

# MINUTEMAN NASHOBA HEALTH GROUP

## Board Meeting

Lincoln-Sudbury Regional High School  
Sudbury, Massachusetts

Meeting Minutes

Thursday, October 20, 2011 at 10:00 a.m.

### Primary & Alternate Board Members Present:

Judy Belliveau, Chair  
Donna Madden, Vice-Chair  
Anthony Logalbo  
Teresa Watts  
Patrick McIntyre  
Barbara Conti  
Kathleen LeBlanc  
Valerie Jenkins  
Kathy Wylie  
Melisa Doig  
Robert Pontbriand  
Margaret Dennehey  
Kerry Colburn-Dion  
John Flaherty  
M. Larry Barton  
Pam Landry  
Michael Hartnett  
Lorraine Leonard

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

### Guests Present:

Michael Gilleberto  
Susan Frommen  
Lisa Weiss  
Bunny McClong  
Patty Mostue  
Nancy Marshall  
Radha Gargeya  
Larry O'Brien  
Stephanie Gintner  
Bill Hickey  
Emily Savaria  
Fred Winer  
Beth Helenius  
Carol Cormier  
Karen Carpenter

Town of Tyngsborough  
Lincoln Sudbury RSD  
Town of Sudbury  
Town of Ayer  
Harvard Pilgrim Health Care (HPHC)  
Tufts Health Plan (THP)  
Tufts Health Plan (THP)  
Fallon Community Health Plan (FCHP)  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Chair, Judy Belliveau, called the meeting to order at 10:10 a.m. and asked everyone to introduce themselves.

### Approval of the minutes of the September 14, 2011 meeting:

Donna Madden moved to approve the Board minutes of the September 14, 2011 meeting.

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

Motion
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**Treasurer's Report:**

Tony Logalbo said that the financials through September 30, 2011 have continued to trend upwards since December 2010. He said that the estimated Uncommitted Fund Balance was approximately \$2.8M as of September 30, 2011.

**GBS Reports:**

*FY10 Funding Rate Analysis by Plan* – Carol Cormier reviewed the Funding Rate Analysis report for FY11 with data through August 2011. Ms. Cormier said that the composite expense-to-funding ratio was 89.7%. She said that the Fallon EPO and Rate Saver funding and expenses are combined on the report and that expenses were 102.3% of the funding. She said that the Tufts and HPHC plans are running well.

*Level Monthly Quarterly Accounting Reconciliation for Harvard Pilgrim Health Care*, – Ms. Cormier said that with three months of payment data in, MNHG has a credit balance with HPHC of \$199K.

CY12 Reinsurance RFQ – Ms. Cormier said that MNHG's current stop loss deductible is \$250K and recommended continuing at that level. She said that the Board may want to give the Steering Committee authorization to review the quotes and choose the carrier.

The Board agreed to seek quotes under the current reinsurance scenario.

Tony Logalbo made a motion to give the Steering Committee authorization to review the quotes and choose the CY12 reinsurance carrier.

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

Stop Loss Reports – Ms. Carpenter reviewed the Excess Loss Report for the CY10 policy period. She said that there are nine claimants with total paid claims of \$3.68M. Ms. Carpenter said the Aggregating Specific Deductible of \$400K has been met and said that reimbursements of \$907,987 have been received. Ms. Carpenter said that there are no reimbursements due MNHG. She said there were 27 claimants on the report of claims at 50%+ with a paid claims total of approximately \$3.99M.

Ms. Carpenter reviewed the Excess Loss Report for the CY11 policy period. She said that there are 4 claimants on the report of claims at 50%+ with a paid claims total of approximately \$1M. She said that the reinsurance carrier has set the deductible of one of the claimants on this report at \$500K rather than the policy deductible of \$250,000. She said that there are no claimants on the Excess Loss Report.

**Eligibility Audits:**

Judy Belliveau said that the Board voted to authorize the Steering Committee to send out an informal Dependent Eligibility Audit RFQ and to choose the audit firm from the qualified responses.

Ms. Cormier said that Enrollment Audit Solutions (EAS) was the only quote received out of four firms that were contacted. She introduced Kate Sharry, co-owner of EAS.

Kate Sharry said that the new Section 26 of Chapter 32B requires municipalities to conduct a health care eligibility audit once every two years. Ms. Sharry said that a dependent eligibility audit would verify that each dependent enrolled on a family plan is eligible. She said the subscribers would be required to send copies of documents to prove the eligibility of their dependents. Ms. Sharry said that the audit is conducted through a series of mailings, each of which can be customized to meet the needs of MNHG. Ms. Sharry said that it is beneficial for the employer to send out a "heads up" letter to the subscribers to introduce EAS. Ms. Sharry said that there is minimal employer involvement and a final report is presented at the end of the audit. She said that the copies of the documents received can be returned to each employer, alphabetically filed by subscriber in individual files. Ms. Sharry reviewed the results of the City of Worcester's recent audit conducted by EAS.

Ms. Cormier said that the timing of the audit will need to be decided and said that the fall may be a good time. She said that it may be difficult to do during open enrollment. Ms. Cormier said that the fall may work better too, since the Board may decide to make plan design changes.

Ms. Sharry said that the letters and audit timetable can be customized. She said that at the end of the audit, she would send a list of the eligibility documents required for enrollment.

Judy Belliveau said that it makes sense to delay the audit until after open enrollment.

Ms. Sharry said that she guarantees three times the cost of the audit in savings. She said that the cost savings estimate per ineligible dependent is \$4,000. Ms. Sharry said that the EAS fee would be \$28,500. Ms. Sharry said that another reason to conduct an audit is to reduce the reinsurance risk of covering ineligible dependents.

Larry Barton made a motion to approve hiring EAS to conduct the Dependent Eligibility Audit in the fall at the fee of \$28,500.

Motion

Margaret Dennehy seconded the motion. The motion was passed by unanimous vote.

There was a discussion about what month to begin the audit process.

Valerie Jenkins made a motion to begin the audit process in September of 2012.

Motion

Larry Barton seconded the motion. The motion was passed by unanimous vote.

The Board thanked Ms. Sharry and she left the meeting.

**Senior Plan Renewals :**

Tufts Health Plan – Fred Winer said that the Steering Committee reviewed a new Tufts senior product called as the Tufts Medicare Preferred Supplement Plan.. He said that the new product has a \$0 copay for in-hospital and out-patient surgeries. He said that office visits take a \$10 copay and there is a \$1,700 hearing aid benefit every two years. He said that there is no residency requirement and that the vision allowance towards either contacts or glasses is \$150 each year. He said that the prescription copays are \$10/\$20/\$30. Mr. Winer said that he is proposing replacing the Tufts Medicare Complement (TMC) and Medicare Complement Plan (MCP) administered by Tufts with the Tufts Medicare Preferred Supplement Plan. He said that the cost of the new plan would be \$341 if the Board replaces both the TMC and MCP with the Medicare Preferred Supplement Plan. He said that 407 members would be affected and said that Tufts would transfer the members electronically. Mr. Winer said that the TMC and MCP plan rates are increasing between \$390 and \$422. Mr. Winer said that if the Board approves the proposal, the members will save on the rates and the Group will save approximately \$90K to \$100K. He said that the new plan provides added benefits at a lower cost.

Mr. Winer said that the Tufts Medicare Preferred HMO rate is decreasing to \$226 from \$242 and said that the vision allowance of \$150 now will cover contact lenses or glasses. He said that Anti-coagulant visits will be 100% covered.

Fallon Senior Plan – Beth Helenius said that Bob Cannon spoke at the last MNHG meeting regarding the Fallon Senior Plan. She said that there would be no increase to the rate for CY12 year. She said that the routine eye exam and \$150 purchase allowance towards eyewear is now once per calendar year rather than once every two years. Ms. Helenius said that letters will be sent to all members.

Margaret Dennehy made a motion to replace the Tufts TMC and MCP plans with the Tufts Medicare Preferred Supplement Plan.

Motion

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

Donna Madden made a motion to accept the Fallon Senior Plan renewal with no rate change.

Tony Logalbo seconded the motion. The motion passed by unanimous vote.

Motion

**Municipal Health Reform and Joint Purchase Groups:**

Carol Cormier reviewed the draft comparison of benefits with the change of specialist visit copay to \$35 and In-patient copay to \$500 as instructed by the Board. Ms. Cormier said that she submitted the comparisons to the Segal Company and asked them to do an actuarial review of what the estimated savings would be if the changes were made. She said that they expect the study to be completed by November 11<sup>th</sup>. Ms. Cormier said that she received the actuarial estimates from Fallon and Tufts, but said that she will wait to discuss until receiving the data from Segal and Harvard Pilgrim. Ms. Cormier said that the largest savings would be seen when moving from the Legacy plans to the GIC look-a-like plans. Ms. Cormier said that the PPO and POS plans have limited enrollment and said that she added the out-of-network (OON) benefits to the exhibit. Ms. Cormier said that the out-of-network (OON) out-of-pocket (OOP) maximum of \$3,000 per member with no cap has been added to the PPO and POS plan chart, in keeping with the OON OOP maximum of the GIC plans.

Tony Logalbo made a motion to approve the OON as described and the addition of the \$3,000 OOP maximum per member with no cap to the PPO and POS plans.

Motion

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

*Plan Deductibles* – Carol Cormier said that the deductible is not applied to physician visits or prescriptions. She said that for those services that take a deductible, the member would be responsible to pay the copay and then they would be billed for the deductible. She said that there is a \$250 deductible for an individual and a \$750 deductible for a family plan.

Bill Hickey said that the deductible applies mostly to hospital related charges and diagnostic tests.

Emily Savaria said that she has a flyer that explains deductibles and said that she would send it to GBS for distribution to the Board.

Beth Helenius from Fallon Community Health Plan said that communication to the members is important during the transition.

Carol Cormier said that the municipal health reform documents can be added to the MNHG website.

Ms. Cormier asked the health plans to send her FY13 rate proposals with rates for the plans if they remain the same and also with the proposed changes. She said that she and the MNHG auditor, Rich Bienvenue, are working on a spreadsheet that she hopes the units can use to determine their savings based on their enrollments.

Ms. Cormier said that the Ch. 32B, Section 21 timetable she reviewed at a past meeting, is included in the packet. She suggested paying close attention to the notice requirements and said that they need to be sent certified mail, return receipt.

Teresa Watts said that the MA Business School Meeting is scheduled on December 6<sup>th</sup>, the same date that the next Board meeting is supposed to be held. She said that this may cause a conflict for several members.

The Board meeting was rescheduled on Monday, December 5 at Lincoln Sudbury RSD at 10:00 a.m.

Tony Logalbo said that the rates will be reported at the December 5<sup>th</sup> meeting.

Carol Cormier noted that the trend used is higher when obtaining the proposed rates earlier.

A Steering Committee meeting was scheduled on November 30<sup>th</sup> at 9:30 a.m. to be held at the Groton Town Hall to review the rates.

**Health Plan Reports:**

*Harvard Pilgrim Health Plan-* Bill Hickey, Account Executive for HPHC, said that they were voted the best health plan in the US for the 8<sup>th</sup> year in a row. He said that they have been busy working on getting ready for the changes required by the Federal and State Health Plan reform. Mr. Hickey said that HPHC is working to change the payment arrangement with providers to help lower health plan costs.

*Fallon Community Health Plan –* Beth Helenius, VP of Retention and Consumer Sales at FCHP, said that FCHP appreciates the ongoing opportunity to provide low cost health care products to MNHG and said that it is a privilege to work with the group.

**Other Business:**

*Harvard Pilgrim Health Care Level Monthly Deposit (LMD)–* Bill Hickey said that the proposed LMD has decreased from \$1.3M to \$1.28M.

Donna Madden made a motion to approve the new HPHC LMD of \$1.28M.

Motion
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Margaret Dennehy seconded the motion. The motion passed by unanimous vote.

Donna Madden motioned to adjourn the meeting.

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

Chair, Judy Belliveau adjourned the meeting at 12:00 noon.

*Prepared by Karen Carpenter  
Group Benefits Strategies*