

Minuteman Nashoba Health Group

Board Meeting

Tuesday, September 29, 2015 at 10:00 AM

Groton Center Fire Station
Groton, MA

Meeting Minutes

Board and Alternate Members Present:

Donna Madden, Chair	Town of Bolton
Anthony Logalbo, Treasurer	Town of Concord
Jane Carrubba	Town of Pepperell
Lorraine Leonard	Town of Harvard
Kevin Johnston	Town of Ayer
Bev Beno	CASE
Pam Landry	Town of Stow
John Kittridge	Town of Clinton
Melisa Doig	Town of Groton
Michael Hartnett	Town of Groton
Kerry Colburn-Dion	Town of Tyngsborough

Guests Present:

Marcy Morrison	MNHG Wellness Consultant
Marge Merrill	North Middlesex RSD
Linda Loiselle	The Abacus Group
Patrick Flattery	Fallon Health
Bob Cannon	Fallon Health
James Delisle	Tufts Health Plan
Fred Winer	Tufts Senior Plans
Bill Hickey	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Donna Madden, Board Chair, called the meeting to order at 10:10 AM.

Approval of the minutes of May 19, 2015:

Kevin Johnston moved approval of the Board minutes of May 19, 2015.

Motion

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

Treasurer’s Report:

Treasurer Tony Logalbo reviewed the Balance Sheet of August 31, 2015 (unaudited figures). He reported an uncommitted fund balance of \$8,781,402 which exceeds the fund balance target established by the Fund Balance policy by \$3.93 million.

Group Benefits Strategies Reports:

Funding Rate Analysis - Carol Cormier reviewed the Funding Rate Analysis (FRA) with data through year-end May 2015. She said that on a composite basis the expense-to-funding ratio was 101.2%. She said that the funding shortfall was \$445K. Ms. Cormier noted that the shortfall included a credit of \$146K in reinsurance reimbursements. She said that the Harvard Pilgrim EPO was more than 15% underfunded.

Ms. Cormier reviewed the FY16 FRA with data through August 2015 and said that the expense-to-funding ratio was 103.8% with a shortfall of \$365K.

Harvard Pilgrim Level Monthly Deposit (LMD) reconciliation report – Carol Cormier said that MNHG had a \$344,572 credit balance with Harvard Pilgrim as of August 30, 2015.

MNHG Enrollments – Carol Cormier reviewed the MNHG enrollments as of September 2015 and said that 99.6% of subscribers are enrolled in the HMO plans. She said .4% are enrolled in the PPO plans. Ms. Cormier said there are 1,321 members enrolled in the senior plans.

New service from GBS: Carol Cormier said that employers from the joint purchase groups often request member rosters from GBS’s Enrollment and Billing Dept. She said the number of requests is growing and that GBS is going to automate the process by providing employers access to their own downloadable monthly member rosters and invoice data in Excel format through a secure web portal. She said employers will be able to create historical records of their enrollment data. She said that there will be an annual fee of \$150 per unit, but that if MNHG purchases the service for all of the member employers, the annual fee per employer would be \$130. Ms. Cormier said that for the 17 units of MNHG, the total fee per year would be \$2,210. She said that GBS would no longer provide the roster reports on an *ad hoc* basis.

Donna Madden said the Steering Committee voted to recommend adding the GBS roster service effective October 1, 2015.

Lorraine Leonard motioned to approve MNHG purchasing the roster service for all member units from GBS at the rate of \$130 per employer per year effective October 1, 2015.

Motion

Bev Beno seconded the motion. The motion passed by a unanimous vote.

Stop Loss Reports – Karen Carpenter said that as of July 31, 2015 there was one member exceeding the stop loss deductible of \$300K on the reinsurance policy covering July 1, 2014 through June 30, 2015. She said the excess claim amount was \$89,878. Ms. Carpenter said that \$21,682 of reinsurance reimbursements has been received and \$66,488 of reimbursements is due. She said this policy is through the Mass. Municipal

Reinsurance Arrangement (MMRA) and Berkley Insurance. She said that there were ten claimants on the 50% report with total claims of \$1.9M.

Abacus Group Report -Linda Loiselle, Director of Operations & Client Services:

Linda Loiselle reviewed the My Medication Advisor financial report for six months through June 2015. She said the total net savings were \$122,757 and employees have saved \$18,831 in waived copays. She noted that the generic program is running a little behind the projections.

Ms. Loiselle reviewed the Good Health Gateway Diabetes Rewards Program report. She said that 105 of the 317 eligible members are enrolled in the program and said the compliance levels were good as compared with the municipal average. Ms. Loiselle said the estimated program savings for the 9-month reporting period through August is \$75,252K. Ms. Loiselle reviewed Abacus's outreach activities and said that Jillian Kiernan has reached out to the employers for the count of promotional posters needed.

Wellness Committee Report – Marcy Morrison, MNHG Wellness Consultant:

Marcy Morrison reviewed the program offerings including the *One Simple Change* campaign, yoga, weight loss program, and fitness programs. She said there are 125 members enrolled in the weight loss detox program delivered via conference calls. Ms. Morrison said she is going to promote a smoking cessation program delivered by conference calls in hopes of getting more participation. She said the course is facilitated by Fallon Health and is free to Fallon members. She said the fee for non-Fallon members is \$150 and is proposing that the Board consider reimbursing the Fallon PCP co-pay when members seek the nicotine patches from their physicians.

Tony Logalbo said that the Steering Committee will take it under advisement and will come back to the Board with its recommendation.

Ms. Morrison said to contact her to set up an on-site flu clinic. She said there is a 25 employee participation minimum and a \$23 fee per non-MNHG member. She said there is no cost to MNHG health plan members.

Donna Madden said that the Nashoba Board of Health municipalities provides the flu shot at no cost.

Ms. Morrison said employers should contact her if they would like to host a Wellness Theater lunch break program. She said she has a library of films on health, wellness and nutrition and said the unit(s) can keep the DVDs for as long as it takes for employees to complete the films during lunch breaks.

Donna Madden recommended that employers refer their employees to the MNHG website Wellness page.

CY16 Senior Plan rates:

Carol Cormier said that all of the MNHG senior plans are insured plans that renew each year on January 1. She said the Tufts Medicare Preferred Supplement plan rate is decreasing by -1.3% to \$376. She said the Tufts Medicare Preferred HMO plan rate is increasing by 1.9% to \$267. Ms. Cormier said that there are two rates proposed by Fallon Health and asked Bob Cannon, Fallon Health to speak about the plans and the rates.

Fallon Health - Bob Cannon said that the current Fallon Senior Plan rate is increasing 7.7% to \$322 per month. He said for CY16 the Emergency Room (ER) visit is increasing from \$50 to \$75 and the Retail Rx co-pays are increasing from \$10/\$25/\$50 to \$10/\$30/\$65. He said the Mail Order Rx co-pays are increasing from \$20/\$50/\$100 to \$20/\$60/\$162.50. Mr. Cannon said there is no Medicare Part D deductible or “donut hole”.

Mr. Cannon said there is an alternate plan design that will increase the rate by 3.7%. He said in addition to the plan design changes he mentioned, there would be an inpatient co-pay of \$125 and a Skilled Nursing Facility (SNF) co-pay of \$25 per day for the first 5 days of admission.

Donna Madden said that the Steering Committee reviewed the plans and is recommending the alternate Fallon Senior plan design to the Board.

Tufts Health Plan – Fred Winer distributed and reviewed the Tufts senior plan rate presentation and said that despite the pharmacy trend increase of 12%, the combination of good MNHG claims experience and Tufts’ deal with CVS, the Tufts Medicare Preferred HMO senior plan premium is only increasing \$5 to \$267 a month. He said the Tufts Medicare Preferred Supplement plan premium decreased to \$376 from \$381. Mr. Winer said that Tufts signed a new contract with Beth Israel Hospital which resulted in the addition of over 500 PCPs and 2,000 specialists to the Medicare Preferred HMO network.

Mr. Winer said that new for 2016, the Tufts Medicare Preferred HMO plan has included acupuncture to its list of approved wellness services reimbursement allowance. He said other added discounts are available for “Idiet”, the “Safer at Home” personal response system, meals discounts at Independent Living Systems and Jenny Craig discounts on food.

Marcy Morrison said she had some issues when she was checking out the Idiet website program.

Mr. Winer said that he will let his manager know about that because he and Tufts wants to be sure that it is running properly for January 1.

Mr. Winer said a new web portal for the senior plans will be available in a couple of weeks. He said it is user friendly and tested by senior members. Mr. Winer said that due to a re-branding at Tufts, all members will be receiving new ID card beginning with renewal dates of January 1, 2016.

Mr. Winer said that the Medicare Part B premiums will not be increasing for most retirees, but said he heard that the Part B deductible may be increasing from \$147 to \$223. He said the final decision is due late in October.

Tony Logalbo made a motion to approve the alternative Fallon Senior plan design for CY16.

Motion

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

Bev Beno made a motion to approve the senior plan rates as presented.

Motion

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

Update on the MA Municipal Reinsurance Arrangement (MMRA):

Carol Cormier said that the MMRA financial report with data through April 30, 2015 is in the packet. She said the new report with recent activity is due and said she will email it to the Board. Ms. Cormier said if claims are good that MNHG could receive dividends. She said the MMRA was set up as a long term strategy. She said it has been difficult to obtain reinsurance quotes over the past several years. Ms. Cormier said GBS was concerned about the possibility of a year that no bids were received and worked to find an alternative solution.

Affordable Care Act (ACA) updates:

Cadillac Tax – Carol Cormier said she sat in on a webinar about the tax and is waiting for a copy of the presentation to be sent to her. She said calculating the tax is more complicated than originally thought and said Medicare plans will be included. Ms. Cormier said it appears that the early retiree costs can be aggregated with the senior plan costs which would bring the costs down for the active employee plans. She said she will provide additional information as it becomes available from the IRS.

Affordability – Carol Cormier said that employers may be billed a \$3K surcharge if they do not offer a low cost health care plan that exceeds 9.5% of the household income of any of their employees. She said employers will not know who those employees may be and said some employers will be adding a plan that does not exceed 9.5% of the income of their lowest paid employee. Ms. Cormier said other employers feel that it would be less expensive and easier to pay the surcharge.

Employer Reporting – Donna Madden said that she attended a seminar on the ACA reporting requirements and other ACA information. She said it is the employer's responsibility to report. Regarding determining eligibility, she distributed an exhibit with draft language of a sample-look back policy. Ms. Madden said she received the draft and advice from the attorney who conducted the seminar to implement a policy.

Carol Cormier said GBS, like most consultants, is recommending a 12-month look back period.

Donna Madden said some of the MNHG employers expressed an interest in having a meeting to discuss and exchange information from and with each other on what everyone is doing to meet the ACA requirements. She said she would set up the meeting during the third week in October at the Groton Fire Station.

Carol Cormier said that the IRS will waive or reduce the penalty for the first year only if a good faith effort is made at reporting.

Health Plan reports:

Fallon Health – Bob Cannon asked the Board to consider reaching out to retirees who were not originally eligible for Medicare in the past, but may be eligible now. He said the retirees can re-certify with the Social Security Department as to whether or not they are now eligible. He said instances of new eligibility include eligibility through a disability, a spouse, or re-marriage.

Harvard Pilgrim (HPHC) – Bill Hickey said HPHC is continuing to modify its systems as necessary to accommodate the ACA requirements. He said HPHC has expanded their provider networks in CT, NH, ME, and the CT river side of VT.

Fallon Health - Patrick Flaherty said Patrick Hughes, Fallon President and CEO, will be retiring.

Tufts Health Plan – James Delisle said that the re-branding of Tufts Health Plan was due to the purchase of Lifespan Healthcare. He said new cards will need to be issued due to the vendor relationships and logo change.

Tufts Health Plan Senior Products – Fred Winer said Tufts is gearing up for the January 1, 2016 senior plan open enrollment season. He said he will be sending out new enrollment packets to the employers for the senior members.

Other Business:

There was no other business

Donna Madden set the next Board meeting for December 8, 2015 at 10 AM, to be held at the Groton Fire Station, Groton, MA. A Steering Committee Meeting was set for December 2, 2015 at 10:00 AM, to be held at the Bolton Public Library, Bolton, MA.

Kevin Johnston moved to adjourn the meeting.

Motion

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

Chair, Donna Madden adjourned the meeting at 12:05 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*