

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Thursday, September 14, 2006 at 10:00 a.m.

Primary & Alternate Board Members Present:

Paul Cohen, Chair	Town of Harvard
Valerie Jenkins, Vice Chair	Town of Groton
Melisa Doig	Town of Ayer
Margaret Dennehy	Town of Boxborough
Edward Orenstein	Case Collaborative
John Flaherty	Concord Carlisle RSD
Stephen Hemman	Narragansett R.S.D.
Pam Landry	Town of Stow
Anthony Logalbo, MNHG Treasurer	Town of Concord
Jerry Martin	North Middlesex RSD
Judy Belliveau	Lincoln Sudbury Regional School District
Linda Boucher	Town of Carlisle
Denis Callahan	Town of Ayer
Pauline Guilmette	Town of Tyngsborough

Guests Present:

Jeff Ritter	Town of Groton
Rob Anderson	Fallon Community Health Plan (FCHP)
Robert Cannon	Fallon Community Health Plan (FCHP) Retiree Products
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Maria Chandler	Tufts Health Plan (THP)
Dave Mezzanotte	Tufts Health Plan (THP), Retiree Products
Fred Winer	Tufts Health Plan (THP), Retiree Products
Mary Bartkiewicz	Tufts Health Plan (THP), Retiree Products
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

Chair, Paul Cohen, called the meeting to order at 9:14 a.m. He asked all attendees to introduce themselves.

Approval of the minutes of the June 7, 2006 meeting:

Margaret Dennehy moved for approval of the Board meeting minutes of the meeting of June 7, 2006.

Pam Landry seconded the motion. The motion passed by unanimous vote.

Motion

Treasurer's Report:

Financial Reports as of May 31, 2006 -

Tony Logalbo, Treasurer, reviewed the Balance Sheet of August 31, 2006, (unaudited figures). He reported an uncommitted fund balance of \$866,894.15. He said there would most likely be no

contribution toward the rate setting from the uncommitted fund balance. Mr. Logalbo said that electronic payments could now be made.

Steering Committee Vacancy:

Paul Cohen said that Ed Orenstein is stepping down from the Steering Committee. He thanked Mr. Orenstein for his participation on the Committee. Mr. Cohen gave a brief overview of the responsibilities a member of the Steering Committee would have. He said the Steering Committee prepares and reviews items for the meetings with the Board and monitors the financial aspects of the Group. He asked for any nominations.

Margaret Dennehy nominated John Flaherty for the Steering Committee.

Motion

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

Group Benefits Strategies Reports:

Funding Rate Analysis by Plan Type – Carol Cormier reviewed the year-end report for FY06 and stated that the funding for the Tufts EPO, Tufts POS, Tufts MCP, Harvard Pilgrim PPO and Fallon EPO was insufficient to cover the expenses. Ms. Cormier said the Harvard Pilgrim EPO plan was sufficiently funded. She said the overall expense to funding ratio was 1.06%.

Paul Cohen said this should be kept in mind during budget setting.

Ms. Cormier reviewed the Finding Rate Analysis by Plan Type report for FY07 with two months of data. She said the expense to funding ratio was 89.6%.

Level Monthly Deposit Reconciliation – Carol Cormier said that the Steering Committee and Harvard Pilgrim Health Care negotiated a new level monthly deposit of \$800K for FY07. She said last quarter HPHC was owed \$610K but now that the LMD was adjusted to \$800K, the settle-ups should be less dramatic. Ms. Cormier said the actual costs for July 2006 were \$712,224.

Stop Loss Reports – Lisa Trombly reviewed the CY05 policy report with claims paid through July 2006. She stated that there were 10 claimants totaling over \$2.1M in claims. Ms. Trombly said that the excess was \$629,987 and that all payments due to the MNHG have been issued. She said the CY05 policy is now complete

Lisa Trombly reviewed the CY06 Stop Loss report and said there are 4 claimants in excess and that the Aggregate Specific Deductible of \$100K had been reached. She said there is approximately \$51K due to MNHG at this time. Ms. Trombly said there are currently 21 claimants at 50% with claims totaling \$1.7M.

Carol Cormier stated that the reinsurance requests for quotes will be sent out in October.

Steve Hemman asked for clarification on the stop loss deductible.

Lisa Trombly stated that there are 4 claimants who have had medical expenses that exceeded the \$150K deductible. She said the excess will be reviewed by the reinsurance carrier in order to be refunded to the MNHG. She said two of the four claimants had also appeared on the CY05 excess report and have crossed policy periods.

myMedicationAdvisor® - Generic Alternative Savings Program Proposal:

Paul Cohen explained that there is another segment of the alternative prescription benefit program that has not been implemented yet. He said Dr. Heidi Steinitz was present to explain the Alternative Generic Savings Program.

Dr. Heidi Steinitz said the Alternative Generic Savings Program is designed to function the same way as the Canadian Savings Program. She said eligible members would receive a letter from myMedicationAdvisor® advising them that they may be eligible to participate in the Alternate Savings Program and that they should contact their doctor to discuss whether or not switching to one of the generics is right for them. Dr. Steinitz said the program does not cost the MNHG any additional funds because it is part of the original Alternative Prescription Drug Program.

Ed Orenstein asked Dr. Steinitz if the pharmacists utilized by The Abacus Group for this program are authorizing members to use a different drug from what they were prescribed. He asked if there was any science behind this program.

Dr. Steinitz said The Abacus Group pharmacists are not authorizing use of a different drug from what the member is prescribed. She said they are alerting the member that there may be an alternative less costly drug that their doctor could prescribe. She said the program is scientifically reviewed first and foremost and that the members would still need to contact their own doctor. Dr. Steinitz said this is a voluntary program.

Tony Logalbo asked about the cost savings.

Dr. Steinitz said a number of members are on the 3rd co-pay tier of prescription drugs and that this would be co-pay cost savings.

Paul Cohen stated that the Steering Committee reviewed the program and is making a recommendation to the Board to approve the Alternate Generic Savings Program.

Motion

Tony Logalbo motioned to approve the Alternate Generic Savings Program.

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

Disease Management Program Proposals:

Paul Cohen explained that the Steering Committee has reviewed the disease management proposals and recommends adopting both the Harvard Pilgrim Health Care comprehensive programs and the Tufts Health Plan comprehensive package.

Carol Cormier said that the recent Watson Wyatt Worldwide study found that 4% of the covered population account for 50% of the claims expense and that these programs may help address this. She said there is a charge for the Harvard Pilgrim Health Care and Tufts programs. She said these programs are more intensive and interactive than the Disease Management programs currently provided by Tufts and HPHC.

Harvard Pilgrim Health Care Disease Management - Bill Hickey gave a presentation on the disease management programs being proposed. He explained Health AdvanceSM, Heart ChampionSM, Your Care ChampionSM, Oncology Care Management Program, End State Renal Disease (ESRD) Program, Prepared for CareSM, and RN – 24/7SM. Mr. Hickey reviewed the potential cost impact to the MNHG and the cost of each program.

There was a discussion.

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Steve Hemman asked about the fee structure.

Mr. Hickey explained that the Group is only charged per participating member per disease management program per month. He said only those enrolled as participants each month would be billed to the Group.

Tufts Health Plan Disease Management – Maria Chandler explained the inclusive programs Tufts already incorporates into each plan. She said the programs being proposed now are offered for a fee. She said they are broken down into 4 options. Ms. Chandler explained that Tufts partners with Healthways for its Disease Management programs and that all identified eligible members would be automatically enrolled as a participant. She said the member would have to opt out of the program if they did not want to participate.

Carol Cormier asked about the Mail-Order-Only members listed on the sample report that was included in the packet of information Ms. Chandler distributed. She asked if Tufts already has some of these programs inclusively what more benefit could the Group obtain by purchasing additional programs.

Maria Chandler said that the available programs are more robust and include individually tailored mailings. She said they did not include any phone contact.

Paul Cohen said the Steering Committee has already reviewed the programs of both Harvard Pilgrim Health Care and Tufts Health Plan and has recommended adopting the comprehensive programs of each plan.

Rob Anderson, Fallon Health Plan, explained the programs that are already incorporated into the Fallon plans without additional charge.

John Flaherty motioned to adopt the comprehensive disease management programs offered by Harvard Pilgrim Health Care and Tufts Health Plan.

Motion

Ed Orenstein seconded the motion.

Carol Cormier asked if the Group would be locked into the programs for one year.

Maria Chandler said there would be a one-year contract period.

Tony Logalbo asked how it would be billed to the Group.

Ms. Chandler said it would be a separate line item on the regular monthly invoice.

There was a brief discussion relative to measuring the impact of the programs.

The motion to adopt the comprehensive disease management programs offered by Harvard Pilgrim Health Care and Tufts Health Plan was unanimously approved.

Benefit Design Issues for FY08:

Paul Cohen gave a brief overview of why the Steering Committee is reviewing benefit design issues for FY08.

Tony Logalbo stated that there is a need to review the current benefits and possible changes and said this was why a meeting with managers would be beneficial. He said there is a draft presentation in the packet.

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Valerie Jenkins said it is important to get selectman, union leaders, and those in charge to be at the meeting with the managers.

Steve Hemman said that it would be important to select the time carefully in order to get the most people able to attend.

There was a discussion relative to the time of the meetings. It was agreed that late afternoon would be best.

Paul Cohen asked the Board if it should move forward with the meetings.

There was a consensus to hold the meetings.

Paul Cohen asked GBS to work with Tony Logalbo and Valerie Jenkins to finalize arrangements and asked GBS to prepare notices to be distributed to management and labor with RSVPs requested.

Steve Hemman said that the Insurance Advisory Committees (IACs) should be invited.

Ms. Cormier distributed the West Suburban Health Group (WSHG) "lite" plan proposal. He said she wanted the MNHG to see what other groups are considering.

Health Plan Reports:

Harvard Pilgrim Health Care – Bill Hickey explained the features of the new Harvard Pilgrim First Seniority Freedom Premier plan and distributed flyers. He said that the plan is a Private Fee For Service (PFFS) Medicare Advantage plan. He said there is no provider network but that the Health One providers have said that they will not accept the plan. He said that any other provider that accepts Medicare should be willing to accept this senior plan. He said the Freedom plan would go into effect on January 1, 2007. He said that the current First Seniority plan would be terminated at that time.

Mr. Hickey said the new First Seniority Freedom contract would be with MNHG directly and not with the individual employers.

Valerie Jenkins asked how this new plan would affect members who are currently paying for Medicare Part B.

Bill Hickey said the Annual Notice of Change (ANOC) letter will be sent out advising members that the Harvard Pilgrim First Seniority plan is no longer available after December 31st. He said the new plan will be announced but there will be no mention that the First Seniority Freedom plan will not be accepted at Health One providers.

Dave Mezzanote, Tufts Health Plan, said the Health One works with the HMO infrastructure. He said Harvard Vanguard, a Health One provider, will not be accepting the new Harvard Pilgrim product because it is not an HMO infrastructure. Mr. Mezzanote said he wanted the employers to make sure the members know that their provider may not accept the First Seniority Freedom plan.

Ms. Cormier GBS will create a letter to be sent to members that will combine the information of HPHC and Tufts. Ms. Cormier said she thinks the new Harvard Pilgrim senior product will meet the needs of some of the MCP members at a lower cost.

Paul Cohen said it might be necessary to hold separate open enrollment periods for the senior plans in November/December timeframe and to keep the active plan open enrollment in July. He said it might make it easier to get all of the necessary information out in a more targeted way.

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The Board agreed.

Steve Hemman motioned to allow for a separate open enrollment for senior plans, to be effective for January 2007. He further motioned to change the anniversary date for all senior plans to January 1st going forward.

Motion

Pauline Guilmette seconded the motion.

There was a discussion about rates.

Carol Cormier said she will obtain the new rates for the TMC and MCP plans for January 2007 and the Board can review them at the next meeting, October 18, to make a decision of when and if to change the open enrollment for seniors.

Steve Hemman amended his original motion to consider a separate senior plan open enrollment and anniversary date after the rates are received and reviewed.

Amended Motion

Pauline Guilmette seconded the amended motion. The motion was approved by unanimous vote.

Tufts Health Plan – Maria Chandler clarified the dependent eligibility guideline implementation. She said she has been in touch with GBS and keep them informed of any new developments. She said THP is not expecting to have anything in writing until December.

Carol Cormier advised the Board that the new Mass. Health Care Reform law requires Mass. employers to have Section 125 plans starting January 1, 2007. She said details have not been released.

Fallon Health Plan – Rob Anderson said that Fallon is now affiliated with Lahey Clinic and that Fallon Selectcare is expanding its service area.

MNHG Website:

Lisa Trombly said that she has been in touch with Mark Sobkowicz with regard to updating the MNHG website. She said there was initial delay in trying to establish authorization from the service provider, Purehost, but that has since been resolved and Mr. Sobkowicz is now listed as the account contact. Ms. Trombly said Mr. Sobkowicz has been working on the home page of the site and will continue to report updates.

Other Business:

Carol Cormier said the proposed GIC Option would need to be explained at the next meeting.

Paul Cohen said the next Steering Committee meeting would be held on October 18, 2006 at 2:00 p.m. at the Harvard Town Hall. He said there would also be a Steering Committee meeting scheduled for December 6, 2006 at 9:00 a.m. with a Board meeting following at 10:00 a.m. at the Groton Public Library.

With no other business, Paul Cohen adjourned the meeting at 12:10 p.m.

*Prepared by Lisa Trombly
Group Benefits Strategies*