

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Thursday, September 27, 2012 at 10:30 a.m.

Primary & Alternate Board Members Present:

Donna Madden, Vice-Chair
Anthony Logalbo
Beverly Beno
Patrick McIntyre
Patrice Garvin
Valerie Jenkins
Melisa Doig
Margaret Dennehey
Kerry Colburn-Dion
Lorraine Leonard
Barbara Conti
Theo VanLingen
Larry Barton
Pamela Landry
Michael Hartnett

Town of Bolton
Treasurer, MNHG
CASE Collaborative
Town of Clinton
Town of Groton
Town of Groton
Town of Ayer
Town of Boxborough
Town of Tyngsborough
Town of Harvard
North Middlesex RSD
Lincoln-Sudbury RSD
Town of Carlisle
Town of Stow
Town of Pepperell

Guests Present:

Margaret Merrill
Owen Neville
Bill Hickey
Emily Savaria
Fred Winer
Robert Cannon
Carol Cormier
Karen Carpenter

North Middlesex RSD
Town of Concord
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Vice-Chair, Donna Madden, called the meeting to order at 10:35 a.m..

Approval of the minutes of the April 3, 2012 meeting:

Lorraine Leonard moved to approve the Board minutes of the April 3, 2012 meeting.

Valerie Jenkins seconded the motion. The motion passed by unanimous vote.

Motion

Treasurer's Report:

Treasurer Tony Logalbo distributed the treasurer's report through August and said that the May reports are included in the meeting packet. Mr. Logalbo said that the favorable trend in claims has continued through August. He said that the estimated Uncommitted Fund Balance was approximately \$6.4M (unaudited), and said that is \$1.3M over the target.

GBS Reports:

Funding Rate Analysis through May 2012 and the 1st Qtr of FY13 – Carol Cormier reviewed the year-end report through May and said that the expense-to-funding ratio was very low at 86.6%. She said that expense-to-funding ratio for the 1st quarter of 2013 through August was 96.1%.

Tony Logalbo reviewed a report of reinsurance premiums versus reimbursements for the past 12 years and said that the high cost claims have decreased recently. He said that he will revisit the report during the rate setting process.

HPHC Level Monthly Deposit (LMD) Reconciliation - Ms. Cormier reviewed the LMD reconciliation and asked Mr. Hickey to have the amount reviewed by HPHC underwriting. She said at the end of May, MNHG has a credit balance of \$846K

It was subsequently found that the LMD on the GBS report was incorrect. The LMD paid by MNHG in April and in May was \$1.28M, resulting in a credit balance for 2-months of the 4th quarter period of \$209,371.63. This will be corrected on the next report

myMedicationAdvisor (MMA)- Carol Cormier reviewed the MMA report through June 2012 prepared by The Abacus Group and said that utilization is lower than projected, but said nevertheless MNHG saved more than projected due to the lower-than-projected prescription costs. She said the cumulative net savings was \$119,735.

Diabetes Rewards Program Report– Carol Cormier reviewed the Diabetes Rewards Program report since its inception date of December 1, 2011 and said that there are a total of 244 MNHG members eligible to utilize the program. She said that 49 are currently participating, which is 20% of those eligible. She said the target for participation is 30%. Ms. Cormier said that over half of those participating are meeting all of the requirements and are obtaining free diabetic medications and supplies.

Stop Loss Reports – CY11 reports: Karen Carpenter said that there were 3 claimants exceeding the deductible of \$250K with total claims of \$1.26M. She said the reinsurance carrier has not yet applied any claims towards the \$400K ASD and there are no reimbursements to date. She said one of the three claimants has a higher (\$500K) deductible. Ms. Carpenter reported 10 claimants exceeding the 50% level with claims totaling \$1.72 million.

CY12 reports: Karen Carpenter said that there was one claimant exceeding the deductible of \$250K with total claims of \$443K. She said the reinsurance carrier has not yet applied any claims towards the \$400K ASD and there are no reimbursements to date. Ms. Carpenter reported 4 claimants exceeding the 50% level with claims totaling \$882K.

MNHG Health Plan Enrollments- Carol Cormier reviewed the MNHG health plan enrollments as of June 4, 2012.

Early Retiree Reimbursement Program (ERRP) Update - Karen Carpenter said that the ERRP reimbursement funds disbursed across the country have reached \$5 billion, the program limit, and said that further reimbursements are not likely. Ms. Carpenter said that MNHG has received total reimbursements of \$171,238.76.

Nominating Committee Report:

Donna Madden said that Valerie Jenkins will be retiring and has submitted her resignation. Ms. Madden asked if any of the Board members would like to volunteer to serve on Nominating Committee.

Patrick McIntyre volunteered to serve on the Committee.

The Board agreed to add Patrick McIntyre as a member of the Nominating Committee.

Senior plan rates for CY13:

Fallon Community Health Plan – Bob Cannon said that the Fallon Senior Plan HMO rate will increase from \$267 to \$279 on January 1, 2013. He said that routine hearing exam co-pay is changing from \$20 to \$0 effective January 1, 2013. He said that the Centers for Medicare Services (CMS) made slight increases to the catastrophic out-of-pocket limit and coinsurance coverage for prescriptions. Mr. Cannon said that FCHP is expanding its out-of-state network. Mr. Cannon said that there is a senior plan option available to MNHG at a lower premium of

\$253 per month which has the same benefits as the current plan, but has higher co-pays for PCP and Specialist visits.

The Board discussed the options and agreed to keep the current Fallon Senior Plan design features, but wants to revisit the senior plan options available for CY14.

Tony Logalbo made a motion to keep the current Fallon Senior Plan design features at the renewal rate of \$279 and said that the Steering Committee will review the options for CY14.

Motion

Barbara Conti seconded the motion. The motion passed by a unanimous vote.

Tufts Health Plan – Fred Winer said that the Tufts Medicare Supplement with PDP Plus plan premium will be a decrease from \$349 to \$345 effective January 1, 2013. He clarified that the hearing aid benefit covers the first \$500 of costs in full, and then 80% of the next \$1,500, up to a total of \$1,700 every two years. Mr. Winer said that the Tufts Medicare Prime HMO plan rate will increase from \$226 to \$240 and said that there will be no changes to the benefits or plan design features. Mr. Winer said that the service area is expanding to include Bristol and Plymouth Counties.

Lab work and testing at preventative care visits and the deductible:

Carol Cormier said that not all labwork ordered during a preventative physical exam is covered without the deductible applying.

Bill Hickey explained that it is a common perception by most members that with the Affordable Care Act, all labwork done at a preventative office visit is covered without a co-pay or deductible. Mr. Hickey said that providing a list of the preventative tests that are provided without a co-pay or application of the deductible should not deter members from receiving other tests their physician recommends for them. He said that the member's physician knows best which test(s) their patients should receive according to their medical history. Mr. Hickey said that employers should direct employees to member services for explanation.

Rob Anderson said that if a FCHP member's visit is coded by the physician as annual routine, the member will not be charged. He said that if the paperwork is coded as diagnostic, the member will be billed accordingly.

Process for seeking reinsurance quotes for CY13:

Carol Cormier said that she emailed a letter to the Board from Jack Sharry, President of GBS, regarding the lack of interest from reinsurance carriers to quote on municipal business. Ms. Cormier said that GBS is working on a solution to the issue. She said that GBS met with Gallagher Insurance Benefit Services, a national leader in the placement of stop loss coverage for public entities. Ms. Cormier said that the Board can choose to utilize the same process as in previous years, but will also have the option to use Gallagher Insurance Benefit Services exclusively or with the incumbent broker only.

Donna Madden said that the Steering Committee reviewed the options and is recommending to the Board to request quotes from the incumbent reinsurance carrier and Gallagher Insurance Benefit Services.

There was a discussion.

Beverly Beno made a motion to approve the Steering Committee recommendation as stated, keeping the current specifications.

Motion

Kerry Colburn-Dion seconded the motion. The motion passed by unanimous vote.

Health Plan Reports:

Harvard Pilgrim Health Care – Bill Hickey said that HPHC has been named number one for the ninth consecutive year and noted that Tufts Health Plan ranked second. Mr. Hickey said that under the Affordable Care Act, health insurers and group health plans will provide uniform information about their health plan benefits and coverage. He said that HPHC will provide the Summary of Benefits and Coverage (SBC's) to the employer and said that it will be the employers' responsibility to distribute the SBC's to its employees.

Beverly Beno asked if the health plan coverage includes health exams for school van drivers.

Bill Hickey said that HPHC does not provide coverage for third party exams.

Rob Anderson and Emily Savaria said that FCHP and Tufts do not cover these types of exams either.

Tufts Health Plan, Active plans – Emily Savaria said that there was nothing new to report.

Fallon Community Health Plan (FCHP)- Mr. Anderson said that FCHP is affiliated with the Steward Health Care Systems and said that he encouraged the Steering Committee to consider offering the limited network option plan built exclusively around the Steward provider network in the future. He said that the costs are expected to be 20% below the FCHP SelectCare plan costs. Mr. Anderson distributed information about the Steward Health Care Systems and Fallon Peace of Mind program.

Other Business:

The next Steering Committee meeting was set for December 10, 2012 at 2:00 p.m. to be held at the Bolton Public Library. The next Board meeting was scheduled for December 13, 2012 at 10:15 a.m. to be held at the Groton Public Library.

The location of the Steering Committee meeting was subsequently changed to be held at the Clinton Town Hall and the Board meeting location was changed to the Bolton Public Library.

There was no other business.

Larry Barton moved to adjourn the meeting.

Motion

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

Chair Donna Madden adjourned the meeting at 12:20 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*