

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Bolton Public Library
Bolton, Massachusetts

Meeting Minutes

Thursday, May 30, 2013 at 10:00 a.m.

Primary & Alternate Board Members Present:

Donna Madden, Chair
Margaret Dennehy, Vice-Chair
Anthony Logalbo, Treasurer
Suzanne Loverin
Melisa Doig
Kerry Colburn-Dion
Lorraine Leonard
Patrick McIntyre
Pamela Landry
Ann Marie Geyster

Town of Bolton
Town of Boxborough
Town of Concord
Town of Groton
Town of Ayer
Town of Tyngsborough
Town of Harvard
Town of Clinton
Town of Stow
Narragansett RSD

Guests Present:

Tammy Coller
Linda Loiselle
Bill Hickey
Fred Winer
Erin Hayes
Jason Fortin
Carol Cormier
Karen Carpenter

Narragansett RSD
The Abacus Group
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Fallon Community Health Plan (GCHP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Chair, Donna Madden, called the meeting to order at 10:09 a.m.

Approval of the minutes of the January 31, 2013 meeting:

Lorraine Leonard moved to approve the Board minutes of the January 31, 2013 meeting.

Motion

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

Steering Committee Vacancy:

Donna Madden said that there is a Steering Committee vacancy created by Barbara Conti's resignation from her position with North Middlesex RSD. Ms. Madden said that the Steering Committee is recommending that the Board appoint Suzanne Loverin, Town of Groton, to serve on the Committee.

There were no other nominations.

Margaret Dennehy made a motion to appoint Suzanne Loverin, Town of Groton, to as the Steering Committee.

Motion

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

Treasurer's Report:

Treasurer Tony Logalbo distributed the Treasurer's report through April (unaudited figures). He said the estimated Uncommitted Fund Balance was approximately \$9.27M and said that is \$4.5M over the target. He said that there was rise in claims, but said that the fund balance can withstand a rise in claims. Mr. Logalbo asked the Board to consider giving him authorization to sign the FY13 audit engagement letter. He said that the MNHG auditor, Rich Bienvenue, will be meeting with him on June 30, 2013. Mr. Logalbo also noted that in response to last year's management letter from the auditor regarding the segregation of duties of the treasurer, Lorraine Leonard now functions as the MNHG internal auditor and receives and reviews all of the MNHG financial documents.

The Board members thanked Ms. Leonard for her work.

Margaret Dennehy made a motion to give Tony Logalbo authorization to sign the FY13 audit engagement letter.

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

Motion

GBS Reports:

Funding Rate Analysis through April 30, 2013 – Carol Cormier reviewed the report with data through April and said that the expense-to-funding ratio is favorable at 91.5%. Ms. Cormier said that the Tufts POS and HPHC PPO plans are underfunded, but said the enrollments in those plans are low. She reviewed the Retiree Drug Subsidy (RDS) received to date and said that the subsidy will no longer be received because of the elimination of the Tufts Medicare Complement plan and replacement with Tufts Medicare Supplement Plan with PDP Plus, an EGWP plan which is not eligible for the RDS. Ms. Cormier said that the savings are now being generated through lower plan rates rather than subsidies.

HPHC Level Monthly Deposit (LMD) Reconciliation - Ms. Cormier reviewed the LMD reconciliation and said that at the end of April (one month into the quarter), MNHG owes HPHC \$248K. She noted that from January through March, MNHG had a credit balance of \$226K.

Stop Loss Reports –CY12 reports: Karen Carpenter said that there were two claimants exceeding the deductible of \$275K with total claims of \$1.4M. She said one of the two claimants has a higher (\$500K) deductible. She said the reinsurance carrier has applied \$451,096 of the excess claims towards the \$450K ASD and said she is waiting for a reply as to why the reinsurer applied an excess of \$1K to the ASD. She said MNHG has received reimbursements totaling \$239,798. Ms. Carpenter reported 11 claimants exceeding the 50% level with claims totaling \$2.28M.

CY13 reports: Karen Carpenter said that National Union Fire Insurance is the reinsurance carrier and Gallagher Benefit Solutions is the broker for the CY13 policy. She said that 1 claimant exceeded the deductible of \$275K with total claims of \$301,545. She said that the excess claims of \$26,545 has been applied towards the \$450K ASD and noted that there are no reimbursements due MNHG. Ms. Carpenter reported 1 claimant exceeding the 50% level with claims totaling \$170,483.

***myMedicationAdvisor®* and Diabetes Rewards program updates, Linda Loiselle, The Abacus Group:**

Linda Loiselle distributed the Diabetes Rewards program report with data through May, along with a new flyer for the program. Ms. Loiselle reviewed the report and said that the current enrollment has increased to 26% of those eligible. She said the enrollment goal is 30%. Ms. Loiselle noted that when the enrollment numbers increase, the compliance number goes down until the new members complete the requirements. Ms. Loiselle said that 45% of those enrolled are compliant and said the compliance goal is 50%. She said that the diabetes care activities can fluctuate as members go in and out of compliance. Ms. Loiselle said that Abacus sent mailings to members directly from some of the towns who requested the mailing. She said the mailings specified that the diabetes program is sponsored by the employer and MNHG. She said that Abacus attended 5 MNHG employer health fairs this year and said that the fairs are a good opportunity to offer Biometric Screenings. Ms. Loiselle noted that the prescription information reported is through February 28, 2013, while the enrollment and

compliance numbers are through the end of May. She said the prescription information is expected to be available in June and the report will be updated.

myMedicationAdvisor® Program - Linda Loiselle reviewed the *myMedicationAdvisor®* report with data through March and said that the next report is scheduled to be sent out mid-July. She said that 275 international scripts have been filled between January and March and said that the total scripts exceeds the target. Ms. Loiselle said that the generic program is a little behind the target, but noted that the program is still producing savings. She said that the health plans are doing a good job with moving brand name drugs to generics and said that could be part of the reason for the slowdown of this program. She said the employee savings is approximately \$12K for the three months and the group has saved about \$44K. Ms. Loiselle said that promotion materials are included in the packet.

Carol Cormier said that the Town of Phillipston should be added to the *myMedicationAdvisor®*.

Donna Madden thanked Ms. Loiselle for attending the meeting and presenting the reports.

MA Municipal Health Reform Annual Reporting:

Carol Cormier said that it is her understanding that MNHG employers are not required to file the report because they changed their health plan designs up to the Group Insurance Commission (GIC) levels and satisfied the requirement last year.

Carol Cormier said that she does not expect the GIC to make plan design changes in the near future and that their focus is now on impacting provider payments, primarily hospital payments.

Fees associated with MA Health Reform and Affordable Care Act (ACA):

Carol Cormier said that the MA Chapter 224 Health Care Assessment on health plans and self-funded accounts will be handled differently by each health plan. She asked the health plan account executives to explain.

Fallon Community Health Plan (FCHP) – Jason Fortin said that FCHP is paying the fee in one lump sum. He said that the charge will be billed to MNHG in the June 25, 2013 funding request as a separate line item. He said that the Division of Insurance (DOI) has reviewed and approved the FCHP figures. Mr. Fortin said that it is his understanding that the fee is a one-time assessment.

Harvard Pilgrim Health Plan (HPHC) – Bill Hickey said that he hasn't received the final figures yet, but said that it will be 0.1% of claims and will be paid over a 4-year time period. He said that he is expecting the first quarter of the fee to be billed to MNHG in August. He said that he may know the number next week.

Tufts Health Plan (THP) – Erin Hayes said that THP is still reviewing its options and will advise as soon as it is decided.

Carol Cormier said that the federal PCORI research fee is due in July and is \$1 per member for the first year and will include members on Medicare plans. She said that the IRS form 720 is being revised and said that the Treasurer will need to write a check for this fee based on enrollments. Ms. Cormier said that she asked the health plans to provide enrollment numbers to include the senior plan enrollments.

Jason Fortin said that FCHP sends the enrollment numbers to Diane LaFlash and Pam Smith at Group Benefit Strategies.

Bill Hickey said that HPHC will attest to the GBS data that is received from HPHC.

Ms. Cormier said that she will check with the health plans regarding how the Transitional Reinsurance Program fee of \$63 per subscriber per year will be paid.

Carol Cormier said that the employers are required to notify its employees about the Healthcare Exchanges set up by the Affordable Care Act (ACA) by October 1, 2013. She recommended waiting for more information before taking action.

Fred Winer said that the Affordable Care Act will have an impact on the senior plan rates as well as the active plan rates.

MA municipal reinsurance pooling concept, continued discussion:

Carol Cormier said that as has been discussed, in response to failure to receive multiple reinsurance quotes, GBS formed a relationship with Gallagher Benefit Solutions to work on a possible solution. She said that Gallagher is proposing that the MA Municipal Joint Purchase Groups (JPGs) join together to fund their reinsurance through a multi-level reinsurance pooling arrangement (MLRPA). She said this is similar to what the employers in JPGs do now with their health insurance. Ms. Cormier said that the Steering Committee heard a presentation by Gallagher Benefit Solutions and AIG, the insurance company that would pay claims that reach or exceed \$750K. Ms. Cormier said MNHG would continue to pay the deductible and pay premiums which would be deposited into the pool and also pay the reinsurer for claims above \$750K. She said it was originally thought that the arrangement would be operational for July 1, 2013, but said more time is necessary to review the details and documents. Ms. Cormier said that a representative from each of the JPGs that are interested will need to meet to review and agree on the language of the documents. She said that the money in the pool will be the JPGs' money and will be dividend eligible. She said more information will be discussed at future meetings.

Donna Madden asked the Board members to express their level of interest.

Carol Cormier said that WSHG is very interested and CCMHG, SVRHT and BHG are also interested. She said that GBS obtained a legal opinion which is included in the meeting materials says that JPGs have the authority to set up a captive arrangement. She said that it would be best to agree on the document language by the end of the year 2013. Ms. Cormier said that the JPGs that are involved from the start will have input on the formation of the documents and agreements.

MNHG Website Redesign:

Carol Cormier said that the Steering Committee expressed interest in redesigning the MNHG website. She said that she sent Donna Madden, Margaret Dennehy and Tony Logalbo links to websites developed by Civica Software, which designed the City of Newton's website and Colewebdev, the designer of the CCMHG website.. Ms. Cormier said that they asked her to obtain pricing information from Colewebdev since it is a local company and has experience developing a JPG website.

Ms. Cormier reviewed the quote from Colewebdev and said that the discounted fee to develop the site would be \$3,700. She said that Karen Carpenter worked with Colewebdev previously on the CCMHG website and said that she currently maintains that website. Ms. Cormier said if MNHG chooses to do the same, that they would pay GBS website maintenance fee to keep the site updated.

The health plan account executives said that they use the websites frequently to obtain information.

Erin Hayes said that the website will be important for wellness initiatives.

Suzanne Loverin and Melisa Doig volunteered to work with Karen Carpenter through the redesign process.

Tony Logalbo made a motion to approve the quote submitted by Colewebdev for \$3,700.

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

Motion

Discussion about Wellness Programs:

Donna Madden said that the Steering Committee and Board have discussed ramping up the Wellness Programs. She said that in addition to the health plan fitness and disease management programs, and the Diabetes Rewards Program through the Abacus Group, it is time to do more with wellness. Ms. Madden said that wellness is the key to healthy employees as well as lowering health care costs.

Carol Cormier said that MNHG could explore the wellness programs available through the health plans or implement home grown programs. She said that most of the JPGs engage a Wellness Consultant who works with Wellness Champions designated at each employer location. She said that some JPGs have a Wellness Committee that works with the Consultant. Ms. Cormier said that the cost averages between \$30K and \$42K per year for 20 to 30 hours of work per week. She said that the Consultant proposes a budget and wellness programs each year.

Linda Loiselle suggested keeping in mind that it can be difficult for employees to realize that their employer is sponsoring programs provided by outside vendors. She said that MNHG may want to be sure the communications specify the relationship between the programs, the employers and MNHG. Ms. Loiselle said that a person on-site can fill this gap and said that a school nurse may be utilized.

Jason Fortin said that nurses are FCHP's number one contact for wellness programs.

Erin Hayes said that the purpose of wellness programs is to change the member's lifestyle for healthy outcomes. She said screenings help with diagnosis, but do not change behaviors. She said once an employee is engaged, they usually like the affect that the programs have on their life.

Bill Hickey said the programs need to be complete programs with rewards to be effective. He said that each of the health plans have programs and said that the coordinators can help to bring them to the members.

Patrick McIntyre said that the Town of Clinton gives cash reimbursements for gym memberships and said that the local gyms have agreed to open early for the town's staff at reduced and free memberships. He said they also run a Biggest Loser program.

Carol Cormier said that some JPGs also offer a stipend to each employer, some based on the size of the unit and others give a flat amount to each to use towards wellness activities.

Donna Madden asked the Board if there was interest in sending an RFP for a Wellness Consultant.

The Board members agreed unanimously.

Carol Cormier said that the CCMHG and SVRHT placed ads in the newspaper and were very successful in finding candidates. She said that the wellness consultant should have a high energy level, cheerleader type and personable. She said that she will send samples of ads and RFPs to the Board Chair, Vice-Chair and Treasurer for review.

Patrick McIntyre made a motion to move ahead with the Wellness Consultant advertisement and/or RFP.

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

Motion

Health Plan Reports:

Harvard Pilgrim Health Plan (HPHC) – Bill Hickey said that HPHC is making a change in the way that it covers compounding pharmacy prescription medications. Mr. Hickey said that HPHC will require a review through an exception process for members age 18 and older, effective August 7, 2013. He said that children under age 18 will not be affected and noted that compounded drugs were typically for remixing of prescriptions to reduce the

dosage or to liquify a drug for children. He said that the costs and volume of compounding drugs has escalated due to anti-aging medications and other life-style drugs that are included in the compounding. Mr. Hickey said that this change will impact 8 MNHG HPHC members. He said that HPHC will contact the members.

Other Business:

Donna Madden said that since MDT switched to federated, she is having issues transferring the member assessment payments. She asked if anyone else was having the same issue.

Tony Logalbo said to let him know if there are any issues and noted that he prefers the payments to be made electronically. He said to contact him and he will help with the setting up of the direct deposit arrangement.

S1070 Mandate – Carol Cormier said there is a new mandate for oral chemotherapy enacted by the MA legislature at the end of CY12 that requires orally administered anti-cancer medications to be covered on a basis no less favorable than intravenously or injected administered medications. Ms. Cormier said that this would mean there will be a \$0 co-pay for chemotherapy medications taken orally. She said self-funded plan sponsors have the option of adopting the mandate or not.

There was a discussion.

Margaret Dennehy made a motion to approve adding the S1070 mandate for all the MNHG health plans.

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

Motion

The next MNHG Board Meeting was scheduled for September 18, 2013 at 10:00 a.m. at the Bolton Public Library. A Steering Committee Meeting was scheduled to discuss Wellness on September 11, 2013 at 10:00 a.m. at the Bolton Public Library.

There was no other business.

Margaret Dennehy moved to adjourn the meeting.

Motion

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

Chair Donna Madden adjourned the meeting at 11:25 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*