

## MINUTEMAN NASHOBA HEALTH GROUP

### Board Meeting

Groton Public Library  
Groton, Massachusetts

Meeting Minutes

Wednesday, June 7, 2006 at 10:00 a.m.

#### Primary & Alternate Board Members Present:

Pauline Paste, Acting Chair  
Valerie Jenkins, Vice Chair  
Michael Hartnett  
Melisa Doig  
Margaret Dennehy  
Edward Orenstein  
John Flaherty  
Lorraine Leonard  
Stephen Hemman  
Pam Landry  
Anthony Logalbo, MNHG Treasurer  
Jerry Martin  
Judy Belliveau

Lincoln Sudbury Regional School District  
Town of Groton  
Town of Pepperell  
Town of Ayer  
Town of Boxborough  
Case Collaborative  
Concord Carlisle RSD  
Town of Harvard  
Narragansett R.S.D.  
Town of Stow  
Town of Concord  
North Middlesex RSD  
Lincoln Sudbury Regional School District

#### Guests Present:

Rob Anderson  
Bill Hickey  
Maria Chandler  
Dave Mezzanotte  
Fred Winer  
Carol Cormier  
Lisa Trombly

Fallon Community Health Plan (FCHP)  
Harvard Pilgrim Health Care (HPHC)  
Tufts Health Plan (THP)  
Tufts Health Plan (THP), Retiree Products  
Tufts Health Plan (THP), Retiree Products  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Pauline Paste served as Acting Chair, as agreed to by Valerie Jenkins, since this was Ms. Paste's last Board meeting. Ms. Paste called the meeting to order at 10:15 a.m.

There was a brief discussion on the meeting time and place for future meetings. Valerie Jenkins said she would check with the Library Director to see if the Board can be let into the building at 9:45 instead of 10:00 a.m.

#### Approval of the minutes of the April 12, 2006 meeting:

Margaret Dennehy moved for approval of the Board meeting minutes of the meeting of April 12, 2006.

Motion
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Lorraine Leonard seconded the motion. The motion passed by unanimous vote.

#### Treasurer's Report:

##### Financial Reports as of May 31, 2006 -

Tony Logalbo, Treasurer, reviewed the Balance Sheet of May 31, 2006, (unaudited figures). He reported an uncommitted fund balance of (\$13,193.59) and said this has been a very tough first four months. Mr. Logalbo said he is not expecting that the Group will have an ending fund balance in the red. Mr. Logalbo also stated that this statement does not reflect the Medicare Part D Subsidy of approximately \$130K.

#### Group Benefits Strategies Reports:

Funding Rate Analysis by Plan Type – Carol Cormier reviewed the report and stated that the Tufts EPO, Tufts POS, Harvard Pilgrim PPO and Fallon EPO are all running insufficiently to cover the expenses. Ms. Cormier said the Tufts MCP and Harvard Pilgrim EPO plans are sufficiently funded.

Level Monthly Deposit Reconciliation – Carol Cormier said that the Steering Committee and Harvard Pilgrim Health Care have just negotiated a new level monthly deposit of \$800K for FY07.

Stop Loss Reports – Carol Cormier reviewed the CY05 policy report with claims paid through March 2006. She stated that there were 10 claimants totaling over \$2.1M in claims. Ms. Cormier said that the excess is \$624,331.80. Ms. Cormier said the MNHG is owed approximately \$60K. She said there are 17 claimants at 50% with claims totaling \$1.6M.

Carol Cormier reviewed the CY06 Stop Loss report and said there are 2 claimants in excess and that the Aggregate Specific Deductible of \$100K had been reached. She said there is no money due to MNHG at this time. Ms. Cormier said there is currently 1 claimant at 50%.

Prescription Benefits Services (PBS) report on myMedicationAdvisor® program-Carol Cormier said that purchases have well exceeded the projections through the month of March. She said employers have saved close to \$5000 on prescription drug costs to date and the employees have saved a similar amount in waived copays.

Ms. Cormier said that the Canadian prescription drug (Rx) purchasing program was one of two parts of the alternative Rx buying program. She said that a generic purchasing program, which is probably the more important of the two components, was planned to start in May. She said that has been delayed. Ms. Cormier said that the Steering Committee will hear about the proposed alternative generic Rx program at its next meeting.

Carol Cormier said that the myMedicationAdvisors had provided brochures informing employees and retirees about the myMedicationAdvisor website and what information is available there. She said that she can provide that to the employers via email, but said it is meant to be a two-sided trifold piece. She said that printed versions could be ordered if employers wish to have them. She said she would send a reminder email as a follow-up.

MA Health Insurance Legislation (Ch. 58 of the Acts of 2006) – Ms. Cormier said that the Mass. Healthcare Legislation, Ch. 58 creates some changes with regard to dependent eligibility. She said she has asked the health plans how they will administer the expanded eligibility and is waiting for the health plan responses. Rob Anderson, Fallon, said that Fallon interprets the dependent eligibility change to be effective immediately and that for insured clients, Fallon will implement it immediately.

Maria Chandler and Bill Hickey said that their organizations are waiting for the regulations to be issued.

**Chapter 32B, Section 18 Actuarial Study results:**

Carol Cormier said all the plans were reviewed by The Segal Co. for comparability, and the actuary determined that all active employee plans and retiree plans are actuarially comparable so Section 18 can be adopted.

There was a discussion about Medicare Part D letters of creditable coverage.

**Special Enrollment for Medicare Advantage plan members:**

Carol Cormier said that Harvard Pilgrim Health Care has lost its exclusivity with Harvard Vanguard, and Dedham Medical Associates for the 1<sup>st</sup> Seniority Medicare Advantage plan and therefore the 1<sup>st</sup> Seniority members using these providers would not be able to continue with the providers if they stay on the 1<sup>st</sup> Seniority plan after December 31st. She said that she recommends that the Group hold a special enrollment period for members who want to disenroll from Harvard 1<sup>st</sup>.

Dave Mezzanotte explained that he thinks Tufts Medicare Preferred would be the plan of choice for those members who wish to stay with a Harvard Vanguard provider. He said he was requesting that current 1<sup>st</sup> Seniority members be allowed to have an open enrollment in the fall so that they can make the switch by January 1, 2007. He emphasized that if a member does not disenroll from 1<sup>st</sup> Seniority, they will not be able to go to Harvard Vanguard for treatment.

Pauline Paste asked how many members this will affect.

Bill Hickey, HPHC, said he was not sure but would research it and send information about the number of members per employer.

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There was a brief discussion.

Ed Orenstein motioned to allow for a special Open Enrollment period in October to November for members of HPHC 1<sup>st</sup> Seniority to switch plans for January 1, 2007

Motion

Steve Hemman seconded the motion. The motion was passed by unanimous vote.

**Fallon – Proposed Amendment to EPO:**

Rob Anderson gave an overview of the proposed amendment to the Fallon plan description/Evidence of Coverage. He said that there were no benefit changes.

Carol Cormier asked if there were any exclusions.

Mr. Anderson said on page 4 of the proposal the exclusion was for custom prosthesis. He said they have always been excluded but never in writing.

Ms. Cormier said that legal counsel advises that formulary changes and procedural changes are medical policy changes and not benefit changes and therefore are not subject to collective bargaining. She asked that the minutes reflect that Rob Anderson said there are no benefit changes except for the added benefits of medically necessary massage and aquatic therapy.

Margaret Dennehy motioned to accept the Fallon Amendment.

Motion

Valerie Jenkins seconded the motion. The motion was passed by unanimous vote.

**Steering Committee Vacancies:**

Pauline Paste said that Judy Belliveau was interested in serving on the Steering Committee. She asked if any other Board members were interested in the position. There were no others.

Tony Logalbo motioned to appoint Judy Belliveau to the Steering Committee.

Motion

Valerie Jenkins seconded the motion. The motion was passed by unanimous vote.

**Schedule for Future Meetings:**

Pauline Paste stated that the next four Board Meetings would be held on September 14, 2006, December 6, 2006, February 14, 2007 and June 6, 2007. She said that the meetings will probably be held at the Groton Public Library.

Ms. Paste said the next Steering Committee meeting would be held on July 12, 2006 at 2:00 p.m. at Harvard Town Hall. She asked Carol Cormier to confirm this with Paul Cohen.

**Benefit Design Issues for FY08:**

Tony Logalbo stated that he did not think the Steering Committee was keen on making any of the proposed benefit design changes due to their minimal impact on claims.

Carol Cormier said she is concerned about the projections of claims impact provided by the health plans. She said she thought that they were overly optimistic. Ms. Cormier said that changing benefits is one of several approaches to reducing employer costs. She said that generally if employers are seeking reductions in health insurance increases, the first place to look is the contribution strategy. She said that this is a cost-shifting approach. She said another approach for governmental employers would be to adopt Section 18. She said that the application for the Retiree Drug Subsidy will bring money into the MNHG trust fund. Programs to promote switching to generic drugs will also save employers money on the pharmacy benefit. She said that win/win approaches include disease screening and management programs and health risk reduction programs.

There was a discussion.

Ms. Cormier said she agrees that MNHG needs to do something but thinks the “lite” plans as presented and as options for employees, may not be the best choice.

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Pauline Paste said the Steering Committee should continue to review the options available and present its recommendations to the Board.

**Disease Management Programs:**

Carol Cormier said that Harvard Pilgrim Health Care and Tufts Health Plan both propose to offer some Disease Management Programs at a cost. She said Fallon already includes them. Ms. Cormier asked Bill Hickey and Maria Chandler to address this.

*Harvard Pilgrim Health Care* – Bill Hickey reviewed a handout on HPHC’s Disease Management programs. He explained each program and the projected savings to the Group if they chose to add any of the programs. He showed number of members eligible for each program. Mr. Hickey said the return on investment runs about 2:1.

Rob Anderson said that Fallon offers Disease Management programs at no added cost and that they are in place now for the MNHG. He said that the depression Management program is no longer available.

Tony Logalbo pointed out that the Fallon list of disease management programs seems to be much smaller than the list presented by HPHC.

Rob Anderson agreed and said that he would be talking to management about this.

*Tufts Health Plan* – Maria Chandler reviewed what programs are already covered under the plan at no cost and then reviewed the additional disease management programs available through Healthways for an additional cost per diseased member per month. She said package C is the package most often adopted by employers. She noted that Tufts has provided the number of eligibles in the Group for each program.

It was agreed that the Steering Committee would further review the programs and present a recommendation at the next Board meeting.

**Health Plan Reports:**

*Harvard Pilgrim Health Care* – Bill Hickey handed out a Review of Plan Performance for CY03, CY04, and CY05.. He gave an overview of the report and reviewed the plan performance. He noted the demographics on page 2, the 23% increase in claims, and the CY05 large claims cost of \$884K, a significant increase over prior years. Mr. Hickey said the use of generic prescriptions is up. Mr. Hickey also stated that he would like to help MNHG define a report that is more MNHG-specific and informative and said he would like to bring someone from the reporting department to a future meeting.

Pauline Paste said this would be great information to share with the Insurance Advisory Committees..

*Fallon Health Plan* – Rob Anderson said he is reviewing information for similar reports and should have something to present at the next MNHG Board Meeting.

*Tufts Health Plan* – Maria Chandler said she did not include the Tufts utilization and cost report in the packet but will bring it to the next MNHG Board Meeting.

**MNHG Website:**

Pauline Paste explained that there have been complaints about the user friendliness of the MNHG website. She said Mark Sobkowicz, the current webmaster, submitted a proposal to create a new MNHG website.

Carol Cormier said that GBS would provide all of the information but would still need a person from the Board to act as liaison.

Judy Belliveau said she would be interested in being that person.

Tony Logalbo motioned to accept the MNHG website proposal of Mark Sobkowicz.

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

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**Other Business:**

Mike Hartnett asked if the MNHG was in danger of being in the red financially

Tony Logalbo said he did not believe so with regard to cash flow.

Mike Hartnett asked if the May Balance Sheet had been the balance sheet in place when rates were originally set, if it would have impacted the rate decision.

Tony Logalbo said that it probably would have by about 5% or so. He again stated that hopefully this was just an unusual period.

Tony Logalbo thanked Pauline Paste for her many years of service on the MNHG Board, Steering Committee and service as Chair and Vice Chair of the MNHG. He presented her with a Commonwealth of Massachusetts Proclamation signed by the Board members and other MNHG participants. The Board thanked Ms. Paste and wished her well in her retirement.

Ms. Paste thanked the Group.

With no other business, Pauline Paste thanked everyone for coming and adjourned the meeting at 11:45 a.m.

*Prepared by Lisa Trombly  
Group Benefits Strategies*