

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, September 12, 2007 at 10:00 a.m.

Primary & Alternate Board Members Present:

Valerie Jenkins, Chair	Town of Groton
Jerry Martin, Vice Chair	North Middlesex Regional School District
Anthony Logalbo, Treasurer	Town of Concord
Judy Belliveau	Lincoln Sudbury Regional School District
Margaret Dennehy	Town of Boxborough
Stephen Hemman	Narragansett Regional School District
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)
Mark Russoniello	Fallon Community Health Plan (FCHP)
Bob Cannon	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)

Chair, Valerie Jenkins called the meeting to order at 10:15 a.m.

Approval of the minutes of the June 6, 2007 meeting:

Judy Belliveau moved to approve the Board minutes of the June 6, 2007 meeting.

Motion

Lorraine Leonard seconded the motion. The motion passed by unanimous approval.

Fallon Cost and Utilization Report:

Mark Russoniello from Fallon Community Health Plan (FCHP) presented the Overall Medical Cost Summary report through April 2007. He said that there were 388 employees participating in FCHP Select Care plan and 38 employees participating in FCHP Direct Care plan. He said that the average member age was 33.9 years old. Mr. Russoniello said that there was an unusually large increase in pharmacy claims (23%), and 4% increase in non-pharmacy claims. He said the Group had a 66% generic drug utilization rate. He said that there were seven claimants with claims over \$50,000, including a termed claimant with claims totaling just over \$130,000.

Emily Eaton from FCHP presented the Wellness Report. She said that the report showed a comparison between MNHG and the total FCHP population in the following categories: Heart Disease, Cancers, Diabetes, Lung Disease, Drug/Alcohol abuse, Accidents/Injuries, and Screenings. She said that because the MNHG's population was younger and had more dependents, the MNHG rates were very low for the chronic diseases. Ms. Eaton also said that rate of screening visits was significantly high. She noted that the rates were high in Lung Disease category.

Carol Cormier asked if the members who smoked could be identified.

Emily Eaton said that unless they were participating in a program, there was no way to identify them.

There was a discussion.

Carol Cormier asked whether it was known why the pharmacy claims went up.

Mark Russoniello's answer was that there could have been a number of reasons such as inflation and the cost of bioengineered drugs, but he was not certain about the cause.

Carol Cormier spoke about the online Health Risk Assessment. It was agreed that there should be a promotion to get Fallon members to complete this assessment tool.

Emily Eaton said she would provide GBS with additional information.

There was a discussion about health fairs and using them to provide disease screenings and health promotion activities.

Treasurer's Report:

Financial Reports as of August 31, 2007 - Anthony Logalbo, Treasurer, reviewed the Balance Sheet of August 31, 2007, (unaudited figures). He reported an uncommitted fund balance of \$2.375M. He said that the Group received \$160K in June for Harvard Pilgrim Health Care (HPHC) pharmacy rebates. He said that there also was a Medicare part D reimbursement of \$190K.

Mr. Logalbo said that the auditing firm, Thevenin, Lynch & Bienvenue, LLP, is close to completing the audit and the draft should be available shortly.

Group Benefits Strategies Reports:

Funding Rate Analysis by Plan Type Year End Report, FY06 Year-End - Carol Cormier reviewed the year-end report for FY07 and stated that the Tufts EPO, Tufts POS, Tufts MCP, and Fallon EPO plans were sufficiently funded. She said the claims for Harvard Pilgrim EPO and Harvard Pilgrim PPO plans were higher than projected, and the cost to funding ratio was 105.3% for HPHC EPO and 145.8% for HPHC PPO. Ms. Cormier said that the Group received approximately \$500K in reinsurance reimbursements. She said that overall expense to funding ratio was 95.6%.

Funding Rate Analysis by Plan Type, FY07 - Carol Cormier reviewed the FY07 report with data through June 2007 (1 month). She said that the expense-to-funding ratio across all plans was 81.8%. She said that as of September, 2007 Minuteman Nashoba Valley Health Group's (MNHG) total Retiree Drug Subsidies (RDS) from Tufts Health Plan (THP) was \$299,830 and \$7,747 from Harvard Pilgrim Health Care (HPHC). Ms. Cormier said that those were not the final amounts, as MNHG would file for additional months in 2007.

HPHC Level Monthly Deposit Reconciliation Report – Carol Cormier reviewed the actual costs and the level monthly deposit for the quarter ending June 2007. She said that the Group was owed \$229,350.

Reinsurance (Stop Loss) Reports – Ms. Cormier reviewed the CY07 report with paid claims data through July. She said that there were three claimants who had exceeded the \$200K stop loss deductible. She said total excess claims were \$120,523. She said that MNHG had almost met the \$100K Aggregating Specific Deductible. Ms. Cormier said that the Group received a little over \$25K in reinsurance reimbursements and there is approximately \$912 due to MNHG at this time. She said there are currently four claimants at 50% with claims totaling \$438,775.

Carol Cormier also reviewed the CY06 report with paid claims data through July 2007. She said that there were thirteen claimants who had exceeded the \$150K stop loss deductible. She said total excess claims were \$3.16M. She said that MNHG had met the \$100K Aggregating Specific Deductible. Ms. Cormier said that the Group received \$499,259 in reinsurance reimbursements and there is approximately \$36K due to MNHG. She said there were fourteen claimants at 50% with claims totaling \$1.488M. She noted that there were no FCHP member claims that exceeded the stop loss deductible and there was one FCHP member on the 50% report.

myMedicationAdvisor® - Generic Alternative Savings Program Proposal – Carol Cormier reviewed the financial reports from November 2006 thru July 2007 with projected savings of \$21K. She said there was almost \$25K in actual savings. She said that the alternative generics savings program was doing considerably better than projections.

MA Regional Joint Purchase Group Statistics: Ms. Cormier reviewed the MA Regional Joint Purchase Group Statistics comparison. She said that MNHG is in the middle in terms of enrollments and budgets, and Cape Cod Municipal Health Group (CCMHG) and West Suburban Health Group (WSHG) were the top two groups.

GBS RDS Memorandum of Understanding:

Carol Cormier said that GBS proposes an annual fee for FY08 of \$9,000 for providing Account Management services for Medicare Part D Retiree Drug Subsidy (RSD). She said that the FY08 RSD applications have been filed. She discussed the problems with regard to the change to a policy year for senior plans that is a calendar year.

Valerie Jenkins said that the Steering Committee accepted the RDS Memorandum of Understanding and proposed fees at the September 12, 2007 meeting.

Website Maintenance Contract:

Valerie Jenkins said the Steering Committee had approved the website maintenance agreement with Lisa Trombly, and she signed the contract that will run from February 2008 through January 2009.

Prosthetics Benefit:

Bill Hickey of HPHC said that the benefit is limitless for artificial limbs. He said that there is a law in the state of Massachusetts that requires insurers to provide full coverage of artificial limbs. He said that because MNHG self-funds it is not subject to the artificial limb mandate. He said that HPHC included it under the Durable Medical Equipment (DME) benefit of the MNHG plans, and there is a \$2,500 a year maximum.

Matt Shields of THP said that Tufts has a similar DME benefit as HPHC.

Donna Madden said that the Town of Bolton had an employee who needed a replacement limb and had to pay most of the fees out of pocket. She said that the employee had FCHP at the time.

Bob Cannon of FCHP said that the DME maximum is \$1,500 a year.

Anthony Logalbo said that the Steering Committee would need to compare DME benefit on all three plans, HPHC, THP, and FCHP to make sure that everything that needs to be covered is covered.

Medicare Plans for CY2008:

Valerie Jenkins said that because the rates for Medicare Plans for CY2008 were not yet available, the Group would need to set up a meeting in October 2007 receive the quotes and take a vote on the rates.

Lorraine Leonard asked if the units that have not yet adopted Section 18 were pushing to adopt it.

Carol Cormier named the MNHG's units that have adopted Section 18 (Towns of Concord, Pepperell, Tyngsborough, Harvard, Ayer, Groton, North Middlesex RSD, Narragansett RSD, and Concord Carlisle RSD). She said that she could provide benefit comparison charts and other helpful documents to the units that have not accepted Sec. 18 and are pursuing it.

Fred Winer (THP) presented information about Tufts' Private Fee For Service (PFFS) plans. He said that there would be two Private Fee for Service plans, Basic and Prime. He said with one exception, office visit copays, the PFFS Prime benefits mirror those of Tufts Medicare Preferred HMO. He said that there is no network with the PFFS plans and that members generally can go to any provider who accepts Medicare. He said that there are a few exceptions in Massachusetts such as the Harvard Vanguard centers and Dedham Medical Associates who will not take any PFFS plans. Mr. Winer said that the Group would have to choose to offer only one of the plans.

Mr. Winer said that the CY2008 rate for Prime PFFS plan is \$165/month, and for Basic the premium will be \$69. He said that the rates for the Tufts Medicare Preferred HMO would be \$153/month, the same as the 2007 rate. He said that the rate for the TMC plan also will not change and will remain at \$313/month.

He said that on Tufts Medicare Preferred the Prescription Mail-order Benefit would change so that members may use Mail Order for 30, 60 or 90 day supplies rather than just for 90 day supplies.

Mr. Winer emphasized that anyone wishing to join the PFFS plan should call their providers to confirm that the providers will accept the PFFS plan coverage.

Update on meetings with Joint Purchase Groups:

Carol Cormier said that because of the Dennis decision, Joint Purchase Groups have a more difficult time updating benefits than do employers that are independently purchase health benefits.

Stephen Hemman asked if the Group were to look into the GIC option.

Carol Cormier said that it would not be possible to go in as a group because each employer would have to go through the Section 19 process to get into the GIC. She said doing that as a group would be more difficult than changing benefits as a group. She said that if MNHG were to adopt plan benefits similar to those of the GIC, it is likely that MNHG would have rates more similar to the GIC. She said the GIC does not have to bargain over benefit changes and that much of the cost control has been associated with benefit changes.

There was a discussion.

GIC Option Legislation:

Carol Cormier reminded the members that she had sent them a good deal of information on the GIC Option and Section 19. She reviewed the advantages and disadvantages of the GIC option. She said entrance into the GIC is through the MGL Ch. 32B, Section 19. She explained that S. 19 requires that management bargain with a Public Employee Committee (PEC) over whether to join the GIC and what the contributions and withdrawal procedures would be among other topics. She said that the PEC has weighted voting and that it includes a retiree appointed by the Association of Retired State, County and Municipal Employees who would have 10% of the vote. She said 70% of the PEC vote is needed in order to proceed with the GIC option.

A discussion followed.

Heath Plan Reports:

Bill Hickey announced that HPHC just launched the new website which he hoped the Board members would check out.

Bob Cannon said that FCHP added Acton Medical Associates to the list of participating hospitals.

Matt Shields said that THP is going to have the annual Tufts 10K Marathon on October 18,2007.

Other Business:

Stephen Hemman announced that he would be retiring in June 2008. He said that he would start bringing his possible replacements to upcoming meetings.

There was no other business.

Larry Barton moved to adjourn the meeting.

Motion

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

Valerie Jenkins adjourned the meeting at 12:20 P.M.

*Prepared by Jenna Roginsky
Group Benefits Strategies*