

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, June 11, 2008 at 10:00 a.m.

Primary & Alternate Board Members Present:

Gerald Martin, Chair
Anthony Logalbo
Denis Callahan
Melisa Doig
Margaret Dennehy
John Flaherty
Elizabeth Currier
Pauline Guilmette
Teresa Watts
M. Lawrence Barton
Pam Landry
Lorraine Leonard
Kathleen Wylie
Stephen Hemman
Patrick McIntyre

North Middlesex Regional School District
Treasurer, MNHG
Town of Ayer
Town of Ayer
Town of Boxborough
Concord-Carlisle Regional School District
Town of Groton
Town of Tyngsborough
CASE Collaborative
Town of Carlisle
Town of Stow
Town of Harvard
Narragansett RSD
Narragansett RSD
Town of Clinton

Guests Present:

Jim Fay
Bill Hickey
Fred Winer
Emily Chaves
Robert Anderson
Christopher Collins
Heidi Steinitz
Carol Cormier
Karen Carpenter

Selectman, Town of Ayer
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Fallon Community Health Plan
CanaRx
The Abacus Group
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Chair Jerry Martin called the meeting to order at 10:07 a.m.

Approval of the minutes of the February 27, 2008 Board meeting:

John Flaherty moved to approve the meeting minutes of the February 27, 2008 Board meeting.

Tony Logalbo seconded the motion. The motion passed by unanimous approval.

Motion

Treasurer's Report:

Treasurer Tony Logalbo reviewed the financial statements of May 31, 2008 (unaudited figures). He reported an Uncommitted Fund Balance of \$3,694,856. Mr. Logalbo said a \$130K pharmacy rebate was received from HPHC which would be added to the Uncommitted Fund Balance. He said the Fund Balance target was \$4,927,445.

Mr. Logalbo said the revenue for the total plan year was approximately \$42M and the expenses were pretty close to that amount. Mr. Logalbo said he would send a summary of the plan year financials electronically to the Board.

GBS Reports:

Funding Rate Analysis by Plan - Carol Cormier reviewed the Funding Rate Analysis report with data through April. She said the composite expense-to-funding ratio was 0.924 on a paid basis and that funding exceeded expenses by almost \$2.8M. She said that the funding for Harvard Pilgrim EPO plan is not supporting the expenses, and there is a funding shortfall for this plan of \$178K through April.

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that for the first month of the fourth quarter the Group owed Harvard Pilgrim \$482,057.

Stop Loss Reports – Karen Carpenter reviewed the report of excess claims for the CY08 policy period with claims paid through April 2008. She said that for this year there is one excess claimant with total paid claims of \$311,767. Ms. Carpenter said the Aggregating Specific Deductible of \$100K has not been met yet. She said that the outstanding reimbursement total is a negative \$13,232. She said there were 3 claimants on the report of claims at 50%+ with a paid claims total of \$422,980.

Karen Carpenter reviewed the CY07 report and said there are six excess claimants with total paid claims of \$2.25M. She said there is approximately \$2.3K in outstanding reimbursements due the group.

Enrollment Update – Carol Cormier reviewed the MNHG active and retiree health plan enrollments as of June 10, 2008.

FY08 Proportionate Shares – Carol Cormier reviewed the FY08 proportionate share percentages of each participating governmental unit and said this information is often requested by the auditors of the towns and districts.

GBS COBRA Administration Fee Proposal:

Carol Cormier said the proposed GBS COBRA Administration contract is for three years, FY09 through FY12. Ms. Cormier said there is a proposed increase of \$.02 per subscriber per month for each year of the contract.

Larry Barton moved to approve the GBS COBRA Administration three year contract renewal and \$.02 per subscriber per month increase for each year of the contract.

Motion

Tony Logalbo seconded the motion. The motion passed by unanimous approval.

Harvard Pilgrim (HPHC) Level Monthly Deposit proposal for FY09:

Bill Hickey said HPHC proposed to increase the MNHG Level Monthly Deposit from \$998K per month to \$1,190K per month. Mr. Hickey said the current monthly average claim amount is \$1,167K.

Tony Logalbo said this was a reasonable request since MNHG has been underpaying the actual claims each month with the current LMD.

Larry Barton moved to approve the proposed FY09 HPHC Level Monthly Deposit increase.

Motion

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

Alternative Rx Purchasing Program:

MMA Program - Heidi Steinitz reviewed the MMA report and said MNHG is continuing to save money with the program. Dr. Steinitz said they have a cumulative net savings of \$37.5K from November 2007 through May 2008. She said employees have saved over \$30K in that period in waived Rx co-pays.

Dr. Steinitz said higher Canadian Rx prices and the current exchange rate are having an impact on the program. She said that as prices rise and the value of the dollar drops, the list of drugs that are available from Canada at savings is dwindling.

Dr. Steinitz said that CanaRx is urging clients to expand importing of prescription drugs to other English-speaking countries such as Great Britain, Australia, and New Zealand. Heidi Steinitz said CanaRx is vetting the New Zealand system to check the safety of their distribution practices.

Heidi Steinitz said other than the first order taking a few days longer to process, that the transition to expanded importing would be almost transparent to the members.

Tony Logalbo asked about product seizures at the U.S. borders.

Heidi Steinitz said that there have been approximately 10 product seizures since 2004 for all MA clients. Dr. Steinitz said that if it should occur the patient would receive a letter from Customs. The patient then usually calls The Abacus Group, and the prescription would be reshipped. She said the worst case scenario would be that the member would need to get a one week supply locally until the package arrives.

Christopher Collins from CanaRx said that seizures are very rare and most times since controlled drugs are not being shipped through this program that once Customs opens up the package and sees all the required paperwork is included, they pack it back up and ship it out.

Lorraine Leonard asked how the change would be communicated to the employees.

Heidi Steinitz said CanaRx would send out communications and mailings to the employees.

Carol Cormier asked if the drugs would look different and asked about monitoring of the name of the drug to be the same as the name in the US.

Heidi Steinitz said that other than the shape and color of the drugs, there would not be any difference.

Chris Collins said that it has been his experience that most of the drugs from Great Britain, Australia and New Zealand look identical to those being supplied from Canada and said that CanaRx would still be monitoring the names of the drugs.

Jerry Martin moved to expand prescription drug importing to countries other than Canada, specifically Great Britain, Australia and New Zealand, and to lock in the source country for each script for 12 months. The motion also includes using the physician form for authorization to specifically dispense a brand name for which there is a generic equivalent.

Steve Hemman seconded the motion. The motion passed by unanimous approval.

Motion

Lorraine Leonard said she was told that adding this benefit would need to be bargained.

Carol Cormier said that she believed a letter was sent to union officials in 2004 stating that this would be outside of bargaining and no unions objected.

Elizabeth Currier requested a copy of the letter from Carol Cormier.

Heidi Steinitz told the Board that there were additional health incentive programs that are available to MNHG employees on the MMA website. Ms. Steinitz said that the group could use some of the MMA incentive dollars that are not currently being used. She said she would look up the MNHG incentive balance.

Dr. Steinitz distributed information about a health incentive program by Good Health Gateway and said this was not the model she was going to use but was using it out as an example.

Dr. Steinitz said she would like to target more high risk members. Dr. Steinitz said there are interactive websites available now through the MMA Program named Heart Age and MyHealthMaximizer which are designed to help members to reduce their risk for heart disease.

Heidi Steinitz explained that the website teaches members how to lower their cholesterol and blood pressure levels through making small changes in their eating habits. Dr. Steinitz said the website can be modified and asked the Board if there was any interest to start some type of wellness program using their incentive balance.

Larry Barton said it was an intriguing concept and suggested to Dr. Steinitz that she work with the Steering Committee to come up with a presentation to the Board.

Carol Cormier said the two larger Joint Purchase Groups have Wellness Coordinators and the employees are very receptive to the programs. Ms. Cormier said Scantic Valley Regional Health Trust applied and was approved for a state Wellness Grant and has hired a Wellness Coordinator to facilitate the programs.

Elizabeth Currier said she would like to see MNHG work towards putting together a plan for wellness programs.

Steve Hemman made a motion for the Steering Committee to move forward with getting additional information and recommendations for wellness programming.

Motion

Larry Barton seconded the motion. The motion was passed by unanimous approval.

Heidi Steinitz said she would design some proposals for the Steering Committee to review.

MNHG Health Plans and the GIC plans:

Carol Cormier said in response to the Board's interest in seeing a comparison of the MNHG and the GIC health plans she asked Tufts Health Plan and Harvard Pilgrim Health Care for comparisons of actuarial value of the MNHG current EPO the Tufts and HPHC plans offered by the GIC. She reviewed the information. Ms. Cormier explained that the Tufts information is represented on the chart but the HPHC plan is similar. Ms. Cormier said the GIC Tufts and HPHC plans are PPOs and have tiered provider networks.

Steve Hemman said it would be helpful to have a chart to show MNHG employees so they could compare the benefit structure.

Carol Cormier said the MTA engaged the firm of Boston Benefit Partners to complete analyses for towns and districts.

Tony Logalbo said the GIC premiums may be lower in some cases but the GIC co-pays are higher.

Steve Hemman pointed out that the GIC requires a three-year commitment and benefits and rates cannot be negotiated. He asked Carol Cormier the governmental units' requirements should they decide to leave the MNHG.

Carol Cormier said a unit would need to give the required notice of 60 days and may only withdraw upon anniversary. She added that they would not be eligible to take any of the uncommitted trust fund balance. Ms. Cormier said the MNHG would be responsible for any run-out claims.

Proposed Optional Menu of Lower Cost Benefit Plans:

Carol Cormier said there are two Joint Purchase Groups that offer "Rate Saver" type of health plans which have lower premiums and higher copays. She said Berkshire Health Group (BHG) and West Suburban Health Group (WSHG) offer these plans in addition to their standard plans and they permit each employer, at its own discretion, to offer all plans, just the standard plans, or to bargain in the Rate Saver plans. Ms. Cormier reviewed the WSHG plan comparison of the standard EPO plans to their Rate Saver EPO plan counterparts.

Larry Barton explained to the Board that the Steering Committee would be analyzing the plans and options, and if they present a proposal to the Board to offer the Rate Saver plans for June of 2009, a decision would need to be made by the fall of this year.

Board members expressed their interest in this approach.

Health Plan Reports:

Harvard Pilgrim Health Care (HPHC)–

Bill Hickey, Account Executive for HPHC said the company's finances are strong, and they are continuing to see very good member growth. Mr. Hickey said HPHC is focusing on the MA Health Care Reform and The Connector as well as a focus on products for Seniors.

Mr. Hickey said a new service HPHC is working on is called Senior Assist, a program that helps members deal with senior family members.

Bill Hickey said members will be able to track their health records on a new website feature called Personal Health. He said it is a completely secure site.

Fallon Health Care Plan –

Rob Anderson, Account Executive for Fallon, said the company has reached its highest membership in history. He said Fallon recently expanded its network to include the Lahey Clinic and Summit Eldercare for seniors who do not need to live in a nursing home environment but need additional health services.

Mr. Anderson said Fallon also offers a Fitness Benefit reimbursement benefit of up to \$300 per family for any type of fitness program fees that the members are involved in including school sports activity fees.

Tufts Health Plan-

Emily Chaves, Account Manager at Tufts, said Tufts membership was 635K last year and it has grown to 680K this year and that Tufts net worth is \$638M with no debt. She said Tufts is working towards getting back into the Rhode Island market. Ms. Chaves said Tufts is focusing on Disease Management programs and helping those members that have severe illness.

Fred Winer, Account Executive at Tufts for Senior Products said Tufts filed 2009 rates with CMS, but it is too early to tell if they will be accepted. But he said he is expecting the rates to be pretty much the same as they are.

Other Business:

Carol Cormier told the Board that Jack Sharry's original plan to retire and sell GBS and its sister companies to Kevin Walsh in January of 2009 has changed. Ms. Cormier said that Mr. Sharry has decided not to retire from the consulting business; however, Ms. Cormier said he will sell the GBS Insurance Agency (GBSi) and Prescription Benefits Services (PBS) to Mr. Walsh on July 1, 2008. She said Mr. Walsh would be opening his new office in Webster, MA.

Lorraine Leonard asked if it is a rule set by MNHG that a couple is required to enroll into a family plan instead of choosing two individual plans.

Carol Cormier said that it is a health plan rule that she thought was determined by the Division of Insurance. She said the exception is if both individuals in the couple are employed by the town or district. Ms. Cormier said she would email the rule to the Group.

Chair Jerry Martin said that this would be Steve Hemman's last meeting since he is retiring. He thank Mr. Hemman for his service on the MNHG Board and wished him well.

Motion

Steve Hemman motioned to adjourn the meeting.

Tony Logalbo seconded the motion. The motion passed by unanimous approval.

Chair Jerry Martin adjourned the meeting at approximately 12:05 PM.

The next Board meeting will be scheduled for September, and the date and time will be communicated to members via email.

*Prepared by Karen Carpenter
Group Benefits Strategies*