

MINUTEMAN NASHOBA HEALTH GROUP

Steering Committee Meeting

Concord Town House
Concord, Massachusetts

Meeting Minutes

Wednesday, July 20, 2005 at 2:00 p.m.

Committee Members Present:

Tony Logalbo, Chair and Treasurer
M. Lawrence Barton
Pauline Paste
Valerie Jenkins
Paul Cohen
David Desgroseilliers

Town of Concord
Town of Carlisle
Lincoln Sudbury Reg. School District
Town of Groton
Town of Harvard
Town of Tyngsborough

Guests Present:

Maria Chandler
Anne O'Brien
Richard Thatcher
Carol Cormier

Tufts Health Plan
Prescription Benefits Services (PBS)
The Abacus Group/*myMedicationAdvisor*®
Group Benefits Strategies

Chairman Tony Logalbo called the meeting to order at 2.05 p.m.

1. Approval of the minutes of the meeting of May 4, 2005:

David Desgroseilliers moved to approve the minutes of the May 4, 2005 meeting as written.

Motion

Paul Cohen seconded the motion.

The motion passed by unanimous vote.

2. GBS COBRA Administration Proposal:

Carol Cormier reviewed the proposed fee increase of two cents per year for the period 6/1/05 – 5/31/08. She said this is the same as the proposal for the last three-year agreement. She said that MNHG is the only COBRA client for which GBS provides the COBRA General Notice.

Carol Cormier responded to questions about how GBS knows to send out a General Notice.

Dave Desgroseilliers moved approval of the new fee proposal for 6/05 – 5/08.

Valerie Jenkins seconded the motion.

The motion passed by unanimous vote.

Carol Cormier thanked the Committee for renewing this agreement.

3. Proposal for an alternative prescription drug-purchasing program:

Rick Thatcher was present representing The Abacus Group and Anne-Marie O'Brien represented Prescription Benefits Services (PBS).

Rick Thatcher said that The Abacus Group had re-done the fee schedule to lower the fees to the level of fees offered to the larger joint purchase groups. He reviewed the revised projected savings for the first and second years of the *myMedicationAdvisor*® /Canadian Rx purchasing program. He said in addition to the services PBS and Abacus would provide that have already been discussed, they would also work to enhance the utilization of the existing Mail Order Rx programs through Tufts and Harvard Pilgrim Health Care (HPHC).

Dave Desgrosielliers asked for clarification of the roles of PBS and Abacus.

Anne O'Brien explained the PBS relationships with Abacus and selected Canadian vendors and the clients.

Larry Barton asked about the group's potential liabilities with the proposed program.

Anne O'Brien said that PBS holds the contract with the Canadian Rx vendor. She agreed to provide additional information.

Dave Desgroseilliers asked if PBS was insured?

Anne O'Brien said she would get the Committee this information.

Tony Logalbo asked about the mechanism of waiving the member co-payments through the Canadian vendor.

Anne O'Brien said that the Canadian vendor bills the full cost of the drug to the client.

Tony Logalbo asked who prepares the monthly financials to compare to budget projections.

Anne O'Brien said that PBS with Abacus does the financials generally three weeks after the end of each month.

Valerie Jenkins asked how retirees in Florida would be informed about and into the program.

Rick Thatcher said there would be mailings to out of area covered members and said that Abacus/*myMedicationAdvisor*® has a toll-free call center.

In response to a question by Larry Barton, there was a discussion about the *myMedicationAdvisor*® educational programs.

Dave Desgroseilliers asked if the data could be provided at the individual health plan level.

Anne O'Brien said this could be done.

Tony Logalbo said he thought that level of reporting would be valuable on an annual basis.

Anne O'Brien said that if the Group decides to go with CanaRx, the reporting is by health plan.

Carol Cormier talked about the letter that the Cape Cod Municipal Health Group (CCMHG) employers sent to their unions regarding the optional Canadian Rx purchasing program.

Pauline Paste asked about the generic conversion part of the program.

Rick Thatcher said that there are greater savings in switching from brand name to generic medications than from US-purchased brands to Canadian-purchased brands. He said that this part of the program would be rolled out after the Canadian purchasing program.

Anne O'Brien reviewed the Canadian Rx vendors with which PBS contracts and told the Committee the municipalities that used each of the vendors. She explained that GBS and PBS had vetted these vendors.

There was a discussion about the best time to start *myMedicationAdvisor*®. It was agreed that late October to early November suited all parties.

Tony Logalbo said that the proposed contract with PBS should be reviewed first. He said that the Group should have a legal person review it.

Carol Cormier said she expect the agreement will be the same as that agreed upon by the CCMHG after legal review. She said City of Newton's law department reviewed the PBS contract also.

Larry Barton said he was concerned about the group's liability and wants to see the contract and the waiver that the member signs. He questioned the Steering Committee's fiduciary responsibility. He said he would like PBS to attest to the fact that the contract offered to MNHG will be the same as CCMHG's.

Tony Logalbo said he thought November 1st would be the appropriate start-up date for *myMedicationAdvisor*®.

Anne O'Brien responded to questions about PBS's revenue from the program other than cost per contract fees. She said that with CanaRx, PBS gets 1.5% of the cost of each medication not including the shipping costs. She said that with the vendor Canusa, PBS gets a flat fee of \$3.00 per script filled.

Paul Cohen said he thought the Committee could approve the contract based on a confirmation that it was the same as the CCMHG's contract with a start-up date of October 15 or after.

Larry Barton moved to contract with PBS subject to the Chair's review of the contract with a start date on or around November 1st and using CanaRx as the Canadian prescription drug vendor.

Motion

Valerie Jenkins seconded the motion.

Pauline Paste asked if the Canadian purchasing program was completely voluntary.

Tony Logalbo said that the program is completely voluntary.

Tony Logalbo asked if the fee scale would change during the life of the contract.

Anne O'Brien said that the fee scale would remain the same for the life of the contract with fees changing as purchasing levels increase.

Tony Logalbo called for a vote on Mr. Barton's motion. The motion passed by unanimous vote.

Vote on motion

Tony Logalbo asked if the MNHG could change the pharmacy vendor during the life of the contract.

Anne O'Brien said that she thought this would be possible if there were a good reason to do so and with sufficient advance notice. She said she would check the contract to confirm this information.

The Committee thanked Ms. O'Brien and Mr. Thatcher and they left the meeting at this time.

4. Medicare Part D:

Carol Cormier said that Center for Medicare and Medicaid Services (CMS) has determined that MA joint purchase groups, and not the individual participating employers, are the Plan Sponsor for the purpose of filing for Medicare Part D subsidies. She also said that Tufts Health Plan and Harvard Pilgrim Health Care (HPHC) have said that they will do both Medicare Part D actuarial attestations (Gross Value and Net Value). She said she does not know if Fallon will do the actuarial attestations but that it's not a big issue with Fallon since the only senior plan offered by Fallon is a Medicare Advantage (MA) plan which will become an MA-PD plan on January 1st. She said that there would be no need to file for a subsidy for this plan but that there might be some Medicare eligible retirees on the commercial Fallon plans.

Carol Cormier said that Tufts has confirmed that it will send the letter of creditable coverage to Medicare eligible members enrolled in its health plans. She said she'd ask HPHC and Fallon if they will do the same. She said the employers would be responsible for sending letters to non-enrolled Medicare eligible members.

Carol Cormier said that it would be wise for employers to adopt MGL Ch. 32B, Section 18, the mandatory Medicare section. There was a discussion.

Maria Chandler said that Tufts could provide reports of who is age 65 and older and has Medicare Part A and/or Medicare Part B. She said it would be a few months for the report to be produced.

Carol Cormier asked Ms. Chandler to put in the report request. She said she would request the same reports of HPHC and Fallon.

Tony Logalbo said that even if the employers do not adopt Section 18, it would be worthwhile to identify the active employee plan members who are Medicare eligible. He said he would like to send a letter to each of the MNHG employers asking them to identify the retirees who are age 65 and older who are on active employee plans and to identify whether or not they have Medicare Part A and/or Part B.

There was a discussion about filing for the Medicare Part D subsidy.

5. Medicare Complement Plan (MCP) benefit issue:

Maria Chandler, Tufts Health Plan, explained that Tufts has been unable to administer the MCP office visit benefit with the qualifications that are described in the plan comparison and other literature. She said that Tufts has been processing all office visits as covered in full. She said that Tufts cannot change its system for this benefit and suggested that the MNHG might want to consider having a co-pay for office visits. She said at this time there is no co-pay. Ms. Chandler said that in 2004 there had been 1,893 visits (including all office visits).

Paul Cohen said he thinks that there definitely should be a co-pay for office visits.

There was a discussion.

Tony Logalbo said that this should be an agenda item for the September Board meeting and that there should be a Steering Committee recommendation. He said that it would make sense to wait until the anniversary date of the health plan, i.e. June 1, 2006.

The Committee agreed with Mr. Logalbo.

Consumer Driven Health Plans (CDHPs):

Carol Cormier said that the Committee had heard the Liberty Plan presentation by Tufts. She said that Harvard Pilgrim also has a CDHP.

The Committee agreed to schedule a presentation from Harvard Pilgrim regarding its CDHP.

Valerie Jenkins moved to adjourn the meeting.

Pauline Paste seconded the motion. The motion passed by unanimous vote.

Chair Tony Logalbo adjourned the meeting at 4:35 PM.

*Prepared by Carol Cormier
Group Benefits Strategies*