

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Bolton Public Library
Bolton, Massachusetts

Meeting Minutes

Wednesday, September 18, 2013 at 10:00 a.m.

Primary & Alternate Board Members Present:

Donna Madden, Chair

Anthony Logalbo, Treasurer

Suzanne Loverin

Melisa Doig

Kerry Colburn-Dion

Lorraine Leonard

Patrick McIntyre

Pamela Landry

Beverly Beno

Ruth Miller

Debbie Nutter

Town of Bolton

Town of Concord

Town of Groton

Town of Ayer

Town of Tyngsborough

Town of Harvard

Town of Clinton

Town of Stow

CASE Collaborative

Narragansett RSD

Town of Pepperell

Guests Present:

Tammy Coller

Donna Bouchard

Nancy Haines

Marge Merrill

Linda Loiselle

Bill Hickey

Fred Winer

Erin Hayes

Rob Anderson

Carol Cormier

Karen Carpenter

Town of Harvard

Narragansett RSD

North Middlesex RSD

North Middlesex RSD

The Abacus Group

Harvard Pilgrim Health Care (HPHC)

Tufts Health Plan (THP)

Tufts Health Plan (THP)

Fallon Community Health Plan (GCHP)

Group Benefits Strategies (GBS)

Group Benefits Strategies (GBS)

Chair, Donna Madden, called the meeting to order at 10:10 a.m.

Approval of the minutes of the May 20, 2013 meeting:

Patrick McIntyre moved to approve the minutes of the May 20, 2013 Board meeting.

Motion

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

Treasurer's Report:

Treasurer Tony Logalbo distributed the preliminary Treasurer's report through August 2013 (unaudited figures). He said the estimated Uncommitted Fund Balance was up approximately \$500K since June 30, 2013 and said that the balance is more than \$5M over the target. Mr. Logalbo said that there were discussions at previous meetings about how to utilize the trust fund balance surplus. He said that the Steering Committee is making a recommendation to the Board to amend the Fund Balance Policy as follows: *"Whenever the uncommitted fund balance position is estimated to be in excess of the target level at the time annual plan rates are being set, the Board will: 1. Make its best judgment of the available uncommitted fund balance in excess of the target balance likely to occur at the end of the current plan year; and 2. Apply to the next plan year funding no more than half of*

such projected available uncommitted fund balance.” Mr. Logalbo said that this is a 2-year plan and said that “in excess of the target level” will be amended to read “in excess of the target *balance*”.

Bev Beno said that she supports the amended amendment.

Lorraine Leonard made a motion to approve the proposed amended amendment to the Trust Fund Policy.

Patrick McIntyre seconded the motion. The motion passed by unanimous vote.

Motion

GBS Reports:

Funding Rate Analysis through July 31, 2013 – Carol Cormier reviewed the report with data through July (one month of FY14 data) and said that the expense-to-funding ratio is favorable at 89.4%. Ms. Cormier said that the Tufts POS and HPHC PPO plans are underfunded, but said the enrollments in those plans are low and the impact is insignificant. She reviewed the Retiree Drug Subsidy (RDS) received to date and said that all years through 2012 have been reconciled.

HPHC Level Monthly Deposit (LMD) Reconciliation - Ms. Cormier reviewed the LMD reconciliation and said that at the end of July, MNHG owes HPHC \$286K.

Stop Loss Reports –CY12 reports: Karen Carpenter said that there were two claimants exceeding the deductible of \$275K with total claims of \$1.46M. She said one of the two claimants has a higher (\$500K) deductible. She said the \$450K ASD has been met. She said MNHG has received reimbursements totaling \$240,092. Ms. Carpenter reported 12 claimants exceeding the 50% level with claims totaling \$2.3M.

CY13 reports: Karen Carpenter said that one claimant exceeded the deductible of \$275K with total claims of \$634,287. She said that the excess claims of \$243,552 has been applied towards the \$450K ASD and noted that there are no reimbursements due MNHG. Ms. Carpenter reported 4 claimants exceeding the 50% level with claims totaling \$852,303.

myMedicationAdvisor® and Diabetes Rewards program updates, Linda Loiselle, The Abacus Group:

Linda Loiselle reviewed the Diabetes Rewards program report with data through August and said that the current enrollment has increased to 26% of those eligible. She said the enrollment goal is 30%. Ms. Loiselle said that 58% of those enrolled are compliant and said that exceeds the compliance goal of 50%. She said that the MNHG enrollment and compliance percentages also exceed the municipal average. Ms. Loiselle said that the total claims cost of the program is \$183,174 and said that the member co-pays waived was \$22,340. Ms. Loiselle said that a \$50 incentive program mailing will be going out to eligible members who have not enrolled. She suggested not putting up flyers about the incentive since it is not being offered to those already enrolled.

myMedicationAdvisor® Program - Linda Loiselle reviewed the *myMedicationAdvisor®* report with data through June and said that 544 international scripts have been filled between January and June and said that the total scripts exceed the target. She said that the health plans are doing a good job with moving medications to generics and said that could be part of the reason for the slowdown of the alternative buying purchases. She said the employee savings is approximately \$24K for the six months and the group has saved about \$102K. Ms. Loiselle said that the new medication lists will be coming out in November and said that Lipitor will still be available through the international buying program. She said the cost of Lipitor purchased internationally is still lower than when purchased in the U.S.

Carol Cormier said that the PBS Contract is expiring and said that the new contract fees are not increasing.

Lorraine Leonard made a motion to approve renewing the PBS Contract.

Motion

Patrick McIntyre seconded the motion. The motion passed by unanimous vote.

CY14 Senior Plan Rates:

Fallon Community Health Plan – Rob Anderson said that Bob Cannon was unable to attend the meeting today and said that the Fallon Senior Plan renewal for the current plan and an alternative option is included in the meeting packets. He said that the alternative option is the same as the current plan with the exception of higher co-pays for the PCP and Specialist office visits. He said that the alternative option co-pays are increased from \$10/\$20 to \$15/\$25. He said that the current plan rate is increasing from \$278 to \$307 effective January 1, 2014, while the alternative option plan rate for CY14 would be \$278.

Donna Madden said that the Steering Committee is recommending to the Board to approve the Fallon Senior Plan option with the increased PCP and Specialist visit co-pays at the monthly plan rate of \$278. Rob Anderson said that the Fallon Senior Plan is accepted at UMass, Lahey Clinic and many other hospitals, but said that Reliant Medical Group is no longer accepting the plan effective January 1, 2014.

Tufts Health Plan - Fred Winer said that the Tufts Medicare Preferred HMO Prime plan rate will be increasing from \$240 to \$252 effective January 1, 2014. He said that the ACA insurer fee is the cause of the increase to the rate. He said that members will now be able to receive up to a \$90 eyewear reimbursement when receiving services at a non-EyeMed provider. He said the \$150 eyewear allowance remains unchanged when receiving services at EyeMed providers. He said that there is a new hearing aid enhancement with member discounts, a 3-year warranty and 1 year supply of batteries on hearing aids through Hearing Care Solutions (HCS). He said that members will continue to be eligible for the \$500 allowance toward replacement or purchase of a hearing aid every 3 years.

Mr. Winer said that the Tufts Medicare Preferred Supplement with PDP Plus rate will be increasing from \$345 to \$349 and said there are no changes to the benefits.

Mr. Winer said that effective January 1, 2014, Reliant Medical Group (RMG) has chosen to partner exclusively with one Medicare Advantage HMO plan, the Tufts Medicare Preferred HMO. He said that RMG will continue to accept all Medicare supplement plans.

Tony Logalbo made a motion to approve replacing the Fallon Senior Plan with the Fallon Senior Plan Option plan and the rates as presented.

Motion

Patrick McIntyre seconded the motion. The motion passed by a unanimous vote.

Discussion about Wellness Programs:

Donna Madden said that the Steering Committee and Board have discussed ramping up the Wellness Programs. She said that she and Melisa Doig and Suzanne Loverin have volunteered to form a Wellness Committee and said they would welcome anyone else who would like to volunteer. She said that their next meeting is scheduled on September 28th at the Ayer Town Hall, Ayer, MA at 1:30 p.m. She said to contact Melisa Doig if anyone is interested.

Rob Anderson said that there is a significant state municipal wellness grant available and said that the application is very complicated. He said that he has been attending the meetings and offered to provide additional details. He said that the letters of intent are due by September 26th.

MNHG Website Redesign:

Donna Madden thanked Karen Carpenter for working with COLEwebdev to update and get all of the content onto the new MNHG website. She said that the Steering Committee approved and signed a website maintenance contract with GBS for the same fee that MNHG was paying the previous webmaster. She said that the fee is \$1,500 for one year.

Affordable Care Act requirements:

Carol Cormier said that she sent several communications out regarding the ACA requirement for employers to issue a Health Care Exchange notification for all employees. She said that in addition, GBS sent out email blasts to municipal employers. Ms. Cormier said that most of the questions that GBS has received were regarding the Section 125 requirement for employees not eligible for benefits. Ms. Cormier said that the Health Connector Voluntary Health Plan will be ending on December 31, 2013. She said Administration & Finance and the GIC issued an RFP for this service and have engaged the Mosaic Health Exchange to provide Voluntary plans to non-benefit eligible employees who are not using the MA Health Connector. She said the Mosaic Exchange will bill the employers for the plans. Ms. Cormier said that the Mosaic Exchange is waiving the \$200 yearly fee for the GIC. Ms. Cormier said that all municipalities are eligible to receive the same waiver by sending an email to municipalhealth@state.ma.us to request the waiver authorization. She said those who enroll by October 1st will also be eligible to have the \$19.95 fee waived if they can provide electronic submission of data.

Ms. Cormier said that the MA Fair Share requirement is no longer required, but said that the employers may want to continue asking the employees who decline coverage to fill out the employee HIRD form.

Subsequently federal guidance issued by the Department of Labor and the Internal Revenue Service via Technical Release 2013-03 and IRS Notice 2013-54 stated that under the Affordable Care Act, starting in 2014, employers can no longer offer Section 125 plans to employees to purchase non-group health insurance without an employer contribution. This language appears incompatible with the provisions of MGL Ch. 151F and Mass. regulation, 956 CMR 4.07(3), which require employers to offer Section 125 plans under which an employee can purchase health insurance without any employer contribution.

MA municipal reinsurance pooling arrangement, *continued discussion:*

Donna Madden said that the reinsurance carriers are becoming reluctant to quote on municipal business. She said that a new option is needed to assure that the groups can obtain coverage for high cost claims. Ms. Madden said that with the assistance of GBS, a small advisory committee was formed with representatives of three Joint Purchase Groups, CCMHG, WSHG and MNHG. She said that the committee will be reviewing a new reinsurance pooling arrangement model different from the one originally proposed.

Carol Cormier said that the original model included AIG as both the reinsurance pool administrator and the reinsurer. She said that most of the groups were uncomfortable with being locked into one carrier that would have control over the whole business. Also, she said that AIG pricing was high. Ms. Cormier said that the new model has Gallagher Benefits Services as the broker, Artex Risk Solutions, a wholly owned company of Gallagher, and a Delaware captive arrangement as the pool administrator. Ms. Cormier said that the next meeting is scheduled on October 24th.

Donna Madden said that the Committee will continue to meet and said she will update the Board on its progress. She said that Tony Logalbo has been invited to join the Advisory Committee.

Health Plan Reports:

Harvard Pilgrim Health Plan (HPHC) – Bill Hickey said that HPHC is continuing to keep up with the ACA requirements and making system changes to accommodate those requirements. He said that they are developing small network products and tiered products and working on improving provider contracts. Mr. Hickey said that HPHC is expanding its market into Connecticut and have an office in Hartford, CT.

Tufts Health Plan (THP) – Erin Hayes said that THP is also focusing on keeping up with the requirements of the ACA. She said that there may be adjustments needed to a few of the benefits for January 1st and said that she will have more information closer to the new year.

Other Business:

Karen Carpenter said that the MNHG Senior Plan Comparison Charts will be distributed soon.

The next MNHG Board Meeting was scheduled for February 6, 2014 at 10:00 a.m. at the Bolton Public Library. Steering Committee Meetings were scheduled on December 4, 2013 and January 29, 2014, both at 10:00 a.m. at the Bolton Public Library.

There was no other business.

Patrick McIntyre moved to adjourn the meeting.

Motion

Melisa Doig seconded the motion. The motion passed by unanimous vote.

Chair Donna Madden adjourned the meeting at 11:40 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*