

# Minuteman Nashoba Health Group

## Board Meeting

Monday, October 17, 2016 at 10:30 AM

Groton Center Fire Station  
Groton, MA

## Meeting Minutes

### Board and Alternate Members Present:

Donna Madden, Chair	Town of Bolton
Patrick McIntyre, Vice Chair	Town of Boxborough
Melisa Doig	Town of Groton
Amy Foley	Town of Concord
Debbie Nutter	Town of Pepperell
Pam Landry	Town of Stow
Marie Sobalvarro	Town of Harvard
Kevin Johnston	Town of Ayer
Brandi Mahlert	Lincoln Sudbury RSD
Nancy Haines	North Middlesex RSD
Donna Bouchard	Narragansett RSD
Kerry Colburn-Dion	Town of Carlisle
Angel Wills	Town of Tyngsborough

### Guests Present:

Mark Andrews	Town of Pepperell
Sherry Kersey	Lincoln Sudbury RSD
Kerry LaFleur	Town of Concord
Beth Duddy	Concord Carlisle RSD
Ian Rhames	Concord Carlisle RSD
Donna Kunst	Town of Stow
Curt Bellavance	Town of Tyngsborough
Marcy Morrison	MNHG Wellness Consultant
Jason Fortin	Fallon Health
Bob Cannon	Fallon Health – Senior Plans
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
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 10:30 AM.

### Approval of the minutes of September 14, 2016:

Patrick McIntyre moved approval of the Board minutes of September 14, 2016.

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

**Treasurer's Report:**

Donna Madden said that Treasurer Tony Logalbo was out of town. She reviewed the Balance Sheet as of September 30, 2016 which Mr. Logalbo provided (unaudited figures). She said that the Uncommitted Fund Balance was at \$5,284,448, and the target according to the Fund Balance Policy was \$5,238,089. She reviewed the chart showing the fund balance by month since May 2014 and noted the downward trend of the last seven months, bringing it to the target level.

**Wellness Report – Marcy Morrison, MNHG Wellness Consultant:**

Marcy Morrison reviewed the current MNHG wellness programs and progress and participation in each. She said that WeightWatchers finally agreed to a fee of \$16.95 per participant for worksite programs. She suggested the Board consider subsidizing the fee by 50%. She said that she is also looking at phone programs since it can be difficult to get people to get the time to participate at the worksite. She said with a recorded program, the employee can do it at anytime.

**GBS reports:**

*Funding Rate Analysis Report (FRA)* - Carol Cormier reviewed the FY17 FRA report with data through August 31, 2016. She said the expense-to-funding ratio on a paid claims basis was 104% with a funding shortfall on a paid claims basis of \$408K. Ms. Cormier said that the GBS reports include only major expenses and revenue. She said they claims, administrative expenses, and reinsurance. She said the only revenue on the report is the funding rate revenue. She said there are 2,754 subscribers on self-funded plans.

*Stop Loss Reports* - Karen Carpenter reviewed the stop loss reports for FY17. She said that there were two claimants with claims exceeding the specific deductible of \$300,000. She said the claims totaled \$1,386,216 and the excess amount was \$786,216 of which \$567,266 has been reimbursed to MNHG. Ms. Carpenter said there were fourteen claimants on the report of claims at 50% of the deductible with total claims of \$2.575M.

Donna Madden noted that the MA Municipal Reinsurance Arrangement (MMRA) Board meets on a semi-annual basis to review the financial information. She said the next meeting is scheduled for November 3, 2016 in Quincy, MA.

**Abacus Health Solutions reports:**

Carol Cormier said that the Abacus representatives were not in attendance and that she would send their updated reports when received.

**Senior plan rates for CY2017:**

Carol Cormier said MNHG offers three fully insured plans to its Medicare eligible retirees. Ms. Cormier asked each of the health plan representatives to present the renewals.

*Tufts Senior Plans* – Fred Winer said the Tufts Medicare Preferred Supplement PDP plan premium would be going from \$376 to \$397, a 5.6% increase. He said the rate for the Tufts Medicare Preferred HMO, a Medicare Advantage plan (Medicare Part C), would be going from \$267 to \$296, an 11% increase. Mr. Winer said the increases are attributable to reduced funding

from CMS to EGWP plans, and CMS waiving the Medicare Part C bidding requirement. He said this results in a \$19 increase per member per month. Mr. Winer said the other contributing factor is increasing Rx trends over the past 3 years, which resulted in a \$10 increase per member per month. Mr. Winer noted that specialty drugs costs have increased by 60%. Mr. Winer said that CMS awarded the Tufts Medicare Preferred HMO plan 5-Stars.

Carol Cormier said that the US, unlike all other countries, does not regulate prescription drug prices and that the direct-to-consumer advertising also compounds the high cost issue. Ms. Cormier said that Scantic Valley Regional Health Trust (SVRHT) has asked her to draft a letter to the legislators asking them to regulate the pricing of drugs and stop direct to consumer drug advertising. She said the SVRHT Board Chair has invited other Joint Purchase Groups to add their names to the letter.

Donna Madden said that the Steering Committee voted to add MNHG to the letter.

*Fallon Senior Plan* – Bob Cannon reviewed the Fallon Senior Plan renewal and said the premium will be increasing from \$310 to \$338 per month, a 9% increase. He said he agreed with Mr. Winer about the reasons for the increases and said the Fallon Senior plan is no exception. Mr. Cannon said Fallon Health increased some of the co-pays so that the rate increase would not be higher than 9%. He said the In-patient co-pay is increasing to \$250 per hospital stay, the Out-Patient surgery co-pay is increasing to \$125 and for days 1-10 in a Skilled Nursing Facility there will be a \$20 per day copay. Mr. Cannon said the Medicare Part D catastrophic limits increased as well, per CMS. He noted that by the year 2020, the donut hole will be eliminated and reimbursements to insurance companies are decreasing. Mr. Cannon said that the plan still incorporates the Silver Sneakers, Weight Watchers and Fitness benefits.

**Cost containment concepts for FY18:**

Carol Cormier said that the Steering Committee reviewed a proposed plan for managing health benefits costs for FY18 and beyond. Ms. Cormier said the first option is updating the MNHG plans to be closer to the current GIC benchmark plan design level, either for 6/1/17 or 6/1/18, will not provide a lot of savings but is worth doing.

Ms. Cormier said the second option is adding Health Savings Account (HSA)-qualified high deductible plans and allowing employers to decide if they want to offer just the benchmark plans, both types of plans, or only the HSA-qualified plans. Ms. Cormier said two other Joint Purchasing Groups are adding these plans as an option for July 1, 2017 and both groups are requiring a contribution by employers of 50% of the deductible into the employee's HRA account. She said the pricing is based on a 50%-of-deductible contribution to the employees' HSAs.

Ms. Cormier said that the MNHG has wonderful wellness programs and the challenge is to get more people to participate. She said that other cost containment suggestions would be for the employers to review their contribution strategies to encourage employees to consider lower cost plan options. She said other ideas include promoting the myMedicationAdvisor® prescription drug program, the Good Health Gateways Diabetes Rewards Program, and telehealth programs. She said that HPHC has a telehealth program in place now at no cost to the group. Ms. Cormier said another option would be for the employers to complete another enrollment audit.

Donna Madden said that the Fallon plans are being added to the myMedicationAdvisor® (MMA) program so that will present an opportunity to get more participation in MMA.

Donna Madden said that the Steering Committee is recommending to the Board to make plan design changes up to the level of the GIC plans and to add high deductible HSA-qualified plans with a mandatory employer contribution of 50% of the deductible to the employee's HSA plan effective June 1, 2018. She said it was the consensus of the Committee that they did not want to negotiate one change this year and one the next, and that the learning curve of the HSA-qualified plans would require considerable time to educate the employers and employees.

Carol Cormier briefly explained how the HSA accounts coupled with high deductible plans work and said that they make members better purchasers of health services.

Bill Hickey said that the Health Savings Account is a tax-advantaged financial vehicle set up by the employer and owned by the employee. He said it can be funded by both the employee and employer, tax free, up to the federal limits and said there is a catch-up provision for those age 55 or greater allowing them to contribute an extra \$1,000 per month to the HSA. He said that the carriers work with the HSA administrators, and the employees can look up their accounts and pay claims all on-line. Mr. Hickey said that medical, dental and prescription expenses paid out of the account are tax free, but noted that if the account is used to pay for unauthorized expenses, that taxes and penalties will apply. Mr. Hickey said that unlike an FSA plan, the HSA plan funds are only available for use, up to what is in the fund. He said that the HSS money rolls over year after year, can be invested, and is inheritable.

There was a discussion.

Carol Cormier noted that the savings shown is based on an employer contribution of 50% of the deductible amount to the HSA and all employers participating.

Ms. Cormier said that the FY18 rate increase for MNHG will be what the claims projections and calculations indicate since there is no surplus fund balance available to supplement the rates. She recommended using a 15% increase for budgeting purposes and said she hopes that it will be less.

After further discussion, Kerry Colburn-Dion made a motion change the current plan design to the level of the FY16 GIC plan design effective July 1, 2017, rather than waiting until

Motion

Amy Foley seconded the motion. The motion failed by a majority vote.

**Health Plan reports:**

*Fallon Health* – Jason Fortin said Fallon is launching a Tela-medicine program in November or December and said that there will be a \$40 claims charge for each tele-health visit, but noted that MNHG can set the co-pay amount for its members.

*Harvard Pilgrim* – Bill Hickey said video office visits for minor conditions are convenient for the employees and helps to limit time away from the work day as well.

*Tufts Senior plans* – Erin Hayes said that mid-November Tufts will go back to having CVS/Caremark be the Pharmacy Benefit Manager (PBM) for specialty medications.

**Other Business:**

In response to a question about an independent enrollment audit, Carol Cormier said she will come up with some guidelines and send them out to the Board. She said MNHG may want to use the same company as it did the last time.

It was mentioned that a vote was not taken to accept the senior plan rates.

Donna Bouchard made a motion to accept the Senior Plan Rates as presented.

Motion

Kevin Johnston seconded the motion. The motion passed by a unanimous vote.

Beverly Beno made a motion to approve Kerry Colburn-Dion and Kevin Johnston to serve as new members of the Steering Committee.

Motion

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

Donna Madden said the next MNHG Steering Committee meeting will be on January 26, 2017 at 10:30 AM at Groton Center Fire Station. She said the next Board meeting will be on February 2, 2017 at 10:30 AM, also at Groton Center Fire Station.

There was no other business.

Patrick McIntyre moved to adjourn the meeting.

Motion

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

Donna Madden adjourned the meeting at 12:10 PM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*