

**Minuteman Nashoba Health Group  
Steering Committee Meeting**

Bolton Public Library  
Bolton, Massachusetts

Meeting Minutes

Wednesday, December 2, 2015 at 10:00 AM

**Steering Committee Members Present:**

Donna Madden, Chair  
Patrick McIntyre, Vice Chair  
Tony Logalbo, Treasurer  
Kerry Colburn- Dion  
Bev Beno  
Lorraine Leonard  
John Flaherty

Town of Bolton  
Town of Clinton  
Town of Concord  
Town of Tyngsborough  
CASE Collaborative  
Town of Harvard  
Concord Carlisle RSD

**Guests Present:**

Bill Hickey  
Jason Fortin  
Erin Hayes  
Fred Winer  
Carol Cormier  
Karen Carpenter

Harvard Pilgrim Health Care (HPHC)  
Fallon Health (FH)  
Tufts Health Plan (THP)  
Tufts Health Plan (THP)  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Chair, Donna Madden, called the meeting to order at 10:03 a.m.

**Approval of the minutes of the September 22, 2015 meeting:**

Lorraine Leonard moved to approve the Steering Committee minutes of the September 22, 2015.

Kerry Colburn Dion seconded the motion. John Flaherty abstained.  
The motion passed by majority vote.

Motion
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**Treasurer's Report:**

Treasurer Tony Logalbo reviewed the Balance Sheet of October 31, 2015 (unaudited figures) and said the Uncommitted Fund Balance was \$8.45 million. He said the Fund Balance target was \$4.8 million.

Mr. Logalbo said he received and answered additional questions from the auditor and said he expects that the draft audit will be ready in a few days. He said the audit exit interview will be held in the Concord Town Hall and invited the Steering Committee members to attend.

Patrick McIntyre joined the meeting.

**Nominating Committee Report:**

Tony Logalbo reviewed the current slate of officers and members of the MNHG Board and Steering Committee. He said Lorraine Leonard and Larry Barton will be retiring, and the Board will look for replacements early in 2016. He said all other members to include the Board Chair and Vice Chair have expressed that they will be willing to serve another year.

**Group Benefits Strategies Reports:**

Funding Rate Analysis - Carol Cormier reviewed the Funding Rate Analysis (FRA) with data through October 2015. She said that on a composite basis the expense-to-funding ratio was 98.9% resulting in a funding surplus of \$175,041. She said that the Fallon EPO gains offset the Tufts EPO loss.

Stop Loss Reports – Karen Carpenter said that for the FY15 policy period, there was one claimant that exceeded the \$300K specific deductible with excess claims totaling \$109,351. She said that \$108,493 has been paid to the Group and \$857.41 is the outstanding amount owed to the Group. Ms. Carpenter said that there were 10 claimants on the report of 50% with claims totaling \$2,042,720.

Ms. Carpenter said that there were 2 claimants on the FY16 reinsurance report of 50% with claims totaling \$390,550.

Website maintenance agreement – Carol Cormier said that the website maintenance agreement with GBS expired in August. She said GBS is not increasing the fee to renew the agreement for another year. Ms. Cormier said the fee will remain at \$1,600 to be paid in three installments of \$533.33 in December, February and June.

John Flaherty made a motion to approve the GBS Website Agreement for September 1, 2015 to August 31, 2016 as proposed.

Motion
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Lorraine Leonard seconded the motion. The motion passed by unanimous vote.

Information about RDS audits - Carol Cormier said that she spoke to the Board a while back about looking into the re-opening and auditing of the Retiree Drug Subsidy applications. She said that RDS auditors work on a contingency basis if it is found that additional payments are due to the client. She said no action is needed, but she wanted the Board to be aware of the opportunity should it want to consider re-opening and auditing applications.

Donna Madden asked Ms. Cormier for additional information and to add this item to the next Steering Committee Meeting Agenda.

**Wellness Report – Fallon Smoking Cessation Program, non-Fallon members:** Carol Cormier said that the Fallon Smoking Cessation program is being offered to all MNHG members. She said that there is no PCP visit co-pay for Fallon members to obtain the prescription for the patch. She said she understood that Ms. Morrison, the wellness consultant, was asking the Committee to consider reimbursing the non-Fallon members' PCP co-pays associated with visits to receive a nicotine patch prescription.

The Committee took no action.

**Update on the Mass. Municipal Reinsurance Arrangement (MMRA):**

Donna Madden said that the MMRA quarterly report is in the meeting packet with data through September 2015.

Tony Logalbo briefly reviewed the FY15 report. He noted that the term Treaty Year refers to the start date of the policy so that the 2014 Treaty Year is for the FY15 policy/fiscal year. Mr. Logalbo said that the collateral is expected to be partially utilized, and he said he will take that amount out of the Assets category on the Treasurer's report in preparation for its use.

Carol Cormier said that the reinsurance renewal is not expected to be impacted by the loss shown because reinsurance rates are not determined on the same basis as health plan rates are determined. She said MNHG is secure with reinsurance now that it is no longer dependent on the independent market.

**Prescription Drug Trends:**

Donna Madden said that the MMRA Board heard a presentation at its November meeting regarding increasing pharmacy costs. She said the trend is now as high as 18% and said some carriers are adding a 4<sup>th</sup> and/or 5<sup>th</sup> drug tier for their specialty drugs.

Carol Cormier said to contact her for a copy of the presentation.

The health plan carriers spoke about how their companies were making changes to address the drug cost increase, such as closed formularies, not covering compound drugs, short filling of specialty drugs, adding tiers and requiring prior authorizations.

Carol Cormier said representatives from the Mass. Municipal Association and Fallon will be making a plea to legislators to ask to make it easier for municipalities to make plan design changes.

**Affordable Care Act Issues:**

*Harvard Pilgrim Health Care monthly member report* - Bill Hickey said that HPHC is now able to provide a member report to use to report for the CY15 ACA requirement. He said they are charging a one-time fee of \$5K and the report will include all MNHG members.

Ms. Cormier said it will be sent to GBS to separate out by governmental unit and then uploaded to the GBS portal for the employers to access. She said the monthly GBS rosters will be sufficient for the CY16 ACA reporting.

Bill Hickey said that the CY15 member report will be run early in January and sent to GBS.

Donna Madden asked to add this item to the Board agenda to obtain the full Board's vote.

*Cadillac Tax* – Carol Cormier said the implementation and regulations of the Cadillac Tax are still uncertain. She said that the MNHG PPO plan, the plan most likely to be taxed, has low enrollment so liability may be limited the first year. She said that for employers who have primarily employees in high risk professions, such as Police and Fire, the thresholds for the tax are higher. Ms. Cormier said that the cost of the plans used will be the actuarial costs or value of the plans. She said no action is needed now but wants to keep the Committee aware of updates.

**Health Plan Reports:**

*Harvard Pilgrim Health Care*- Bill Hickey said he didn't have anything additional to report.

*Tufts Health Plan* - Erin Hayes referred to the Tufts letter and amendment included in the meeting packet. She said Tufts is contracting with Cigna to include the Cigna's PPO network to provide effective cost management programs and increase savings on out-of-network medical claims. Ms. Hayes said that new ID cards will be issued in January to include the Cigna logo.

Ms. Hayes said that the amendment to the Administrative Services Agreement is to add a service to conduct consistent audits on specialty prescriptions. She said that Tufts will receive 25% of any savings that may occur during the claim adjudication process.

Tony Logalbo made a motion to approve signing the new Tufts amendment.

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

Motion

*Fallon Health*– Jason Fortin said Fallon Health has expanded its network to include Newton Wellesley hospital.

**Other Business:**

There was no other business.

Patrick McIntyre moved to adjourn.

Motion

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

Donna Madden adjourned the meeting at 11:05 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*