

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Bolton Public Library
Bolton, Massachusetts

Meeting Minutes

Thursday, December 13, 2012 at 10:30 a.m.

Primary & Alternate Board Members Present:

Donna Madden, Vice-Chair
Anthony Logalbo
Beverly Beno
Suzanne Loverin
Valerie Jenkins
Melisa Doig
Margaret Dennehy
Kerry Colburn-Dion
Lorraine Leonard
Barbara Conti
Theo VanLingen
Ruth Miller

Town of Bolton
Treasurer, MNHG
CASE Collaborative
Town of Groton
Town of Groton
Town of Ayer
Town of Boxborough
Town of Tyngsborough
Town of Harvard
North Middlesex RSD
Lincoln-Sudbury RSD
Narragansett RSD

Guests Present:

Margaret Merrill
Tammy Coller
Bill Hickey
Fred Winer
Robert Cannon
Carol Cormier
Karen Carpenter

North Middlesex RSD
Narragansett RSD
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Vice-Chair, Donna Madden, called the meeting to order at 10:07 a.m..

Approval of the minutes of the September 27, 2012 meeting:

Barbara Conti moved to approve the Board minutes of the September 27, 2012 meeting.

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

Motion

Treasurer's Report:

Treasurer Tony Logalbo distributed the Treasurer's report through November (unaudited figures). He said the estimated Uncommitted Fund Balance was approximately \$7.74M and said that is \$2.7M over the target. He said final copies of the MNHG FY12 financial audit were distributed.

Nominating Committee Report:

Tony Logalbo reviewed the Report of the Nominating Committee and said that the Committee is recommending the following nominations for Officers and Steering Committee for 2013.

Mr. Logalbo said that for the office of MNHG Chair, the Committee submits the nomination of Donna Madden to serve from January 1, 2013 to December 31, 2013.

Mr. Logalbo said that for the office of Vice-Chair, the Committee submits the nomination of Margaret Dennehy to serve from January 1, 2013 to December 31, 2013.

Mr. Logalbo said that the Committee submits the nomination of Anthony Logalbo to serve as Treasurer for calendar year 2013.

Mr. Logalbo said that the Committee recommends that the following members be re-elected to serve on the Steering Committee for calendar year 2013: Donna Madden, Town of Bolton; Margaret Dennehy, Town of Boxborough; Larry Barton, Town of Carlisle; Tony Logalbo, Town of Concord; John Flaherty, Concord-Carlisle RSD; Melisa Doig, Town of Ayer; Patrick McIntyre, Town of Clinton; and Lorraine Leonard, Town of Harvard.

Mr. Logalbo said that the Committee recommends that Barbara Conti be elected to the vacant seat for the term ending December 31, 2013.

There were no other nominations.

Lorraine Leonard made a motion to approve the nominations for Chair, Vice-Chair, Treasurer and Steering Committee as presented by Mr. Logalbo on behalf of the Nominating Committee.

Motion

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

GBS Reports:

Funding Rate Analysis through October 31, 2013 – Carol Cormier reviewed the report with data through October and said that the expense-to-funding ratio was favorable at 93.1%.

HPHC Level Monthly Deposit (LMD) Reconciliation - Ms. Cormier reviewed the LMD reconciliation and said that the LMD on the GBS reports will be reduced to \$1.026M in December. She said at the end of October, MNHG has a credit balance of \$38,213.

Stop Loss Reports – CY11 reports: Karen Carpenter said that there were 3 claimants exceeding the deductible of \$250K with total claims of \$1.26M. She said the reinsurance carrier has not yet applied any claims towards the \$400K ASD and that there are no reimbursements to date. She said one of the three claimants has a higher (\$500K) deductible. Ms. Carpenter reported 10 claimants exceeding the 50% level with claims totaling \$1.72 million.

CY12 reports: Karen Carpenter said that there was one claimant exceeding the deductible of \$250K with total claims of \$660K. She said the reinsurance carrier has not yet applied any claims towards the \$400K ASD and there are no reimbursements to date. Ms. Carpenter reported 8 claimants exceeding the 50% level with claims totaling \$1.75M.

GBS Reinsurance Workshop – December 5, 2012 - Carol Cormier said that GBS sent invitations to the Joint Purchase Group's (JPG) Steering Committee members. She said that GBS has made an alliance with Gallagher Insurance Benefits Services, a national broker. She said that for CY12, the MNHG Board requested reinsurance bids from the incumbent broker and Gallagher. She said that the bids received will be discussed later in the meeting. Ms. Cormier said that Donna Madden and Tony Logalbo attended the workshop and said that the presentation included a suggestion to create a reinsurance pooling arrangement across joint purchase groups. She said that GBS requested informational materials about an existing pooling arrangement and a proposal regarding how such a pooling arrangement would work for joint purchase groups.

Carol Cormier said that Gallagher Insurance Benefits Services is willing to do a presentation for MNHG.

Affordable Care Act (ACA) - Ms. Cormier said that the ACA includes a *Transitional Reinsurance Program* and gives the Department of Health and Human Services (HHS) the authority to collect reinsurance "contributions" of \$12 billion in 2014, \$8 billion in 2015 and \$5 billion in 2016. She said these contributions will be used to help stabilize the individual insurance markets across the country and will be allocated to help pay the cost of covering

people with pre-existing medical conditions. She said that the reinsurance fee applies to both insured and self-insured health plans, and an early estimate of the 2014 fee is \$5.25 per *member* per month, or \$63 per member per year. Ms. Cormier said that the transitional program is expected to run from 2014 to 2016.

Ms. Cormier asked the health plan representatives if their organizations would have a role in collecting the fees.

The health plan representatives said they are not sure how the fees would be administered for self-insured health plans.

Report on Diabetes Rewards Program and myMedicationAdvisor (MMA) - Linda Loiselle, Abacus Employer Solutions:

Linda Loiselle reviewed the Diabetes Rewards Program report since its inception date of December 1, 2011 and said that there are a total of 247 MNHG members eligible to utilize the program. She said that 71 are currently participating, which is 29% of those eligible. She said the target for participation is 30%. Ms. Loiselle said that 63% of those participating are meeting all requirements and are obtaining free diabetic medications and supplies. Ms. Loiselle said that MNHG has the highest compliance rate of all their clients. She said that the year-to-date estimated savings to the group is \$44,561.

Ms. Loiselle reviewed the program promotions and said the \$50 registration incentive has increased enrollment.

Margaret Dennehy suggested sending a mailing from the employers so that employees will know that the program is legitimate.

Linda Loiselle said that if the units send their employer letterhead and envelopes to Abacus, they will use them for their mailings. She asked GBS to send current enrollment data and asked the Board members to send their stationary.

Linda Loiselle reviewed the *myMedicationAdvisor*® (MMA) report through September 2012 and said that utilization is lower than projected, but said nevertheless MNHG saved more than projected due to the lower-than-projected medication costs. She said the cumulative net savings was \$170K. Ms. Loiselle said that the 2013 budget will be adjusted to be in line with the buying. She noted that the health plan carriers are doing a good job of promoting generics with their members.

Reinsurance proposals for CY13:

Carol Cormier said that in response to the request by the Board, she requested quotes from the incumbent reinsurance broker and Gallagher Insurance Benefit Services. Ms. Cormier reviewed the quotes received and said that the quote received from Berkley Life, the incumbent carrier, was 15.9% higher overall than the current rates, whereas Gallagher secured rates from Medical Excess on behalf of National Fire Insurance that are 2.08% higher than the current rates. Ms. Cormier noted the brokers commission differences. Ms. Cormier said that GBS has had good experience dealing with National Union Fire.

Donna Madden said that the Steering Committee reviewed the quotes and is recommending accepting Quote #1 from Gallagher Ins. Benefits Services and Medical Excess/National Union Fire with rates of \$6.76 for individual contracts and \$21.29 for family contracts, keeping the same policy specifications as last year.

Margaret Dennehy made a motion to accept Quote #1 as recommended by the Steering Committee.

Motion

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

Update on Dependent Eligibility Audit:

Carol Cormier said that the final report from EAS is due out soon. Ms. Cormier said that 2.9%, or 48 of the total subscribers audited did not respond. She said that 140 people had status changes and 94 sent incomplete documentation. Ms. Cormier said that 46 dependents were voluntarily removed and 42 others were found to be ineligible by the audit standards. Ms. Cormier said that when the employers receive their final report, it will be their responsibility to send in termination notices effective January 1, 2013 for those that are found to be ineligible. She said that if the employer receives the supporting documentation from the employee, they will not term those dependents. Ms. Cormier noted if the documentation is received within 60 days after termination of a dependent, they can be reinstated.

Donna Madden recommended that all MNHG collect the documents that were required during the audit for all enrollment transactions going forward.

Health Plan Reports:

Harvard Pilgrim Health Care – Bill Hickey said that HPHC is continuing to implement changes brought about under the Affordable Care Act. He said that they are developing new products and programs related to provider choice, shared risk programs and tiered networks.

Tufts Health Plan, Active plans – Erin Hayes said that Tufts is also developing provider choice products, working with Steward Health and defined contribution plans. She said that contribution plans allow the employer to contribute a specified amount that employees can apply to a health plan of their choice. Ms. Hayes said that Tufts is also working on changes to comply with the new state mandates.

Fallon Community Health Plan (FCHP)- Bob Cannon said that Rob Anderson sends his regrets that he was unable to attend the meeting.

Mr. Cannon said that along with the increase to Medicare Part B premium there is also an additional surcharge to the Part B rate on retirees that are high income earners, i.e. making \$85K or more each year. He said if the surcharge is not paid, members would be subject to termination.

Other Business:

The next Steering Committee meeting was set for January 25, 2013 at 10:00 a.m. to be held at the Bolton Public Library. The next Board meeting was scheduled for January 31, 2013 at 10:00 a.m. to be held at the Bolton Public Library. It was noted that the preliminary rate discussion would be conducted at the Steering Committee meeting, and the health plan rates would be approved by the Board at its meeting.

Barbara Conti said that she understood that an active employee is not allowed to enroll in a senior plan but asked for confirmation.

Carol Cormier said that is against the Medicare Secondary Payer law for an active employee to enroll in a senior plan.

Valerie Jenkins retiring – Donna Madden said that Valerie Jenkins is retiring and said this was the last MNHG Board meeting that she will be in attendance. Ms. Madden presented Ms. Jenkins with a Certificate of Appreciation. She thanked Ms. Jenkins for her dedication, wisdom and patience during the many years that she served on the MNHG Board and Steering Committee. The Board congratulated Ms. Jenkins on her retirement and all signed the certificate.

There was no other business.

Theo VanLingen moved to adjourn the meeting.

Motion

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

Chair Donna Madden adjourned the meeting at 11:10 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*