

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, June 6, 2007 at 10:15 a.m.

Primary & Alternate Board Members Present:

Jerry Martin, Vice Chair	North Middlesex Regional School District
Judy Belliveau	Lincoln Sudbury Regional School District
Margaret Dennehy	Town of Boxborough
Stephen Hemman	Narragansett Regional School District
Anthony Logalbo, Treasurer	Town of Concord
Valerie Jenkins	Town of Groton
Elizabeth Currier	Town of Groton
M. Larry Barton	Town of Carlisle
Michael Hartnett	Town of Pepperell
Patrick McIntyre	Town of Clinton
John Flaherty	Concord Carlisle Regional School District
Donna Madden	Town of Bolton
Lorraine Leonard	Town of Harvard
Cheryl Gariepy	Town of Lancaster
Pam Landry	Town of Stow
Teresa Watts	Case Collaborative
Pauline Guilmette	Town of Tyngsborough

Guests Present:

Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Robert Anderson	Fallon Community Health Plan (FCHP)
Emily Eaton	Fallon Community Health Plan (FCHP)
Emily Snow-Bebas	Fallon Community Health Plan (FCHP)
Matt Shields	Tufts Health Plan (THP)
Fred Winer	Tufts Health Plan (THP)
Carol Cormier	Group Benefits Strategies (GBS)
Jenna Roginsky	Group Benefits Strategies (GBS)

Vice Chair, Jerry Martin, called the meeting to order at 10:25 a.m. He said that Chair, Valerie Jenkins, was out of town. He asked attendees to introduce themselves.

Approval of the minutes of the February 28, 2007 meeting:

Lorraine Leonard said that she attended the meeting on February 28th but was not listed as an attendee.

Carol Cormier said she would like to amend the minutes on the topic of prosthetics on page 2. She said in the next to the last paragraph at the bottom of page 2, the words following “January 1, 2007” should be stricken and replaced with “insurers to cover medically necessary prosthetics devices without an annual or lifetime maximum on the benefit. She said that there may be coinsurance and/or copays, however.”

Motion

Judy Belliveau moved to approve the Board minutes of the meeting of February 28, 2007 as amended.

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

It was subsequently found out that the minutes in the Board packet were the Steering Committee minutes and not the 2/29/07 Board minutes.

Group Benefits Strategies Reports:

Funding Rate Analysis by Plan - Carol Cormier reviewed the report with data said that the expense-to-funding ratio across all plans was 94.8%. She noted, however, that the revenues include almost \$1.1 million in reinsurance reimbursements mainly for claims of prior policy periods. She said if the reinsurance reimbursement revenue is not counted, then the expense-to-funding ratio would be 98.2%. She said that the Harvard Pilgrim plans were not sufficiently funded.

HPHC Level Monthly Deposit Reconciliation Report – Carol Cormier reviewed the actual costs and the level monthly deposit for the quarter ending March 2007 and for the month of April. She said that at the end of March the Group owed HPHC \$1,111,239, and at the end of April owed HPHC \$317,900. She said that the average monthly claims amount for the 4-month period was \$1,157,285. She said that later in the agenda this figure would be important as the Board considers the new level monthly deposit amount that HPHC proposes.

Reinsurance (Stop Loss) Reports – Ms. Cormier reviewed the CY07 and CY06 reports with paid claims data through April. She said that there was one claimant in CY07 who had exceeded the \$200K stop loss deductible. She said total excess claims were \$48,667. She said this would be applied to the \$100K Aggregating Specific Deductible. In CY06 Ms. Cormier said there had been \$1,123,272 in claims above the \$200K specific deductible that were incurred by 12 claimants. She said that \$1,067,353 had been reimbursed to the Group to date.

Treasurer’s Report:

Financial Reports as of May 31, 2007 - Tony Logalbo, Treasurer, distributed and reviewed the Balance Sheet of May 31, 2007, (unaudited figures). He reported an uncommitted fund balance of \$1.54 million. He said that there has been an escalation of claims in the last few months particularly on the Harvard Pilgrim plans, and that this has resulted in a decline in the fund balance. He said that he had not booked the most recent reinsurance receivable or Retiree Drug Subsidy receivable as yet and so this would increase the fund balance somewhat. He said that overall FY07 has been a “green year”. Mr. Logalbo distributed a spreadsheet showing monthly revenues by source and expenses by line item.

Auditor’s Engagement Letter:

Tony Logalbo called attention to the engagement letter from Thevenin, Lynch & Bienvenue, LLP. He said that the auditing firm was proposing no increase in fees for the same excellence of service as the group has been receiving.

John Flaherty moved to accept the auditing proposal for FY08 from Thevenin, Lynch & Bienvenue, LLP.

Lorraine Leonard seconded the motion. The motion was approved by unanimous vote.

Motion

Stipend to Town of Concord for Treasury Services:

Tony Logalbo said that the Town would be pleased to receive the same stipend as for the previous year, i.e. \$6,000, for treasurer’s services. He pointed out that he does not receive any of the stipend monies.

Lorraine Leonard moved to approve a stipend of \$6,000 to the Town of Concord for FY07 treasury services.

Motion

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

Harvard Pilgrim (HPHC) Level Monthly Deposit:

Carol Cormier said that HPHC proposes a new level monthly deposit amount of \$998,000. She said that as noted earlier in the meeting, the average monthly claims for the four most recent months were \$1,157,285. She said that she thought HPHC's proposal was reasonable.

Judy Belliveau moved to approve the new HPHC level monthly deposit amount of \$998,000.

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

Motion

Access to the myMedicationAdvisor® (MMA) website for Fallon members:

Carol Cormier said that the Fallon plans are not included in the MMA alternative buying program since an independent analysis had determined that there would be no savings. She said that the Board had approved granting access to the informational components of the MMA website to Fallon members. She said that there is an annual fee of \$3,380 associated with this and that it is on a calendar year basis. She said that with the push now for MNHG members to use the wellness features of the MMA website, such as the Heart Age® and My Health Maximizer®, it would be good to continue to give all covered employees access to these features.

Judy Belliveau moved to pay the \$3,380 fee to maintain MMA website access for Fallon members for CY07.

Motion

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

Dependent Student Coverage:

Carol Cormier referred to a handout in the Board packet summarizing how each health plan deals with full-time dependent student termination from coverage when the student graduates or is no longer a full-time student. She noted the differences in termination-of-coverage dates across the three health plan organizations. She reminded the Board that, as allowed for self-funded employers, it had not adopted the new dependent child eligibility rules that are mandated on insurers by the MA Health Reform Act.

Ms. Cormier said that Tufts and Fallon terminate the member at the time of graduation; however, often the health plans do not learn that the member has graduated until the Fall at the next student re-certification and terminate the coverage at that time. She said this means that a member who tells the health plan at the time of graduation that the dependent has graduated is penalized. She said that HPHC terminates coverage on a specific date, i.e. on September 30 for dependent members graduating in May or June and on March 31 for members graduating in December or January. She said she wanted to call the differences across health plans to the Board's attention. She said that in 2004 the West Suburban Health Group had changed the Tufts termination policy to 90-days after graduation. She said that the way Tufts administers dependent student coverage for MNHG is its planwide standard.

Steve Hemman discussed a situation his district had with a member who, he said, was given incorrect information by Tufts regarding continued eligibility of a dependent student. He thanked GBS for its assistance in resolving this matter. He said that there had been confusion about whether or not the MNHG would be using the new eligibility guidelines.

Matt Shields said he apologized on behalf of Tufts for the error regarding eligibility information. He said that Tufts had communicated the correct information to the member on two occasions, but on a third occasion a Member Services representative had given the member incorrect information.

Steve Hemman said it is important to have the policies of the three health plan organizations in writing and for employers to provide this information to employees in writing.

Elizabeth Currier said that she favored having more consistency across in the health plans regarding termination dates for full-time dependent students.

Bill Hickey, HPHC, said that sometimes customization can lead to problems. He said that this could lead to incorrect information being given by Member Services.

There was a discussion.

Tony Logalbo said he is not bothered by the fact that the health plans have different policies for termination of dependent students. He said that the health plans have benefit differences as well. He said he does not favor changing the termination policies because he does not want to add any additional expenses to the plans.

Lorraine Leonard said that she agreed that the cut-off dates must be communicated to employees.

No action was taken on the item.

Carol Cormier said that GBS would put the written policies of the three health plans together into one document for distribution to employees. She said GBS would take the information from the health plan Plan Descriptions which are available to members on the MNHG website.

Meeting with Lieutenant Governor Murray:

Carol Cormier explained that a small delegation from the Cape Cod Municipal Health Group had met with the Lieutenant Governor in April to bring the joint purchase groups to his attention and to press for legislation to give the groups more flexibility to modernize their health plan benefits. She said that the Lt. Governor had shown interest and requested a second meeting with representatives of all the joint purchase groups. She said that the second meeting is scheduled to take place on Tuesday, June 12th at Noon at the State House. She said that Jerry Martin and Judy Belliveau would represent the MNHG.

MA Health Reform Act:

Carol Cormier said she had sent information to MNHG employers regarding employer compliance with the MA Health Reform Act. She said that she had also sent invitations to the seminar that GBS is sponsoring on June 13th. She said that speakers from the MA Health Connector would explain what employers must do to comply with the law and the processes for compliance. She urged the MNHG employers to attend.

Ms. Cormier said that the West Suburban Health Group (WSHG) might engage The Segal Company to prepare a Section 125 Plan Document for the non-benefit eligible employees who will be impacted by the Reform Act.

Health Plan Reports:

Harvard Pilgrim Health Care – Bill Hickey said that things were going well and that he had nothing new to report.

Fallon – Rob Anderson said that with the expansion of the Fallon network there had been some moves in enrollment to Fallon. He said that there had been a high level meeting last week at Fallon which Carol Cormier attended to go over reporting needs for MNHG and WSHG. He said he expects to have the annual report for MNHG in a few weeks and apologized for the delay.

Tufts Health Plan – Matt Shields said that the health fairs had been well attended and well run. He thanked the Board for its understanding regarding the miscommunication to the Narragansett RSD employee.

“GIC Option” proposed legislation:

Bill Hickey said that the people at HPHC who follow legislation told him that there has been no debate on the GIC Option bill. He also said that he has heard that House Speaker DiMasi does not want any alternations or amendments to the bill since many parties have already compromised to get the bill to its current form.

Other Business:

Vice Chair Jerry Martin asked Board members if they had any other items of business.

Tony Logalbo distributed an article from the *Wall Street Journal* that presented a case for lowering prescription drug copays for drugs for certain chronic conditions.

There was no other business.

Steve Hemman moved to adjourn the meeting.

Motion

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

Vice Chair Jerry Martin adjourned the meeting at 11:40 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*