

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, September 30, 2009 at 10:15 a.m.

Primary & Alternate Board Members Present:

Judy Belliveau, Vice-Chair
Anthony Logalbo
Denis Callahan
Donna Madden
Valerie Jenkins
Kathleen LeBlanc
Michael Hartnett
Lorraine Leonard
Pamela Landry
Margaret Dennehy
Teresa Watts

Lincoln-Sudbury Regional School District
Treasurer, MNHG
Town of Ayer
Town of Bolton
Town of Groton
Town of Groton
Town of Pepperell
Town of Harvard
Town of Stow
Town of Boxborough
Case Collaborative

Guests Present:

Rosalie Weiss
Kerry Colburn-Dion
Bill Hickey
Emily Savaria
Fred Winer
Brandi Casey
Jim Delisle
Bob Cannon
Jason Fortin
Carol Cormier
Karen Carpenter

Narragansett Regional School District
Town of Tyngsborough
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Fallon Community Health Plan (FCHP)
Fallon Community Health Plan (FCHP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Vice-Chair Judy Belliveau called the meeting to order at 10:20 a.m.

Approval of the minutes of the March 13, 2009 Board meeting:

Valerie Jenkins moved to approve the minutes of the March 13, 2009 Board meeting.

Motion

Donna Madden seconded the motion. The motion passed by unanimous approval.

Treasurers Report:

Tony Logalbo reviewed the unaudited financial statements for August 30, 2009 and said that the Uncommitted Fund Balance was \$2.5M as of August 31, 2009. He said the fund balance target was \$5.6M. Mr. Logalbo said that the claims have remained elevated.

Mr. Logalbo said that the FY09 audit draft was completed and the exit interview is scheduled for October 9, 2009 at 9:00 AM and said that anyone that would like to attend was welcome. Mr. Logalbo said that anyone in addition to the Steering Committee would like a copy of the draft audit report, he/she may request one from him at the end of the meeting or send him an email.

Donna Madden made a motion to accept the Treasurers report.

Motion

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

Chair's appointment of Nominating Committee and Steering Committee vacancy:

Tony Logalbo said that there is a one-year term for MNHG Chair and Vice-Chair. Mr. Logalbo said that Jerry Martin is the current Board Chair and that Judy Belliveau is the current Board Vice-Chair.

Mr. Logalbo said that the Nominating Committee consists of three members, Judy Belliveau, John Flaherty and Tony Logalbo, Chair of the Nominating Committee. Mr. Logalbo said that there is a Steering Committee vacancy which needs to be filled.

Judy Belliveau asked if anyone was interested in serving on the Steering Committee, and there was no response.

Mr. Logalbo said that the Board will solicit for a new Steering Committee member.

GBS Reports:

Funding Rate Analysis by Plan - Carol Cormier reviewed the Funding Rate Analysis report for FY09 with data through May of 2009. She said the composite expense-to-funding ratio was 0.996 on a paid basis. She said that the Harvard Pilgrim EPO and PPO plans were under-funded.

Carol Cormier reviewed the Funding Rate Analysis report for the new policy year, FY10, with data through August of 2009. She said that the composite expense-to-funding ratio was 1.08 on a paid basis. Ms. Cormier said that the Harvard Pilgrim EPO and PPO plans continue to be under-funded and that the Tufts EPO is also under-funded. She pointed out that this was based on just three months of claims data. Ms. Cormier said that the shortfall as of August 30, 2009 is (\$871,712).

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that the Level Monthly Deposits for July and August fell short of actual expenses by \$200,824. Ms. Cormier said that the new Level Monthly Deposit is \$1.3M.

myMedicationAdvisor (MMA) – Carol Cormier reviewed the MMA report and said the Alternative Generic Savings Program is doing very well compared to projections. Ms Cormier said the Group had a cumulative savings of \$102,172 through July 2009. Ms. Cormier said that there is a possibility that for the MCP plan the Group could do better through with medications purchased through the health plans in which they would be eligible to receive Retiree Drug Subsidy payments. She said she had shared some information on this with the Steering Committee.

GBS Retiree Drug Subsidy (RSD) Memorandum of Understanding:

Carol Cormier reviewed the Memorandum and said that the proposed fee for account management for the Retiree Drug Subsidy program was \$9,250, a \$250 increase from FY09.

Tony Logalbo said that the Steering Committee is recommending that the Board approve the GBS RDS Memo of Understanding.

Valerie Jenkins moved to approve the GBS Memorandum of Understanding for RDS Account Management.

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

Motion

Stop Loss Reports – Ms Carpenter reviewed the excess report for the CY09 policy period. She said that there are three claimants with total paid claims of \$514,624. Ms. Carpenter said the Aggregating Specific Deductible of \$100K has been met. Karen Carpenter reviewed the report of claims at 50%+ for the CY09 policy period with claims paid through August 2009. She said that for this year there are five claimants with total paid claims of \$748,107.

Ms Carpenter reviewed the excess report for the CY08 policy period. She said that there are eight claimants with total paid claims of \$2.6M. She said that a total of \$729,856 has been received to date and that there are no outstanding reimbursements due. She said there were 12 claimants on the report of claims at 50%+ with a paid claims total of \$1,793,202.

CY10 Reinsurance RFO-

Carol Cormier said that the Steering Committee has recommended obtaining quotes for reinsurance for the policy year CY10 with the current deductible level of \$225,000 and the current aggregating specific deductible of \$100,000 and a 12 month incurred and an 18 month paid period. Ms. Cormier said that she could ask for quotes with other terms if the Board would like

Tony Logalbo pointed out that the 20 high cost claimants accounted for approximately 12% of the total claims expense paid for CY08.

Carol Cormier said that preventing illness with lifestyle changes and wellness programs would be a way to help members stay healthy and also lower the claims expense. Ms. Cormier said that some people do not comply with regularly taking their prescription medications and following up with their physicians. She said that the Board may want to look into programs that target chronic illnesses such as diabetes. Ms. Cormier gave a brief description of how a diabetes program could be used to give incentives to members for completing five basic steps to comply with recommended medical care.

Donna Madden asked if there was more that the Group could be doing to make employees more aware of the alternative prescription drug program.

Carol Cormier said that Kim Andersen from The Abacus Group would be happy to speak with the employees.

Roseli Weiss said that even though the employees know the things they need to do to be healthy, they do not seem to want to participate in the wellness programs.

Carol Cormier said that it is a known fact that programs that provide financial incentives to employees get the best participation. Ms. Cormier described the CCMHG Smoking Cessation program and incentives.

Proposed change to MNHG's Fiscal Year – Town of Ayer:

Carol Cormier said that the Town of Ayer's Finance Director asked the Board to consider making a change to MNHG's fiscal year from June 1 – May 31 to July 1 to June 30. Ms. Cormier said that the Board voted at the May 13, 2009 meeting to defer the decision to change the fiscal year to the Steering Committee.

Donna Madden said that she and Margaret Dennehy would be sending out a questionnaire to the units to get their opinions and concerns about making a change to the fiscal year.

Tony Logalbo said that if it is decided to change the fiscal year that it would be for FY11 at the earliest.

RDS Hearing Update –

Carol Cormier said that the RDS Hearing Office has denied Application #70038 following a telephone conference with representatives from CMS and Tony Logalbo and herself. Ms. Cormier explained the filing process and said that CMS not only requires proof of that a valid retiree list has been uploaded to the RDS website but also requires the applicant to prove that it was received by CMS.

Tony Logalbo said that they have a right to appeal this decision and that he would be sending in an appeal by the end of the week.

CY10 MCP Rate Projections and Insured Senior Plan Rates:

Carol Cormier reviewed the Medicare Complement Plan (MCP) claims data for CY08 and CY09 and said that there has been a steady decline of enrollment into the Tufts Medicare Complement (TMC) plan. Ms. Cormier

said that there was an increase in CY09 claims per member over CY08 by 5.6%. Ms. Cormier said that the Tufts projection was just slightly higher than the GBS projection. She said that she used the Tufts numbers and built in their proposed administrative charge, the GBS management fee and also a factor for reinsurance premium to calculate the CY10 funding rate of \$378.13. Ms. Cormier said that is a 2.2% increase over the CY09 rate of \$370.

Judy Belliveau said that based on the Steering Committees review of the cost history of the MCP, the Committee recommends increasing the rate to \$385 which is a 4.1% increase over the CY09 rate.

Lorraine Leonard made a motion to accept the rate of \$385 for the Medicare Complement Plan for CY2010.

Donna Madden seconded the motion. The motion was passed by unanimous approval.

Motion

Fred Winer said that the Tufts Medicare Preferred HMO plan premium is increasing to \$207 from \$164, a 27% increase. Mr. Winer said that all of the Medicare Advantage plans would see high increases due to the cuts in federal funding for those plans. Mr. Winer said that there have been modest increases to this plan over the past several years. Mr. Winer said that there are some benefit changes to the TMP HMO benefits for CY10. Mr. Winer said that the changes are: In-patient Hospital co-pay is increasing to \$300 per year; Out-patient surgery co-pay increased to \$50 per service; Occupational, physical and speech therapy co-pays increased to \$15 per visit; Ambulance co-pay increased to \$50 per day. He said that the Medicare Part D out-of-pocket maximum for prescription drugs increased to \$4,550.

Mr. Winer said that there were no benefit changes to the TMC plan and that the rate would increase from \$326 to \$358, a 10% increase.

Fred Winer said that due to the cuts in federal funding, the Tufts Private-Fee-for-Service (PFFS) plan would be eliminated effective December 31, 2009.

Mr. Winer said that Tufts is waiting approval from CMS on the letter that Tufts will be sending to the members. He said that there are approximately 40 members currently enrolled and said that he would send out the information to each unit. Mr. Winer said that the retirees may want to contact their senators and congressmen to complain about the cuts in funding. He said that they have lobbied in the past and were successful.

Bob Cannon said that the Fallon Senior Plan Premier HMO would be increasing to \$238 per member per month for CY2010 (12% increase). Mr. Cannon said that the CY2009 rate was \$213. Mr. Cannon said that changes to the benefits are: the Annual Wellness Exam co-pay is now \$0 and that the Outpatient prescription drug co-pays have increased to \$10, \$25, \$45 for retail for 30-day supplies and mail-order for up to a 90-day supply per prescription would now be \$20, \$50, and \$90.

Mr. Cannon said that the word is that the Medicare Part B premium of \$96.40 would not be going up for existing enrollees. Mr. Cannon said that he has heard that an increase may affect only the new enrollees in Medicare Part B. He said that he heard that the increase would be somewhere between \$98 and \$112.

Bill Hickey said that the Harvard Pilgrim Health Care Private-Fee-for-Service (PFFS) plan will be increasing to a rate of \$283 and said that is an increase of approximately 30%. Mr. Hickey said that HPHC is committing to offer the PFFS plan through 2010 and is unsure if they will be offering the plan in 2011. He said that there may be a requirement in 2011 to add a network to the plan, therefore no longer fitting into the HP portfolio.

Donna Madden asked what is the best option for those retirees living out-of-area.

Bill Hickey said that the retiree would need to review each plan based on his/her own situation but said that the MCP and PFFS plans are the only out-of-network options. He said that all of the other plans have provider networks.

Mr. Logalbo asked if the health plans see penalties imposed on physicians that refuse to take patients because they have Medicare insurance.

Mr. Hickey said that he does not see physicians saying that they will not accept Medicare, but physicians that say that they will not take on new Medicare eligible seniors as patients.

Tony Logalbo made a motion to accept the insured plan rates for CY2010 as presented.

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

Motion

MA Fair Share Contribution Changes:

Carol Cormier said that municipalities were previously exempted from the FSC filing requirements. Ms. Cormier said that effective 1/1/09, the Division of Health Care Finance and Policy changed the tests and other filing requirements for determining whether certain employers had made a fair and reasonable contributions to their employees' health insurance. She said that the Division also added the requirement for municipalities to file. She said that the first deadline is in February 2010 and that if a municipal employer passes the test, it would only have to file once per year rather than quarterly. Ms. Cormier said that employers that operate under MGL Chapter 32B are satisfying the requirements and should not have to do the FSC filing.

Ms. Cormier said that letters to send to the governor are being drafted, one that each Board member of each Joint Purchase Group will sign and send and then a letter that each individual Board member should sign and send separately.

Tufts Health Plan Cost Driver Analysis Presentation:

Emily Savaria, Account Manager of the active plan products, introduced Brandi Casey who presented the Plan Performance Review for the periods of May 1, 2007 to April 30, 2008 (Period 1) and May 1, 2008 through April 30, 2009 (Period 2), both paid through July 31, 2009.

Ms. Casey reported that high cost claimants accounted for 20% of the total medical costs which has increased by 5% from the previous year. She said those were claimants with over \$50K in claims and she said that there were 7 repeat cases from Period 1 to Period 2. Ms. Casey said that three of those claimants were diabetics and most were age 40 or older. She noted that each member has been reached by the Disease Management program.

Ms. Casey reported that total inpatient costs per member per month increased 43% while utilization increased 25%. She said that the top in-patient cost drivers were diseases of the circulatory system, injury and poisoning and diseases of the respiratory system.

Emily Savaria reviewed the Healthways Quarterly Status Report and said that MNHG has supported this program since December 1, 2006. Ms. Savaria said that there was a total of 758 members participating in the program at least one day during the reporting period. She said that 670 members were still participating on the last day of the reporting period.

Ms. Savaria said that there are 4 stratification levels and that those members in levels 3 and 4 are the most ill and that they are contacted more frequently than those in levels 1 and 2. Ms. Savaria reviewed the communication outreach report.

Ms. Savaria said that Tufts Health Plan offers a variety of Working Well Programs that are available to MNHG, such as a walking program, seminars and screenings. She said the list of the programs is in the packet and said that some of the programs may be available to the towns and units at no cost.

Jim Delisle said that Tufts has seen a recent increase in MNHG claims and said that the reasons for those claims are not consistent with the Tufts book of business. Mr. Delisle said that they have seen a recent increase in elective surgeries due to people that are out of work and on COBRA.

Health Plan Reports:

Harvard Pilgrim Health Care (HPHC)- Bill Hickey, Account Executive for HPHC, said that HPHC is under new leadership. Mr. Hickey said that Bruce Bullen, COO of HPHC is the acting CEO during the search for a permanent replacement for Charlie Baker, former CEO. Mr. Hickey said that Mr. Bullen has worked with Charlie Baker since HPHC's inception so there are very little internal changes noticed.

Mr. Hickey said that his current focus is on the state and federal mandates.

Fallon Community Health Plan (FCHP):

Jason Fortin, Senior Account Coordinator for FCHP, said that the Fallon SelectCare plan service area has expanded into Southern New Hampshire adding approximately 1,400 providers and six hospitals to the region. He said the expansion includes Keene, Nashua, Derry, Londonderry, Portsmouth and Manchester to name a few of the towns. Mr. Fortin distributed the announcement and map.

Other Business:

Michelle's Law – Carol Cormier said that a new federal law goes into effect October 9, 2009 which provides for continuation of health coverage for dependents who are on a medically necessary leave of absence from a college or university.

Ms. Cormier said that HPHC is going to implement self-insured groups on the date of their anniversary as allowed by law so for MNHG it would be on June 1, 2010.

Jim Delisle said that Tufts can also wait until the health insurance anniversary date to implement the law.

The next Board meeting was scheduled for December 16, 2009 at 10:15 a.m. to be held in the Groton Public Library.

Tony Logalbo made a motion to adjourn the meeting.

Motion

Donna Madden seconded the motion. The motion passed by unanimous approval.

Judy Belliveau adjourned the meeting at 12:11 p.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*