

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, October 01, 2008 at 10:15 a.m.

Primary & Alternate Board Members Present:

Gerald Martin, Chair	North Middlesex Regional School District
Anthony Logalbo	Treasurer, MNHG
Denis Callahan	Town of Ayer
Melisa Doig	Town of Ayer
Donna Madden	Town of Bolton
Margaret Dennehy	Town of Boxborough
John Flaherty	Concord-Carlisle Regional School District
Michael Hartnett	Town of Pepperell
Teresa Watts	CASE Collaborative
M. Lawrence Barton	Town of Carlisle
Lorraine Leonard	Town of Harvard
Kathleen Wylie	Narragansett RSD
Patrick McIntyre	Town of Clinton

Guests Present:

Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Jim Delisle	Tufts Health Plan (THP)
Fred Winer	Tufts Health Plan (THP)
Emily Chaves	Tufts Health Plan (THP)
Robert Anderson	Fallon Community Health Plan
Jason Fortin	Fallon Community Health Plan
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Chair Jerry Martin called the meeting to order at 10:16 a.m.

Approval of the minutes of the June 11, 2008 Board meeting:

Larry Barton moved to approve the minutes of the June 11, 2008 Board meeting.

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

Motion

GBS Reports:

Funding Rate Analysis by Plan - Carol Cormier reviewed the Funding Rate Analysis report for year ending May 31, 2008. She said the composite expense-to-funding ratio was 0.923 on a paid basis and that the year ended favorably with the exception of a slight under-funding of the Harvard Pilgrim EPO plan.

Ms. Cormier reviewed the Funding Rate Analysis report for the first two months of the FY09 policy year and said the composite expense-to-funding ratio was 0.932 on a paid basis and that the funding exceeded expenses by approximately \$476K. She said that the funding for the Harvard Pilgrim PPO and Tufts POS plans are not supporting the expenses, but she said that these plans have very few enrollees and therefore are not credible for rating purposes.

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that for the first month of the fourth quarter the Group owed Harvard Pilgrim \$87,021.

Stop Loss Reports – Karen Carpenter reviewed the report of excess claims for the CY08 policy period with claims paid through July 2008. She said that for this year there are three excess claimants with total paid claims of \$951,636. Ms. Carpenter said the Aggregating Specific Deductible of \$100K has been met. She said that a total of \$56,041 has been received to date and that the outstanding reimbursement total due the group is \$120,594. She said there were 3 claimants on the report of claims at 50%+ with a paid claims total of \$355,367.

myMedicationAdvisor (MMA) – Carol Cormier reviewed the MMA report and noted that the reports are run on a November through October time period. Ms. Cormier said the expanded import program began on August 1st and that the effect of that change will be slow until the prescriptions submitted prior to August 1st run out. She said the generic program is doing very well.

Memorandum of Understanding for the Medicare Part D Retiree Drug Subsidy-

Carol Cormier said that a copy of the Memorandum of Understanding for Retiree Drug Subsidy Account Management for FY09 was included in the meeting packets. Ms. Cormier said that the MNHG Steering Committee approved the Memorandum and fee of \$9K. She said the fee includes an increase of \$500 from last year's agreement. Ms. Cormier said that the total retiree drug subsidy received to date is \$778,471.

Treasurer's Report:

Treasurer Tony Logalbo reviewed the financial statements of August 31, 2008 (unaudited figures). He reported an Uncommitted Fund Balance of \$4,741,011. He said the Fund Balance target was \$5,023,165. Mr. Logalbo said the Steering Committee received different information due to an error in the premium paid in advance.

John Flaherty asked if Mr. Logalbo had any preliminary guidance for FY10 rates and budgets.

Mr. Logalbo said from what he has heard from other health groups, close to the 10% range and under 5% for the senior groups, but this is an early prognosis.

Carol Cormier said the senior rates will be discussed later in the meeting.

Tony Logalbo said he received a draft report from the independent auditor yesterday and said the net assets totaled \$2.5M which is up by \$1.4M from the year before. Mr. Logalbo said he will be setting up an audit exit interview within the next two weeks and that the audit should be finalized by November.

Senior Plan Rates for CY2009:

Tufts Medicare Complement Plan (MCP)-

Carol Cormier said that GBS is recommending holding the monthly rate at \$370 for the MCP administered by Tufts Health Plan for CY09. She said that the Board would need to vote on the rate.

Ms. Cormier explained how the recommended rate was calculated and said GBS's calculation closely agreed with Tufts' calculation. She said that the Tufts Administrative charge, the factor for reinsurance premium and the GBS Management Fee were included into the rate.

Tony Logalbo moved to hold the Medicare Complement Plan rate at the current rate of \$370 for CY09.

Motion

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

Tony Logalbo moved to accept the Tufts proposed administrative charge of \$16.91 per individual per month for CY09 for the MCP.

Motion

Larry Barton seconded the motion. The motion passed by unanimous approval.

Fallon Senior Plan –

Rob Anderson, Account Executive for Fallon Health Plan said the CY09 rate for the Fallon Senior Plan would be increasing by 2%. He said that the CY08 rate is \$207 per month and that the new rate for CY09 would increase to \$213.

Margaret Dennehy moved to accept the rate of \$213 per month for the Fallon Senior Plan for CY09.

Motion

John Flaherty seconded the motion. The motion passed by unanimous approval.

Harvard Pilgrim First Seniority Freedom-

Bill Hickey, Account Executive for Harvard Pilgrim Health Care said that the rate for the Harvard Pilgrim First Seniority Freedom plan would be increasing by 10% over last year's rate and that the new rate would be \$238 for CY09. Mr. Hickey said that the Center for Medicaid Services (CMS) increased the out-of-pocket RX limit from \$4,050 to \$4,350. He said it is very rare that anyone ever reaches the out-of-pocket maximum.

Donna Madden moved to accept the rate of \$238 per month for the Harvard Pilgrim First Seniority Freedom Plan for CY09.

Motion

John Flaherty seconded the motion. The motion passed by unanimous approval.

Tufts Senior Plans -

Fred Winer, Account Executive of Senior Products from Tufts said that the Medicare Part B premium of \$96.40 will be staying the same for 2009. He explained that the Medicare Part D out-of-pocket RX limit increase would affect all Medicare Advantage senior plans as Mr. Hickey explained.

Mr. Winer said that the rates for the Tufts Medicare Preferred HMO plan would be increasing from \$153 to \$164 per month; the Tufts Medicare Preferred Private Fee for Service (PFFS) plan would increase from \$165 to \$182 per month; and the Tufts Medicare Complement (TMC) plan would increase from \$313 to \$326 for 2009. He said this is the first increase to these plans in two years.

Mr. Winer said there is a vision and fitness benefit increase for CY09 for the PFFS and HMO plans. He said the eyewear benefit has increased from \$69 to \$150 per calendar year and he said the fitness reimbursement is now \$150 with no waiting period to be reimbursed. He said there are no changes to the TMC plan.

Mr. Winer said there is a new lower prescription co-pay option for the 2009 Tufts senior plans. He said that for an additional cost of \$7 per member per month on the rate the RX co-pays could be lowered to \$10/\$20/\$35. The current 2008 co-pays are \$10/\$25/\$50.

Mr. Winer asked the members of the Board to notify the health plans of any upcoming Health Fairs that they would like health plan representatives to attend.

Carol Cormier asked the health plan representatives if they knew what would happen to the PFFS plans in the future.

Fred Winer from Tufts said things may change in 2010 if the plans become network-based as has been proposed.

Bill Hickey said if the plans are required to have a network that a network could be rented, but it would seriously erode the product and would be very expensive. Mr. Hickey said HPHC is committed to the PFFS product as it is today and that he is seeing very good provider participation.

Carol Cormier asked the members of the Board members if they were interested in lowering Tufts prescription co-pays with the \$7 increase to the rates or did they want to keep the current co-pays.

The members of the Board agreed to keep the Tufts RX co-pays at current levels.

Tony Logalbo made a motion to accept the Tufts health plan rate increases as presented with the exception of the \$7 increase to change the Tufts prescription co-pays.

Motion

Beth Poulin seconded the motion. The motion passed by unanimous approval.

Prescription Benefit Services (PBS) Contract Renewal:

Carol Cormier said that the Steering Committee had reviewed the proposed PBS Contract at the last Steering Committee meeting. Ms. Cormier said that the contract period is for three years with an effective date of November 1, 2007. She said that there are no changes to the fees, but she said the Steering Committee requested that the contract be updated to include language about the alternative generic program which did not exist three years ago. Ms. Cormier said that PBS is no longer a sister company to Group Benefit Strategies reminding the Board that PBS had been sold July 1, 2008.

Margaret Dennehy made a motion to accept the PBS three-year contract renewal effective November 1, 2007.

Larry Barton seconded the motion. The motion passed by unanimous approval.

Motion

Reinsurance Procurement for CY09:

Carol Cormier recommended to the Board to go out with a Request for Quotes for reinsurance with their current deductible of \$225K and Aggregating Specific Deductible of \$100K.

Ms. Cormier said she is planning on sending out the Requests for Quotes to the reinsurance companies late October or early November and asked the Board to consider giving the Steering Committee authorization to approve the bid.

Larry Barton made a motion to authorize the Steering Committee to review and select quotes and execute the reinsurance policy.

Motion

Margaret Dennehy seconded the motion. The motion passed by unanimous approval.

Proposed Optional Menu of Lower Cost Benefit Plans:

Carol Cormier said that the Steering Committee has been analyzing lower cost benefit plans and is recommending three "Rate Saver" plans to the Board. Ms. Cormier said they have been discussing whether MNHG should offer all of the plans, offer one, two or none of the plans. She said the Steering Committee discussed offering all three plans in addition to the standard plans and permit each employer, at its own discretion, to offer all plans, just the standard plans, or to bargain in the Rate Saver plans.

Jerry Martin said that the Steering Committee was proposing to add the Rate Saver plans effective June 1, 2009.

Ms. Cormier said that the language in the Joint Purchase Agreement relative to "total participation" would need to be amended.

Ms. Cormier reviewed the "Rate Saver" plan pricing at the request of Donna Madden. Ms. Cormier said the employer contribution level will have an effect on whether or not the employees show interest in the "Rate Saver" plans.

In response to a question regarding union negotiations, Ms. Cormier said if MNHG adds the plans to their current benefits, then each employer that plans to offer the Rate Saver plans should send a written communication to the union presidents to inform them that the plans will be added and to offer the opportunity to bargain. She said that decision bargaining would be required if the employer wished to replace the current plans with Rate Saver plans.

Larry Barton said that the Steering Committee agreed that it wanted to offer the "Rate Saver" plans but recognized that each employer had different considerations when making decision about offering these plans.

There was a discussion about whether or not MNHG should offer all of the plans, offer one, two, or none of the plans.

Margaret Dennehy said she favored adding all three plans to the current benefits and giving flexibility to each employer to choose what was best for their unit. Ms. Dennehy asked Carol Cormier about Flexible Spending plans.

Tony Logalbo made a motion to offer all three "Rate Saver" plans with a 10% rate reduction as compared to the legacy EPO plans and to amend the language of the Joint Purchase Agreement prior to the implementation date relative to the Total Participation article .

Motion

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

Carol Cormier explained that the Rate Saver plans would not be experience rated but rather would be rated based on actuarial value compared to the value of the legacy EPO plans.

Rob Anderson mentioned that plans with higher deductibles are also an alternative.

Carol Cormier said they are a good option for the private sector but that large front-end deductibles are a hard sell in the municipal sector. She said that the Steering Committee was looking for plans that were somewhat comparable to the GIC plans.

Tony Logalbo asked if the language added to the Joint Purchase Agreement could include the ability to change the plan benefits after adding them alongside the other plans.

Carol Cormier said that she would get a legal opinion on the wording that could be used.

John Flaherty suggested getting two opinions in writing.

Wellness Programming:

Larry Barton told the members of the Board that the Steering Committee listened to a presentation by Dr. Heidi Steinitz of the Abacus Group. Mr. Barton said that Ms. Steinitz suggested the possibility of using some of the myMedicationAdvisor (MMA) prescription drug (Rx) incentive money as wellness program incentives for employees.

Mr. Barton said that Dr. Steinitz distributed a MMA Heart Health Program form that a member could bring to his/her physician to fill in results of the member's lab work relating to cholesterol and blood pressure levels and to indicate the member's progress towards lower risk of cardiac events. The member would then turn in the form to The Abacus Group for an incentive bonus.

Mr. Barton said that the Steering Committee questioned the effectiveness.

Carol Cormier said the broader issue would be to determine what the MNHG wants to do with regards to wellness. She suggested setting up a separate meeting to discuss a plan of action and the wellness programs available.

Ms. Cormier said that health screenings work best if they are held at work on work time and can be very helpful to detect health issues early.

Tony Logalbo asked if the Board wanted to set up a separate meeting or workshop where the Human Resources professionals, health plan and myMedicationAdvisor® representatives are all present to discuss the programs available.

Carol Cormier said either Dr. Heidi Steinitz or Kim Anderson from the Abacus Group would most likely attend. Ms. Cormier also said she would ask Maggie Downey from the Cape Cod Municipal Health Group (CCMHG) to attend to speak about the CCMHG wellness programs.

Jerry Martin suggested setting up the meeting for early December. The members of the MNHG Board agreed.

Health Plan Reports:

Fallon Health Care Plan –

Rob Anderson, Account Executive for Fallon, introduced Jason Fortin, Senior Account Coordinator. Mr. Anderson said that Fallon's membership is currently the highest in the history of Fallon.

Mr. Anderson distributed a booklet titled "HMO101" and explained that the booklet is an example of a larger strategy to bring awareness of healthcare costs to the members.

Mr. Anderson suggested off-anniversary open enrollments and positive open enrollments where all employees would need to re-sign up for their health insurance.

Carol Cormier said that she supports positive open enrollments which would give the employers a chance to update dependent information. She said there may be some members on the rolls that are not eligible for coverage. She said another option would be to complete an enrollment audit. Ms. Cormier said she did not think an off-anniversary open enrollment was a good idea.

Harvard Pilgrim Health Care (HPHC)–

Bill Hickey, Account Executive for HPHC distributed the Specialty Care & Disease Management Participation Reports for MNHG. Mr. Hickey said the MNHG purchased the End Stage Renal Disease (ESRD), Oncology, Health Advantage, Your Care Champion and Heart Champion disease management programs for its members.

Mr. Hickey reviewed the program charts for the time period of October 2007 to August 2008 and compared the results to the program charts of the previous year. Mr. Hickey said there is an increase in participation this year as compared to last year. He said if you compare the two time periods, the ESRD person has improved and the conditions of participants of the Heart Champion program have also improved which shows that these programs do work.

Mr. Hickey explained that the State legislature has enacted Chapter 214 of the Acts of 2008 increasing the coverage benefit of nonprescription enteral formulas (low protein foods) from \$2,500 to \$5,000 effective October 28, 2008. He said that self-funded groups under Chapter 32B are not required to follow this state mandate.

The MNHG Board members agreed to keep the coverage benefit at \$2,500, and there was no motion to increase the benefit.

Tufts Health Plan-

Jim Delisle, Manager Client Services at Tufts, said that the first half of 2008 was very positive and that net worth has is \$638M with no debt. Mr. Delisle said that one of Tufts initiatives is updating its "My Wellness" website to be more user friendly.

Emily Chaves, Account Manager at Tufts, distributed and reviewed the "Healthways" disease management quarterly status report for the period of April through June of 2008. She said that MNHG has purchased Tufts best impact package.

Emily Chaves said that 887 members were participating in the programs and said that the MNHG population by age and gender was very similar to Tufts Book of Business benchmark. She said that interventions were made through mailings and telephone calls.

Other Business:

Tony Logalbo said he has draft copies of the audit available for those who are interested.

The next Board meeting was scheduled for December 10, 2008 at 10:15 a.m.

Larry Barton made a motion to adjourn the meeting.

Motion

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

*Prepared by Karen Carpenter
Group Benefits Strategies*