

# MINUTEMAN NASHOBA HEALTH GROUP

## Board Meeting

Groton Public Library  
Groton, Massachusetts

Meeting Minutes

Wednesday, October 24, 2007 at 10:00 a.m.

### Primary & Alternate Board Members Present:

Valerie Jenkins, Chair	Town of Groton
Jerry Martin, Vice Chair	North Middlesex Regional School District
Anthony Logalbo, Treasurer	Town of Concord
Margaret Dennehy	Town of Boxborough
M. Larry Barton	Town of Carlisle
Judith Bellveau	Lincoln Sudbury RSD
John Flaherty	Concord Carlisle Regional School District
Melisa Doig	Town of Ayer
Stephen Hemman	Narragansett Regional School District
Elizabeth Currier	Town of Groton
Michael Hartnett	Town of Pepperell
Patrick McIntyre	Town of Clinton
Donna Madden	Town of Bolton
Lorraine Leonard	Town of Harvard
Pam Landry	Town of Stow
Teresa Watts	Case Collaborative
Pauline Guilmette	Town of Tyngsborough

### Guests Present:

Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Robert Anderson	Fallon Community Health Plan (FCHP)
Bob Cannon	Fallon Community Health Plan (FCHP)
Christina Nugent	Fallon Community Health Plan (FCHP)
Fred Winer	Tufts Health Plan (THP)
Carol Cormier	Group Benefits Strategies (GBS)
Jenna Roginsky	Group Benefits Strategies (GBS)

Chair, Valerie Jenkins called the meeting to order at 10:10 a.m.

### Approval of the minutes of the September 12, 2007 meeting:

Larry Barton moved to approve the Board minutes of the September 12, 2007 meeting.

Motion

Michael Hartnett seconded the motion. The motion passed by unanimous approval.

### Appointment of Nominating Committee:

Valerie Jenkins said that Elizabeth Currier would be her replacement on the Board in the near future. She said that the Steering Committee voted to recommend Anthony Logalbo, Judith Bellveau, and John

Flaherty for the Nominating Committee at the October 22, 2007 meeting; and a motion would be in order to approve.

Larry Barton made a motion to approve Anthony Logalbo, Judith Bellveau, and John Flaherty as the Nominating Committee.

Motion
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Stephen Hemman seconded the motion. The motion passed by unanimous approval.

**Treasurer's Report:**

Financial Reports as of September 30, 2007 - Anthony Logalbo, Treasurer, reviewed the Balance Sheet of September 30, 2007, (unaudited figures). He reported an uncommitted fund balance of \$2.8M. He said that the fund balance target is \$4.6M. He said the actual fund balance has been increasing since the beginning of the fiscal year. He said that most of the units pay their premiums in advance and the October bills were already paid off. Mr. Logalbo said that he should receive a draft of the FY07 audited financial statements within the following week, and then he would meet with the auditing firm, Thevenin, Lynch & Bienvenue, LLP. He said that he is anticipating for the audit to be complete by mid-November.

Stephen Hemman asked if the rates for next year should be increased in order to enhance the fund balance.

There was a discussion. Mr. Logalbo said that as long as the fund balance is positive and growing he would not be inclined to add a surcharge to increase rates unless the projected claims increase was very minimal.

**Group Benefits Strategies Reports:**

Funding Rate Analysis by Plan Type, FY07 - Carol Cormier reviewed the FY07 report with data through August 2007. She said that the expense-to-funding ratio across all plans was 88.1%. She said that costs are driven mainly by large claims. She said that the Group had a good start of the fiscal year.

HPHC Level Monthly Deposit Reconciliation Report – Carol Cormier reviewed the actual costs and the level monthly deposit with data through August for the quarter ending September 2007. She said that the level monthly payments are falling short of actual expenses.

Reinsurance (Stop Loss) Reports – Jenna Roginsky reviewed the CY07 report with paid claims data through September. She said that there were four claimants who had exceeded the \$200K stop loss deductible. She said total excess claims were just over \$1M. She said that MNHG had almost met the \$100K Aggregating Specific Deductible. Ms. Roginsky said that the Group received \$90.5K in reinsurance reimbursements and there is approximately \$92K due to MNHG at this time. She said there are currently four claimants at 50% with claims totaling \$438,775.

**MNHG enrollment:**

Carol Cormier reviewed the MNHG enrollments by plan and the proportionate share of enrollments as of May 2007, billed to members for June.

Stephen Hemman said that the number of retirees for the Town of Phillipston was wrong.

Ms. Cormier said that she would re-run the report and send a corrected version *via* e-mail.

**Senior Plans for CY08**

Valerie Jenkins said that the Board would need to take several votes, which would include rates and plan adoption.

*Vote on adoption of Tufts Private Fee For Service (PFFS) Plan:*

Fred Winer (THP) presented information about Tufts' Private Fee For Service (PFFS) plans. He said that there would be two PFFS plans, Basic and Prime. He said with one exception, office visit co-pays, the PFFS Prime benefits mirror those of Tufts Medicare Preferred HMO. He said that there would be no network with the PFFS plans and that members generally could go to any provider who accepts Medicare. He said that there are a few exceptions in Massachusetts such as the Harvard Vanguard centers and Dedham Medical Associates, which will not accept any PFFS plans. Mr. Winer said that the CY2008 rate for the Prime PFFS plan is \$165/month.

He said that on Tufts Medicare Preferred HMO the Prescription Mail-order Benefit would change as of January 1, 2008 so that members may use Mail Order for 30, 60 or 90-day supplies rather than just for 90-day supplies of medications.

Mr. Winer emphasized that anyone wishing to join the PFFS plan should call their health care providers to confirm that the providers will accept the PFFS plan coverage.

Valerie Jenkins said that the Steering Committee took a vote to recommend the Tufts PFFS Prime plan for CY08.

Carol Cormier noted that MNHG currently offers the Harvard Pilgrim First Seniority Freedom plan, which is a PFFS plan. She said that these plans are organized under Medicare Part C, Medicare Advantage plans, as are the Medicare Advantage HMO plans. She said when members join Medicare Advantage plans they sign over their Medicare benefits to the health plans.

A discussion followed.

Larry Barton made a motion to accept Tuft's PFFS Prime plan.

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

*Medicare Complement Plan (MCP) rate for 1/1/08:*

Carol Cormier said that the current rate was \$360. She said that GBS recommended the new rate to be \$370 and that the Steering Committee approved it for the recommendation to the Board. She said that the plan was going to be attested by Tufts actuaries for the Medicare Part D subsidy and the group could take a vote contingent upon the actuarial testing. She said that it is highly likely that the plan with the new rate would pass the actuarial test.

Larry Barton made a motion set the MCP rate at \$370 for 2008, contingent upon positive actuarial testing results.

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

Motion
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**Vote to authorize Steering Committee to award CY08 reinsurance policy:**

Carol Cormier said the reinsurance policy expires December 31<sup>st</sup>. She said GBS would issue an RFQ for reinsurance for CY08. She said currently MNHG has a \$200,000 specific deductible level with a \$100,000 aggregating specific deductible, and she would recommend the same scenario for CY08.

Valerie Jenkins said that she would like to get the Board authorization to allow the Steering Committee to award the reinsurance contract.

Jerry Martin made a motion to authorize the Steering Committee to award the CY08 reinsurance contract.

Motion

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

**GBS 3-year contract proposal:**

Carol Cormier reviewed the GBS 3-year contract proposal handout.

Valerie Jenkins said that the Steering Committee reviewed the proposed fee proposal and recommended the approval of the contract. She said the fee increases were about 3.5% for each year of the contract.

Anthony Logalbo made a motion to approve the proposed GBS 3-year contract.

Motion

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

**Fallon Senior plan benefit changes:**

Bob Cannon from Fallon Community Health Plan (FCHP) reviewed the handout. He said that as of January 2008 the vision and hearing benefits were enhanced and that specialist visit copays were increased to \$20. Mr. Cannon said the prescription drug copays would change with the tier 1 copay dropping from \$8 to \$5, tier 2 increasing from \$15 to \$20 and tier 3 increasing from \$35 to \$40. He said that the mail order copays for 90-day supplies of medications would be twice the copays of the retail program for all tiers. Mr. Cannon said that members would be receiving letters from FCHP with information about plan changes.

Jerry Martin asked if there would be a network of participating providers for the members to receive the hearing aid benefit.

Bob Cannon said that the members would be able to use both in-network and out-of-network providers; however, the savings would be better with the network providers.

**Harvard Pilgrim Health Care (HPHC) First Seniority Freedom Plan Rate Change:**

Bill Hickey from Harvard Pilgrim Health Care (HPHC) said the Freedom plan rate went up 53% from the previous year. He presented a detailed explanation of why the rate increase was so large and said that the plan did not get the projected membership, which led to low reimbursements from Medicare.

A discussion followed.

Carol Cormier said that Medicare Complement Plan (MCP) is the only self-funded senior plan and therefore the only senior plan for which members have access to alternative Prescription coverage through myMedicationAdvisor®. She said that GBS would highlight it in the 2008 Retiree benefit comparison chart.

**Prosthetics Benefit:**

Carol Cormier said based on the Mass. Health Reform Act mandates on insurers, the limb prosthetics are covered 100% on fully insured active employee plans. She said the MNHG does not offer any fully insured active employee plans, and self-funded plans are not required to comply with the mandate for limb prosthetics. There was a review of coverage for prosthetics for the MNHG's active employee plans. No action was taken to change the current prosthetics benefits.

**MA Health Reform and Employer Fair Share filing:**

Valerie Jenkins reviewed the contents of the MA Health Reform and Employer Fair Share filing letter to Governor Deval Patrick. She said that a motion would be in order to approve the letter.

Stephen Hemman made a motion to approve the letter from MNHG to Governor Deval Patrick and mail it after all appropriate parties have signed.

Motion

Anthony Logalbo seconded the motion. The motion passed after a brief discussion.

The letter was signed as follows:

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|--------------------------|--|
| Valerie Jenkins, Chair   | Town of Groton                           |
| Jerry Martin, Vice Chair | North Middlesex Regional School District |
| Melisa Doig              | Town of Ayer                             |
| Donna Madden             | Town of Bolton                           |
| Margaret Dennehy         | Town of Boxborough                       |
| M. Larry Barton          | Town of Carlisle                         |
| Patrick McIntyre         | Town of Clinton                          |
| Anthony Logalbo          | Town of Concord                          |
| John Flaherty            | Concord Carlisle RSD                     |
| Teresa Watts             | Case Collaborative                       |
| Lorraine Leonard         | Town of Harvard                          |
| Cheryl Gariepy           | Town of Lancaster                        |
| Judith Bellveau          | Lincoln Sudbury RSD                      |
| Stephen Hemman           | Narragansett RSD                         |
| Michael Hartnett         | Town of Pepperell                        |
| Pam Landry               | Town of Stow                             |
| Pauline Guilmette        | Town of Tyngsborough                     |

**GIC Option Legislation:**

Carol Cormier said that the deadline for opting into the GIC for July 1, 2008 was extended by one month to the end of October. Ms. Cormier reviewed some *pros* and *cons* of joining the GIC.

Bill Hickey recapped the events of the meeting that took place in Quincy, MA regarding the GIC Option.

A discussion followed.

**Heath Plan Reports:**

Rob Anderson, Fallon Community Health Plan, introduced Christine Nugent. He said that she was very familiar with the MA Health Reform Act and worked on this for Fallon. He said she would be a great source of information for the MNHG employers and said they could call her with questions.

Mr. Anderson said that FCHP expanded the network for its DirectCare plan. He reviewed some of the recent network additions.

**Other Business:**

The next Steering Committee meeting was scheduled for December 5, 2007 at 9: A.M.  
The next Board meeting was scheduled for February 13, 2008 at 10 A.M.

Steering Committee meeting was subsequently changed to Dec. 17 at 9:30 AM, Groton Town Hall.

There was a discussion about Senior plans and rates.

There was no other business.

Valerie Jenkins adjourned the meeting at 12:17 P.M.

*Prepared by Jenna Roginsky  
Group Benefits Strategies*