

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, May 13, 2009 at 10:15 a.m.

Primary & Alternate Board Members Present:

Gerald Martin, Chair
Anthony Logalbo
Donna Madden
John Flaherty
Patrick McIntyre
Pauline Guilmette
Valerie Jenkins
Pamela Landry
Margaret Dennehy
Judy Belliveau

North Middlesex Regional School District
Treasurer, MNHG
Town of Bolton
Concord-Carlisle Regional School District
Town of Clinton
Town of Tyngsborough
Town of Groton
Town of Stow
Town of Boxborough
Lincoln-Sudbury Regional School District

Guests Present:

Rosalie Weiss
Bill Hickey
Emily Savaria
Fred Winer
Rob Anderson
Carol Cormier
Karen Carpenter

Narragansett Regional School District
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Fallon Community Health Plan
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Chair Jerry Martin called the meeting to order at 10:30 a.m.

Approval of the minutes of the February 4, 2009 Board meeting:

Valerie Jenkins moved to approve the minutes of the February 4, 2009 Board meeting.

Motion

Donna Madden seconded the motion. The motion passed by unanimous approval.

Treasurers Report:

Tony Logalbo reviewed the unaudited financial statements for April 30, 2009 and said that the Uncommitted Fund Balance was \$2.78M as of April 30, 2009. He said the fund balance target was \$5.4M. Mr. Logalbo said that there was a significant rise in health claims.

GBS Reports:

Funding Rate Analysis by Plan - Carol Cormier reviewed the Funding Rate Analysis report with data through March of 2009. She said the composite expense-to-funding ratio was 0.993 on a paid basis. Ms. Cormier said that all of the plans had high claims with the exception of the Harvard Pilgrim PPO. She said that the Harvard Pilgrim EPO and PPO and the Fallon EPO plans were all under-funded as of March 31, 2009.

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that the Level Monthly Deposits for January through March fell short of actual expenses by \$561,093.

myMedicationAdvisor (MMA) – Carol Cormier reviewed the MMA report and noted that the reports are run on a November through October time period. Ms. Cormier said the Alternative Generic Savings Program is doing

very well. Ms Cormier said the Group had a net savings of \$45,438 and the employee savings was \$21,269. through March 2009.

Stop Loss Reports – Karen Carpenter reviewed the report of claims at 50%+ for the CY09 policy period with claims paid through March 2009. She said that for this year there are three claimants with total paid claims of \$482,269. Ms Carpenter reviewed the excess report for the CY08 policy period. She said that there are eight claimants with total paid claims of \$2.6M. Ms. Carpenter said the Aggregating Specific Deductible of \$100K has been met. She said that a total of \$709,710 has been received to date and that the outstanding reimbursement total due the group is \$19,232. She said there were 12 claimants on the report of claims at 50%+ with a paid claims total of \$1,808,670.

Proposed change to MNHG’s Fiscal Year – Town of Ayer:

Carol Cormier said that the Town of Ayer’s Finance Director is requesting a change to MNHG’s fiscal year from calendar year to a July 1 to June 30 fiscal year.

Judy Belliveau said that a July 1 start makes sense but does not know how difficult it would be to change over.

Donna Madden said she agreed that it would make sense to be aligned with the town budgets.

Tony Logalbo said that in the past there was a concern about issues with the Open Enrollment of the health plans at the end of April for the schools.

Carol Cormier said that other groups hold their Open Enrollments earlier in order to accomodate the teachers schedule.

Ms. Cormier said that she would need to look at the Retiree Drug Subsidy (RDS) filings. She said the retiree plans are filed on a calendar year while the active plans are filed on a fiscal year, June 1 to May 31. She said since most employers in the MNHG have adopted Ch.32B, Section 18 it is likely that the group will not be filing for the RDS for active plans going forward.

Tony Logalbo suggested that the Board members confer with their Human Resource departments and refer the issue to the Steering Committee for a recommendation.

Judy Belliveau made a motion to refer the decision to change the MNHG fiscal year from a calendar year to July 1 to June 30 to the Steering Committee for study.

Motion

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

Dependent Eligibility:

Carol Cormier said that in 2007, new state legislation mandated that insurers change the dependent age for eligibility to age 26 or two years following loss of federal tax dependent status whichever was the earlier. Based on a response from the Division of Insurance she said that it was determined that the state mandates did not apply to governmental employers that self-funded their health plans.

Ms. Cormier said that all of the Joint Purchase Groups originally made the decision to keep their dependent coverage age at 19 years of age or up to 25 years of age if still a dependent and a fulltime student. Ms. Cormier said that there have been several employees questioning why their children are not covered to age 26 and that they sometimes receive conflicting information when asking the health plans’ Member Service Departments.

When questioned about how the health plans track dependent eligibility for MNHG now, Emily Savaria, Account Executive at Tufts Health Plan, said that Tufts requires a parent affidavit twice a year stating that their dependent is enrolled in school full time.

Bill Hickey, Account Executive at Harvard Pilgrim Health Care (HPHC), said that HPHC does the same and said that the claims risk exposure for that age group is minimal. Mr. Hickey also said if MNHG moves to adopt the mandate that HPHC would no longer send verifications out. He said HPHC does not send out verifications to any of the insured plans, only the self-funded groups.

Rob Anderson, Account Executive for Fallon Community Health Plan (FCHP), said they currently verify student eligibility and rely on an affidavit from the parents. He said that they used to require certification from the schools, but said there were so many delays in receiving the forms back from the schools that they made the decision to rely on a parent affidavit. Mr. Anderson said if a parent is found to be fraudulent and the claims are audited, the responsibility to pay the claims would lie with the signer of the affidavit. Mr. Anderson said that he has heard of several complaints from subscribers stating the unfairness of the Groups that have not adopted the mandate.

Patrick McIntyre said that the Group would incur the same claims risk if they move to COBRA as they would if they were to adopt the mandate.

Bill Hickey said that the ineligible student would be able to get as good if not better coverage with health plans from The Mass. Health Connector as they would with COBRA and at a lower cost, too.

Patrick McIntyre said that the Town of Clinton will soon have 25 students affected and said he would favor MNHG adopting the mandate.

Tony Logalbo said that since the state government is not helping out with managing the health plans he is reluctant to adopt any mandate that would increase health care claims.

Pauline Guilmette said that if an employee loses his/her job, The Connector will supplement or pays their health care premiums.

Tony Logalbo said it is more economical for the employee to take coverage through The Connector and forgo the \$600 tax deduction.

Patrick McIntyre made a motion to adopt the Health Care Reform mandate that will cover dependents until the earlier of their 26th birthday or the day two (2) years following the loss of their dependent status according to federal tax rules.

Motion

Valerie Jenkins seconded the motion with discussion.

Patrick McIntyre said that with the economy the way that it is and looking at the effect it will have on the 25 families in his town, he urged the group to adopt the mandate.

Rob Anderson said that sending out the student verifications is a manual process for FCHP because most of their book of business has adopted the mandate. He said a second form is sent if there is no response to the first form and if that is not received back, the member is cancelled.

Tony Logalbo asked for further discussion on this topic no matter what the vote is today.

Patrick McIntyre said that Counsel for the Town of Clinton is recommending a strict affidavit of student status if the mandate is adopted.

Emily Savaria said that Tufts Customer Service is not supposed to quote state mandates to anyone. She said a screen of ages comes up and they are supposed to look at the rules for the particular employer group. Ms. Savaria said that most people do not understand what self-insured means.

Judy Belliveau said that in a time when everyone is being asked to cut and lower costs, this probably is not the time to add claims costs.

Jerry Martin asked the Board for a vote.

The motion to adopt the state mandate failed. Pam Landry abstained. Patrick McIntyre voted to adopt the mandate. The remaining Board members were opposed to adopting the mandate.

Harvard Pilgrim Health Care PPO Out-of-Area (OOA) plan:

Carol Cormier said that she would like to confirm that the only members eligible to enroll into the HP PPO plan is those members that reside out of the service area.

The consensus of the Board is that the plan is only for members out of the service area. It was decided by the Board that any member that is currently enrolled in the PPO and resides within the service area would be required to change to another plan effective July 1, 2010. The Board asked Karen Carpenter to run a report and to notify the employers of ineligible members currently enrolled on the HP PPO OOA plan.

Mental Health Parity mandate:

Carol Cormier said that a new act relative to the state's Mental Health Parity Act is going to become effective on July 1, 2009 which adds four new conditions to the list of biologically-based mental illnesses. Ms. Cormier said that there is a list of thirteen health conditions in the meeting packet. She said the first nine on the list are currently accepted as being biologically based conditions. She said that those nine conditions have unlimited visits. Ms. Cormier said that the new conditions are currently covered but with limits on number of visits.

Bill Hickey said that he heard that a new federal mandate will be out soon, possibly within a year which will override a decision of not adopting the mandate.

The Board took no action.

Health Plan Reports –

Harvard Pilgrim Health Care (HPHC)-

Bill Hickey, Account Executive for HPHC, said that the health fairs and open enrollments are going very well.

Carol Cormier said that there was an updated MNHG health plan enrollment spreadsheet at the back of the meeting packet. She said that there were very few enrollees in the Rate Saver plans.

Tufts Health Plan -

Emily Savaria, Account Manager of the active plan products, said that the Tufts website member portal was revamped in March and that it is much more user friendly. She said the members receive a same-day password and that it is also easy to reset the password. Ms. Savaria said that members could complete a personal health assessment, general health recommendations and reminders are available for future tests and exams.

Fred Winer, Account Executive of Senior Products from Tufts, said that Social Security numbers will be replaced with general ID numbers on the Tufts Medicare Complement Plan (TMC) and the Medicare Complement Plan (MCP) member health cards. He said the new cards should be coming out this summer and the transition should be completed by November.

Fallon Community Health Plan (FCHP):

Rob Anderson, Account Executive for FCHP, said that the Fallon SelectCare plan service area has expanded into Southern New Hampshire adding approximately 1,400 providers and six hospitals to the region. He said the expansion includes Keene, Nashua, Derry, Londonderry, Portsmouth and Manchester to name a few of the towns. He said he would send Carol Cormier the expansion announcement to forward to the Board. Mr. Anderson said that discounts of 20% on prescriptions through CVS Caremark is also available.

Other Business:

Patrick McIntyre said he wanted to send a special thank you to Tina Landry of the GBS Enrollment department for all of her help during open enrollment and said that she goes above and beyond to help.

Judy Belliveau added that Ruth Lynch, Manager of the GBS Enrollment department, is also very helpful with all of the needs of the employers.

The next Board meeting was scheduled for September 30, 2009 at 10:15 a.m. to be held in the Groton Public Library.

The next Steering Committee meeting was scheduled for September 15, 2009 at 2:00 p.m. to be held at the Groton Town Hall.

Valerie Jenkins made a motion to adjourn the meeting.

Motion

Donna Madden seconded the motion. The motion passed by unanimous approval.

The meeting adjourned at 11:35 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*