

**MINUTEMAN NASHOBA HEALTH GROUP**

**Board Meeting**

Groton Public Library  
Groton, Massachusetts

Meeting Minutes

Wednesday, December 16, 2009 at 10:15 a.m.

**Primary & Alternate Board Members Present:**

Gerald Martin, Chair  
Judy Belliveau, Vice-Chair  
Anthony Logalbo  
Denis Callahan  
Melisa Doig  
Donna Madden  
Kathleen LeBlanc  
Michael Hartnett  
Lorraine Leonard  
Margaret Dennehy  
Teresa Watts  
John Flaherty  
Patrick McIntyre  
M. Lawrence Barton  
Pamela Landry

North Middlesex Regional School District  
Lincoln-Sudbury Regional School District  
Treasurer, MNHG  
Town of Ayer  
Town of Ayer  
Town of Bolton  
Town of Groton  
Town of Pepperell  
Town of Harvard  
Town of Boxborough  
Case Collaborative  
Concord-Carlisle Regional School District  
Town of Clinton  
Town of Carlisle  
Town of Stow

**Guests Present:**

Rosalie Weiss  
Kerry Colburn-Dion  
Bill Hickey  
Emily Savaria  
Jesse Kline  
Fred Winer  
Rob Anderson  
Carol Cormier  
Karen Carpenter

Narragansett Regional School District  
Town of Tyngsborough  
Harvard Pilgrim Health Care (HPHC)  
Tufts Health Plan (THP)  
Tufts Health Plan (THP)  
Tufts Health Plan (THP)  
Fallon Community Health Plan (FCHP)  
Group Benefits Strategies (GBS)  
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Chair Jerry Martin called the meeting to order at 10:15 a.m.

**Approval of the minutes of the September 30, 2009 Board meeting:**

Margaret Dennehy moved to approve the minutes of the September 30, 2009 Board meeting.

Motion

Donna Madden seconded the motion. Jerry Martin and John Flaherty abstained.  
The motion passed by majority vote.

**Treasurers Report:**

Tony Logalbo reviewed the unaudited financial statements for November 30, 2009 and said that the Uncommitted Fund Balance was \$2.6M as of November 30, 2009. He said the fund balance target was \$5.7M. Mr. Logalbo said that the fund balance has remained stable since June 30, 2009.

**GBS Reports:**

MA Fair Share Filing –

Carol Cormier said that Tony Logalbo was hopeful that it would be determined that municipalities governed by Chapter 32B would not be required to complete the Massachusetts Fair Share Filing. Ms. Cormier said that the laws of Chapter 32B require contributions that meet or exceed the Fair Share requirements.

Mr. Logalbo said he has not received confirmation that they would be exempt from the filing and recommended that all of the units file. He said that the filing takes minimal time and said that it only needs to be filed once per year for municipal groups governed by Chapter 32B and quarterly for the private sector.

Funding Rate Analysis by Plan - Carol Cormier reviewed the Funding Rate Analysis report for FY10 with data through October of 2009. She said the composite expense-to-funding ratio was 1.012 on a paid basis. She said that the Harvard Pilgrim EPO and Tufts EPO plans were under-funded and running a 2.55 to 3% deficit.

Ms. Cormier said that there is low enrollment into the Rate Saver plans and said that there are tools available to help with promoting those plans. Ms. Cormier said that the Cape Cod Municipal Health Group (CCMHG) will be holding a Workshop on the morning of February 10<sup>th</sup> in the Harwich Community Center. Ms. Cormier said that she will ask the CCMHG Steering Committee if other town managers would be welcome to attend.

Ms. Cormier said that she would send some information to the Board that the Town of Wellesley used to promote their Rate Saver plans. Ms. Cormier said that they are offering a customized HRA plan to help with the higher co-pays and deductibles.

Mike Hartnett left the meeting at this time.

Ms. Cormier said that she will pool the Rate Saver and Legacy plans together to calculate the FY11 plan rates and will give examples with higher differentials.

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that the Level Monthly Deposits October exceeded actual expenses by \$204,251.

myMedicationAdvisor (MMA) – Carol Cormier reviewed the MMA report for the year from November 2008 to October 2009 and said the Group had a cumulative savings of \$156,029 through October 2009. Ms. Cormier said that 111 scripts were purchased through the Import Program. Ms. Cormier said that the MMA budget for next year projects a net savings of \$130,218.

Ms. Cormier suggested inviting Kim Andersen, MMA, to this year's health fairs and said that if the towns were able to set up computers, that Ms. Andersen would be able to explain how to use the MMA HeartAge program to the employees.

Judy Belliveau joined the meeting at this time.

Stop Loss Reports – Ms Carpenter reviewed the excess report for the CY09 policy period. She said that there are four claimants with total paid claims of \$1,903,176. Ms. Carpenter said the Aggregating Specific Deductible of \$100K has been met. She said that a total of \$596,403 has been received to date and that there is a total of \$56,772 in reimbursements due the Group. Karen Carpenter reviewed the report of claims at 50%+ for the CY09 policy period with claims paid through October 2009. She said that for this year there are eleven claimants with total paid claims of \$1,610,493.

**Chair's appointment of Nominating Committee and Steering Committee vacancy:**

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 2010.

Mr. Logalbo said that for the office of MNHG Chair, the Committee submits the nomination of Gerald Martin to serve through May 31, 2010, with Judy Belliveau to serve as Chair from June 1, 2010 to December 31, 2010. Mr. Logalbo said that for the office of Vice-Chair, the Committee submits the nomination of Judy Belliveau to serve through May 31, 2010, with Donna Madden to serve as Vice-Chair from June 1, 2010 to December 31, 2010.

Mr. Logalbo said that the Committee submits the nomination of Anthony Logalbo to serve as Treasurer for calendar year 2010.

Mr. Logalbo said that the Committee recommends that the following members be re-elected to serve on the Steering Committee for calendar year 2010: 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; Valerie Jenkins, Town of Groton; Judy Belliveau, Lincoln-Sudbury RSD; and Gerald Martin, North Middlesex RSD.

Mr. Logalbo said that there is one Steering Committee vacancy and said that there has been no response. Mr. Logalbo asked if there was anyone who would like to submit a self-nomination.

Patrick McIntyre, Town of Clinton said that he would like to serve on the Steering Committee for calendar year 2010 and submitted his name into nomination.

There were no other nominations.

Margaret Dennehy made a motion to approve the nominations for Chair, Vice-Chair and Steering Committee as presented by Mr. Logalbo.

Motion

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

Donna Madden made a motion to approve Patrick McIntyre to serve on the Steering Committee for calendar year 2010.

Motion

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

CY10 Reinsurance RFO-

Carol Cormier said that she requested quotes for reinsurance for the policy year CY10 with the current deductible level of \$225,000 and the current aggregating specific deductible of \$100,000 and a 12 month incurred and an 18 month paid period as requested by the Steering Committee.

Ms. Cormier said that the Steering Committee also approved obtaining quotes with the same deductible levels but with a 12 month incurred and 24 month paid period. Ms. Cormier explained that a longer paid period would limit the exposure to claims that were processed past the 18 month paid period. Ms. Cormier said that there is usually not more than a 5% differential in cost between a 12/18 and a 12/24 policy.

Ms. Cormier said that the quotes received have large premium increases due to expected high cost claims for one of the MNHG members. Ms. Cormier said that she also received non-conforming quotes that are quotes that were submitted outside of the requested quote parameters. Ms. Cormier said that those quotes include higher aggregating specific deductibles and lasers.

Ms. Cormier reviewed all of the quotes and said that the Steering Committee is recommending Quote "M" to the Board. Ms. Cormier said that the premium increase is only 3% higher than last year's premium, however the Aggregating Specific Deductible would increase from \$100,000 to \$400,000 and there is a \$575K laser on one of the claimants. Ms. Cormier said that the Steering Committee favors paying the claims as opposed to paying higher premiums.

Motion

Jerry Martin made a motion to approve Quote "M" as presented.

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

**Proposed change to MNHG's Fiscal Year – Town of Ayer:**

Donna Madden said that she received survey responses from 14 of the 17 MNHG units responding to the Town of Ayer's request to the Board to consider making a change to MNHG's fiscal year from June 1 – May 31 to July 1 to June 30. Ms. Madden said that the result of the survey was 7 units for and 7 units against the change of fiscal year.

Lorraine Leonard asked to hear some reasons why it would be beneficial to change the current fiscal year.

Judy Belliveau said that she was originally for the change until she considered completing the payrolls and open enrollment vs. one month of additional premiums.

Carol Cormier said that GBS prefers the current MNHG fiscal year because it allows for dedicated time to MNHG.

Bill Hickey said that access to the health plans at open enrollment time is also dedicated to MNHG because they will not be competing against the other Groups for health fair dates for July 1 renewals. Mr. Hickey said that the health plan representatives are already tightly booked at that time of year.

Rob Anderson said that an option would be to keep the current open enrollment fairs the same as they are now even if the fiscal year change is approved.

Patrick McIntyre said that if the change is approved, it will not take place until FY2012 so there would be time to deal with the transition.

Larry Barton said that the Town of Carlisle establishes its budgets in March and sets them in May. Mr. Barton said that it would not cause a hardship for the town to move the anniversary date.

Lorraine Leonard said that the employees could have a complaint about paying two additional months of higher premiums and said that eliminating one of those months would help.

Kerry Coburn-Dion said that it could be problematic if schools are closed for the summer in the month of June.

Donna Madden said that if the rate setting and open enrollment dates are kept the same as they are currently that some of the units may choose to change the fiscal year.

Jerry Martin asked the Board members in attendance to state whether they were for or against the fiscal year change. The result was 5 units for and 8 against the change.

Jerry Martin said that this topic would be open for future discussion.

**Health Plan Reports:**

Harvard Pilgrim Health Care (HPHC)-

Bill Hickey, Account Executive for HPHC, said that HPHC was voted the #1 commercial health plan in America. He said he had no additional information to report at this time.

Tufts Health Plan (THP) –

Emily Savaria, Account Manager for THP, introduced Jesse Kline and asked that he be copied on all requests to her regarding health fairs. Ms. Savaria said that Mr. Kline would be working with the Group while she is out on maternity leave.

Fallon Community Health Plan (FCHP):

Rob Anderson, Account Executive for FCHP, said that the Fallon SelectCare plan is ranked in the top 10 for commercial plans in America and said that they are the only health plan ranked in the top 10 for three of their services. Mr. Anderson said that FCHP will be moving some of the high cost heartburn prescription drugs off of the formulary list and will be adding coverage for some over-the-counter (OTC) drugs such as Prilosec and Prevacid. Mr. Anderson said that FCHP will be lowering the co-pay to \$5 for 42 tablets of the OTC drugs. Mr. Anderson added that if a certain medication is required, that the physician will need to submit a special request.

Mr. Anderson asked that Karen Carpenter be copied on all requests for health fairs to help with the coordination of dates and to help to avoid date overlap.

**Other Business:**

Ms. Cormier reviewed the Group Insurance Commission (GIC) health plan co-pay and deductible changes that are scheduled to be implemented on February 1, 2010. Ms. Cormier said that a front-end deductible will be added to all of the plans with the exception of the senior plan products. Ms. Cormier said that the deductible is \$250 for individuals and \$750 for families.

Carol Cormier said that if the Group was considering changing the Rate Saver plans to keep in line with the GIC plans, that the changes would need to be negotiated with the unions.

Ms. Cormier suggested that the Group may want to consider eliminating co-pays for preventative visits for the Rate Saver plans in order to encourage routine checkups. Ms. Cormier said that raising Emergency Room co-pays and lowering routine Office Visit co-pays can be effective. Ms. Cormier said that there is legislation in the works to try to eliminate health care bargaining for municipal employers. Ms. Cormier said that she would send MNHG some impact and collective bargaining information.

Tony Logalbo asked the health plans for proposals of health care plans similar to the GIC plans.

Bill Hickey said that the GIC is looking at changing the health plan benefits on February 1st and is also planning on changing the benefits again on July 1st. Mr. Hickey said that they are looking at more significant tiering and also limiting networks.

There was a discussion about the GIC option.

Tony Logalbo said that he would like to hear the pros and cons of the GIC as compared to being Self-funded to be able to complete an analysis or study.

Judy Belleveau said that it might be helpful to ask a representative from a district that has gone through the process and joined the GIC to discuss the pros and cons.

Jerry Martin said that he would try to contact Jeannie Mitchell at Groton Dunstable RSD.

Larry Barton said that he would also like to know what the impact would be of leaving MNHG.

Carol said that MIIA created a tool called 3C and said that for a fee of \$500 MIIA would analyze an employer's data to determine cost and benefit impact of changes including moving to the GIC.

Margaret Dennehy said that the Boxborough Selectman would like information about a "one plus one" rating tier for the health plans.

Carol Cormier said that because the average age of members in the municipalities is often older and higher risk than that of the private sector, the actual cost of a 2-person tier is higher than that of a family plan. She said that

studies by Blue Cross Blue Shield and Health New England with two other large clients confirmed this. Ms. Cormier said that the rate of the individual and family plans would need to be raised to keep the cost of the 2-person tier rate between the Individual and Family rates. Ms. Cormier said that she would send the information to the Board.

The next Board meeting was scheduled for February 3, 2010 at 10:15 a.m. to be held in the Groton Public Library.

The next Steering Committee meeting was scheduled for January 29, 2010 at 10:00 a.m. to be held in the Groton Town Hall.

Lorraine Leonard made a motion to adjourn the meeting.

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

Jerry Martin adjourned the meeting at 11:25 a.m.

*Prepared by Karen Carpenter  
Group Benefits Strategies*