

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Wednesday, December 6, 2006 at 10:30 a.m.

Primary & Alternate Board Members Present:

Valerie Jenkins, Chair	Town of Groton
Margaret Dennehy	Town of Boxborough
Stephen Hemman	Narragansett R.S.D.
Pam Landry	Town of Stow
Anthony Logalbo, MNHG Treasurer	Town of Concord
Judy Belliveau	Lincoln Sudbury Regional School District
Denis Callahan	Town of Ayer
Pauline Guilmette	Town of Tyngsborough
M. Lawrence Barton	Town of Carlisle
Michael Hartnett	North Middlesex Regional School District
Patrick McIntyre	Town of Clinton
Elizabeth Currier	Town of Groton
John Flaherty	Concord Carlisle Regional School District

Guests Present:

Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Maria Chandler	Tufts Health Plan (THP)
Fred Winer	Tufts Health Plan (THP)
Kelly Fay	Tufts Health Plan (THP)
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

Chair, Valerie Jenkins, called the meeting to order at 10:35 a.m.

Approval of the minutes of the September 14, 2006 meeting:

Steve Hemman moved for approval of the Board meeting minutes of the meeting of September 14, 2006.

Motion

Margaret Dennehy seconded the motion. The motion passed by majority vote. Larry Barton abstained.

Group Benefits Strategies Reports:

Funding Rate Analysis by Plan Type – Carol Cormier reviewed the FY07 report and stated that after 5 months all plans are doing well. She said the composite expense-to-funding ratio is 90%.

Steve Hemman commented that this was quite different from the report of September.

Ms. Cormier said the past few months have improved with regard to claims.

Level Monthly Deposit Reconciliation – Carol Cormier said the actual costs as of September were slightly lower than the level monthly payments and resulted in a credit balance of \$92K. Ms. Cormier said the first month of the current quarter reflects a debit balance of \$288K.

Stop Loss Reports – Lisa Trombly reviewed the CY06 Stop Loss report and said there are 7 claimants in excess and that the Aggregate Specific Deductible of \$100K had been reached. She said there were reimbursements of \$111K issued since last reporting period and there is approximately \$92K due to MNHG at this time. Ms. Trombly said there are currently 14 claimants at 50% with claims totaling \$1.3M.

myMedicationAdvisor® - Generic Alternative Savings Program Proposal – Carol Cormier reviewed the financial reports from November 2005 thru October 2006 with projected savings of \$14K. Ms. Cormier said the program shows a loss of \$13K. She said this was somewhat due to the generic program not beginning when it was scheduled to phase in but now that it has started things may pick up. She said she is hopeful about the generic program but recommends looking at the program again next year around this timeframe.

Valerie Jenkins asked when in November the Generic Alternative Savings Program began.

Ms. Cormier said she believe it was the second week of November.

Ms. Jenkins said she wondered if there has been any comments or feedback yet.

Carol Cormier said the Group might not hear anything because the outreach is direct only to members who are taking the targeted brand name medications and there is no employer involvement.

Larry Barton asked if Ms. Cormier had any idea if the Board can be informed of how many members, not prescriptions, are actually utilizing the Generic Alternative Savings Program.

Ms. Cormier said she would check into this and report back to the Board.

Treasurer's Report:

Financial Reports as of November 30, 2006 - Tony Logalbo, Treasurer, reviewed the Balance Sheet of November 30, 2006, (unaudited figures). He reported an uncommitted fund balance of \$2,326,372. He said the past 6 months are very encouraging. He said the trend line has gone down, and the fund balance has been going up.

Nominating Committee Report and Election of Officers for 2007:

Tony Logalbo stated the Nominating Committee recommends nominating Valerie Jenkins as Chair and Gerry Martin as Vice Chair of the MNHG Board.

Steve Hemman motioned to accept the nomination recommendations of the Nominating Committee and appoint Valerie Jenkins as Chair and Gerry Martin as Vice Chair of the MNHG Board.

John Flaherty seconded the motion.

Motion

Larry Barton asked why Valerie is being nominated for “as long as she is willing”. He wanted to know what this actually meant.

Valerie Jenkins said there are some job responsibility shifts at the Town of Groton, and she may not be able to serve on the MNHG Board for a full year.

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Larry Barton asked if that would mean that Gerry Martin would assume the position of Chair when and if Valerie Jenkins could no longer serve and also who would then fill the Vice Chair position.

Tony Logalbo said that is likely but unknown at this time.

After additional discussion, the motion to accept the nomination recommendation of the Nominating Committee was approved by unanimous vote.

Tony Logalbo said there is an opening on the Steering Committee. He said there was some indication of interest and asked for anyone interested to say so.

Margaret Dennehy stated that she was interested in serving on the Steering Committee.

Tony Logalbo and Judy Belliveau stated that they recommend appointing Margaret Dennehy to the Steering Committee.

There were no other nominations.

Steve Hemman motioned to accept the recommendation of the Nominating Committee and appoint Margaret Dennehy to the Steering Committee.

Motion

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

Reinsurance proposals for CY07:

Carol Cormier reviewed the reinsurance proposals for CY07. She said the Steering Committee had asked for several quotes one of which was to replicate the current coverage with a \$150K deductible and a \$100K aggregating specific deductible (ASD). She said based on the proposals submitted she would not recommend the MNHG choose this option. Ms. Cormier said the best quote with an 8.3% increase and a decrease in the MCP rate would be the \$200K deductible with a \$100K ASD. She said it was clear that American Stop Loss (ASL) was the most competitive, but they had submitted several options as requested by MNHG so the Group would need to make a decision on level of coverage. She said ASL also submitted an alternative quote that had not been requested of a \$175K deductible with a \$100K ASD. She reviewed the deductible analysis based on the CY05 high cost claims.

Steve Hemman said he did not see much of a difference between the \$175K deductible vs. the \$200K deductible.

Carol Cormier explained the differences. She said she thought the Group should be at a \$200K deductible at this time and the Board should consider either the \$200K deductible with a \$100K ASD or the \$200K deductible with a \$150K ASD. Ms. Cormier said her recommendation would be to select the \$200K deductible with a \$100K ASD.

Steve Hemman motioned to accept the quote with the reinsurance carrier HCC Life Insurance Company submitted by the broker, American Stop Loss, with a deductible of \$200K and an ASD of \$100K.

Motion

Margaret Dennehy seconded the motion.

Paula Guilmette asked what the recommendation would be for a budget increase.

Carol Cormier said the health plans were saying that combined medical and pharmacy trend would be around 14%. She said she would recommend using 15% at this early stage.

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Ms. Chandler and Mr. Hickey confirmed the projected trend of around 14% for second quarter of CY2007.

There was a brief discussion.

With no other questions, the motion to accept the ASL bid with HCC as motioned was approved by unanimous vote.

Carol Cormier asked the Board if it wanted to reinsure the MCP plans.

Valerie Jenkins said it did. The Board agreed.

Update on Ch. 58 of the Acts of 2006 – Mass. Health Care Reform legislation:

Carol Cormier explained that Chapter 58 of the Acts of 2006 (MA Health Care Reform legislation) requires health plan providers (insurers) and the Group Insurance Commission to expand dependent child eligibility effective January 1, 2007. She explained that this is not mandated for self-insured employers and that the Division of Insurance has confirmed that Mass. governmental employer groups that self-fund are not subject to the eligibility mandate. Ms. Cormier stated that the new law requires insurers to cover a dependent child until the day before the 26th birthday or until 2 years after the loss of federal tax dependency status, whichever ever comes first. She said since the MNHG is self-funded, it is not required to adopt this new eligibility rule. She said health plans estimated the new rules would add 1-2% to claims costs. She said she is concerned about how the loss of federal tax dependency status will be tracked and verified. Ms. Cormier said her recommendation was to remain *status quo*.

Steve Hemman asked if currently when the dependent turns 19 are they offered COBRA and would this remain the same if the Group chooses not to adopt the mandate.

Ms. Cormier said that was correct. She added that currently if the dependent child were to become a full-time student he/she would continue to be eligible as long as he/she remained a full time student and up to the 25th birthday. She said in July there would be other options for coverage available through the Connector, which would be lower cost than going on COBRA.

Steve Hemman motioned to make no changes to the MNHG's current dependent child eligibility rules,

Judy Belliveau seconded the motion. The motion was passed by unanimous approval.

Motion

Carol Cormier confirmed with the health plans that nothing additional needs to be done to maintain the current eligibility rules.

Tufts Health Plan Cost & Utilization presentation:

Tufts Health Plan – Kelly Fay presented MNHG with an EPO Cost and Utilization Analysis report that compared cost and utilization of the under 65 and 65 and older populations on the Tufts EPO plan. The report showed that the over 65 population made up 7% of the EPO membership. The over-65 members accounted for 14% of Inpatient Hospital utilization, 16% of Other Facility utilization, 16% of Physician Services, 8 % of all Other Services, and 10% of prescription drug utilization.

Discussion about informational meeting with managers and labor representatives:

Tony Logalbo and Carol Cormier gave a brief overview of what transpired at the meetings with managers and labor representatives.

Larry Barton said no one from his area was able to attend but that he did get a copy of the presentation and he reviewed it with his Board of Selectmen. He said there is still frustration over the high costs of health insurance.

Carol Cormier explained the proposed GIC option.

A discussion followed relative to the proposed GIC option and Section 19.

Health Plan Reports:

Harvard Pilgrim Health Care – Bill Hickey said he had nothing new to report.

Tufts Health Plan – Fred Winer, Tufts Retiree Products, said everything at Tufts Health Plan is working well. He said they encountered an easy transition during the open enrollment period for the senior products and thanked everyone for their cooperation.

Maria Chandler asked Carol Cormier when the health plan rate proposals would be due.

Carol Cormier said by mid-January. It was agreed that the health plans would have their rate proposals to GBS by January 12th.

Other Business:

Valerie Jenkins said a Steering Committee meeting was needed in January.

Ms. Jenkins stated that the Steering Committee meeting scheduled for December 13, 2006 should be cancelled. She said it would need to meet prior to the quotes.

Ms. Jenkins scheduled the next Steering Committee meeting to be held at the Groton Town Hall at 2:00 p.m. on January 23, 2007.

MNHG Website Update – Lisa Trombly stated that she had met with Mark Sobkowicz. She said he would continue to work on the site design and layout and report periodically. She said Mr. Sobkowicz said he would be able to dedicate more time to work on the site now.

Larry Barton motioned to adjourn the meeting.

Motion

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

Valerie Jenkins adjourned the meeting at 11:50 a.m.

*Prepared by Lisa Trombly
Group Benefits Strategies*