of Groton
Michael Hartnett	Town of Groton
Debbie Nutter	Town of Pepperell
Pam Landry	Town of Stow
Marie Sobalvarro	Town of Harvard
Kevin Johnston	Town of Ayer
Brandi Mahlert	Lincoln Sudbury RSD
Nancy Haines	North Middlesex RSD
Donna Bouchard	Narragansett RSD
Cheryl Gariepy	Town of Lancaster
Kerry Colburn-Dion	Town of Carlisle
Bev Beno	CASE Collaborative
Angel Wills	Town of Tyngsborough
John Kittredge	Town of Clinton
John Flaherty	Concord Carlisle RSD

Guests Present:

Marcy Morrison	MNHG Wellness Consultant
Sherry Kersey	Lincoln Sudbury RSD
David B. Nalchajian	Town of Harvard
Cindy Martineau	North Middlesex RSD
Anush Coates	Town of Carlisle
Susan Pray	Town of Carlisle
Chris Herrstrom	Town of Ayer
Jeremy Jenuskiewicz	Town of Ayer
Stephanie Oliver	Town of Concord
Marie McCahon	Town of Concord
Mark Andrews	Town of Pepperell
Dawn Dunbar	Town of Groton
Mark Haddad	Town of Groton
Julia Lebrun	Fallon Health
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
Bill Hickey	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies
Dan Craig	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Donna Madden, Board Chair, called the meeting to order at 10:30 AM.

Ms. Madden announced she will be retiring from the Town of Bolton on July 6, 2017, but will be working through the end of August. She also said she would stay on as the MNHG Board Chair through the end of December.

Ms. Madden asked everyone to introduce themselves.

Approval of the minutes of February 2, 2017:

Melisa Doig moved approval of the Board minutes of February 2, 2017.

Motion

Kerry Colburn-Dion seconded the motion. The motion passed by a unanimous vote.

Treasurer’s Report:

Treasurer, Tony Logalbo, reviewed a draft financial report through April 30, 2017 (unaudited figures) and said he would send the final report by email. Mr. Logalbo that the Fund Balance is below the target and noted claims were high in March. Mr. Logalbo reported a Fund Balance of \$3,924,916, about \$1.6M under the target established in the Fund Balance policy. He said that some of the reduction of the Fund Balance was intended but that it was greater than expected.

GBS reports:

Funding Rate Analysis Report (FRA) - Carol Cormier reviewed the FY17 FRA report with data through March, 2017. She said the expense-to-funding ratio on a paid claims basis was 103.3% with a funding shortfall of \$1,111,570. Ms. Cormier said that the GBS reports include only major expenses and rate revenue. She said they are paid claims, administrative expenses, and reinsurance premiums net of reimbursements.

Stop Loss Reports - Karen Carpenter reviewed the stop loss reports for the *FY16 policy period* with data updated on March 31, 2017. She said that there were three claimants with claims exceeding the specific deductible of \$300,000. She said the claims totaled \$1,692,938, and the excess amount was \$792,938. She said MNHG has been reimbursed \$786,217 to date. Ms. Carpenter said there were thirteen claimants on the report of claims at 50-100% of the deductible with total claims of \$2.447M.

Ms. Carpenter said that in the *FY17 polic period* as of January 24, 2017 there were 3 members with claims exceeding the \$300K specific deductible. She said the claims totaled \$1,132,347, and the excess amount was \$232,347. Ms. Carpenter said no reimbursements for this policy year have been received. She said that there were nine members who had claims between 50% and 100% of the deductible with total claims of \$1.89 million.

Wellness Report – Marcy Morrison, MNHG Wellness Consultant:

Marcy Morrison distributed a handout and reviewed the current MNHG wellness programs and progress and participation in each. She said she planned and attended several health fairs. Ms. Morrison said the *4-week Detox program* was delivered via conference call, and 42 employees and family members participated. Ms. Morrison said the *Move it and Lose it Challenge* has started and 40 employees have signed up to participate. She said the program includes on-site

coaching and fitness tracking. Ms. Morrison said participants track their exercise minutes and miles to compete for prizes.

Ms. Morrison said she is working on planning a group of financial wellness conference calls to reduce stress. She said the calls will be recorded so members can access them at any time. Ms. Morrison said she is continuing to work on the MNHG Facebook page, adding healthy recipes and health information.

Donna Madden said to contact Ms. Morrison for more information about any of the wellness programs.

Steering Committee report on cost containment proposals for FY19 including possible plan design changes, addition of optional HSA-qualified High Deductible Health Plans, and changes to alternative Rx purchasing program:

Donna Madden said the Steering Committee has discussed with the Board a number of cost containment ideas. She said the Committee is recommending waiting to hear what the GIC is planning to do so that all things can be considered.

Carol Cormier said Bill Hickey, Harvard Pilgrim Health Care will be presenting information about HSA (Health Savings Account)-qualified High Deductible Health Plans (HDHPs).

Bill Hickey said his presentation will apply to all of the MNHG health plans on a high level. He said the HDHPs are consumer driven, qualified HMO plan designs with an HSA. Mr. Hickey said there are 2 parts to his presentation, information about the health plan, and then information about the HSA and how it works.

HDHPs - Mr. Hickey said the health plan has the same underlying features as the MNHG current deductible plans. He said the difference is the out-of-pocket expenses. He said all services are subject to the deductible except for certain preventative. He said prescription drugs will have co-pays after the deductible has been met, but all other services will be covered in full after the deductible has been met. Mr. Hickey said MNHG can decide on the deductible amount, but noted that the exhibit in the packet has a \$2,000 Individual and \$4,000 deductible, as an example.

Mr. Hickey said MNHG can choose to add a preventative prescription drug list to the plan. He said the deductible would not apply to those medications.

Mr. Hickey said members would not pay anything at the time of obtaining a medical service. He said members would be billed after the fact and would receive the carrier's discounted medical rates. Mr. Hickey walked through a typical medical situation for better understanding of how the plan and billing would work.

Mr. Hickey said these plans are very popular in the private sector and physicians are very aware of these plans and how they work.

HSA – Mr. Hickey said Health Savings Accounts (HSAs) are financial vehicles and have similarities to 401K plans. He said funds can be deposited by the employer and employee on a tax free basis, but the HSA is owned by the employee. Mr. Hickey said the funds are not taxed when deposited or taken out when used to pay for medical expenses. He said they are owned by the employee for life and are inheritable. Mr. Hickey said typically, the employer will contribute 50% of the deductible amount into the employee's HSA. He said the employer contribution can

be made on any schedule, monthly, quarterly, yearly, etc.. Mr. Hickey said the maximum contribution for 2017 is \$3,400 for an Individual and \$6,750 for a Family plan (employee and employer contributions combined). He noted that for employees 55 or older, there is a catch-up provision of an additional allowable contribution of \$1,000.

Donna Madden noted that employees cannot have a full Flexible Spending Account (FSA) and an HSA account at the same time.

Bill Hickey spoke about Health Equity, the HPHC preferred HSA provider and said the Fallon and Tufts reps could speak about their HSA preferred providers and any differences of administration. He said Health Equity works with the payroll departments, and employee contributions can be made through payroll deductions.

In response to a question about the pricing of health care services, Mr. Hickey said members can check on the health plan website for that information.

Mr. Hickey said the HSA is flexible, portable, and you never lose the funds like you do when enrolled in an FSA. He said the accounts are regulated by the IRS and those enrolled in Medicare Part A and/or B, or who have a medical FSA or a dependent on another person's health plan are not eligible for a HSA. He said those covered by government plans like TriCare are also not eligible. Mr. Hickey noted members can be enrolled in child care or dental/vision FSA plans, just not the medical FSA.

Mr. Hickey said non-medical distributions are taxed and have a 20% penalty if a person is under age 65. If over age 65, taxes would apply, not the penalty.

Donna Madden said employee and employer training sessions would be coordinated if a town or unit decides to offer the HSA-qualified HDHPs to their employees. She said employers could offer the plans as an addition to or as a replacement of the current plans. Or, she said an employer could decide not to offer the plans at all.

Carol Cormier spoke about the educational session participation of another joint purchase group that is adding the HSA-qualified HDHPs for July 1, 2017 and said the employees were very interested. She said the schedule of the employer contributions would be decided during collective bargaining. She said the plans typically save 17% to 21% on the rates. She said early retirees are eligible to enroll in the HDHPs, but noted that it is up to the employers to decide whether or not they offer a contribution to HSAs of early retirees.

Mr. Hickey said contributions made to the HSA plan on an after tax basis can be claimed as a deduction when filing taxes. Mr. Hickey said HPHC and Health Equity are fully integrated and members can view their accounts online. He said claims can be paid, distributions to yourself to reimburse for a claim paid can be done online or over the phone. Mr. Hickey said each member will receive a debit card. He said pharmacy claims are live, and the debit card can be used for those purchases. Mr. Hickey noted that members can only use funds that are in the account, unlike that of an FSA. He explained that if the funds are not going to be available until next month, a member could pay up front and reimburse him or herself when the funds become available.

Carol Cormier said she would send out a comparison of the HSA, HRA, and FSAs. She said she would also send out a publications about the 7 questions to ask your physician.

Julia LeBrun said Fallon Health is not currently integrated with their HSA vendor, Benefits Strategies, but is hoping to integrate by next year. She said members would receive a debit card and ability to log into the HSA account.

Carol Cormier noted Benefits Strategies is not affiliated with Group Benefits Strategies (GBS).

Erin Hayes said Tufts uses Health Equity, and it is used the same as it is with HPHC.

Kerry Colburn-Dion made a motion to add the HSA-qualified High Deductible Health Plans to the MNHG offerings effective June 1, 2018.

Motion

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

Carol Cormier said the plan design will need to be finalized at a future meeting and whether or not MNHG wants to add the preventative prescriptions or not.

Bill Hickey cautioned about conducting the informational meetings for employees too far in advance of offering them.

Proposed changes to the Joint Purchase Agreement:

Donna Madden said she would like to go through the proposed amendments to the JPA today. She said Board members should bring the changes to their Appropriate Public Authority and be prepared to vote on the changes at the next Board Meeting.

Carol Cormier noted that the JPA amendment to Article 13 has already been done in 2009. She also said, after discussion with Tony Logalbo, that there is no reason to keep Article 12, stipulating all units have to offer all plans, since the HDHPs will be an option. Ms. Cormier said a corrected version will be sent. She reviewed the change to the 60-day notice for withdrawal from the group to December 1st as recommended by the Steering Committee. She said the other significant change was made to Article 8. Ms. Cormier said if MNHG dissolves and there is a balance left in the fund balance following payment of runout expenses, the proportionate share is currently based on individual plans. She said she changed this to include the count of family plans as 2.6 for each family plan. Ms. Cormier said this only affects the self-funded plans.

It was agreed that the first reading would be at the June Board meeting and the second reading and Board vote would take place at the September meeting. She said she would send out a short memo of the purpose of making the changes. Ms. Cormier said the Board members should provide information about the proposed changes to its Appropriate Public Authority, and the Board member would sign the agreement.

Health Plan Reports:

There were no health plan reports at this meeting.

Other Business:

The next meeting was scheduled on June 14, 2017 at 10:30 AM at the Groton Fire Station, Groton, MA

There was no other business.

John Flaherty moved to adjourn the meeting.

Motion

Melisa Doig seconded the motion. The motion passed by unanimous vote.

Chair Donna Madden adjourned the meeting at 12:26 PM.

Prepared by Karen Carpenter
Group Benefits Strategies