

Minuteman Nashoba Health Group

Board Meeting

Thursday, February 2, 2017 at 10:30 AM
Groton Center Fire Station
Groton, MA

Meeting Minutes

Board and Alternate Members Present:

Donna Madden, Chair	Town of Bolton
Patrick McIntyre, Vice Chair	Town of Boxborough
Tony Logalbo, Treasurer	Town of Concord
Melisa Doig	Town of Groton
Debbie Nutter	Town of Pepperell
Pam Landry	Town of Stow
Marie Sobalvarro	Town of Harvard
Kevin Johnston	Town of Ayer
Brandi Mahlert	Lincoln Sudbury RSD
Nancy Haines	North Middlesex RSD
Donna Bouchard	Narragansett RSD
Cheryl Gariepy	Town of Lancaster
Kerry Colburn-Dion	Town of Carlisle
Bev Beno	CASE Collaborative
Angel Wills	Town of Tyngsborough

Guests Present:

Marcy Morrison	MNHG Wellness Consultant
Sherry Kersey	Lincoln Sudbury RSD
Kerry LaFleur	Town of Concord
David B. Nalchajian	Town of Harvard
Curt Bellavance	Town of Tyngsborough
Cindy Martineau	North Middlesex RSD
Linda Loiselle	Abacus Health Solutions
Joe Wroblewski	Abacus Health Solutions
Julia Lebrun	Fallon Health
Joe Anderson	Fallon Health
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
Bill Hickey	Harvard Pilgrim Health Care
Kate Sharry	Group Benefits Strategies
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Donna Madden, Board Chair, called the meeting to order at 10:30 AM.

Approval of the minutes of October 17, 2016:

Kevin Johnston moved approval of the Board minutes of October 17, 2016.

Motion

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

Independent Dependent Eligibility Audit:

Kate Sharry, President of Group Benefits Strategies, reviewed the audit proposal. She said that the last eligibility audit was done in 2012. She said Ch. 32B, S. 12 requires an eligibility audit every two years but noted that there is no penalty associated with the requirement.

Ms. Sharry says GBS has proposed to require documents only from those who were not part of the 2012 audit, i.e. who were hired or added after that audit. She said that those who were part of the 2012 audit will be asked to complete an Affidavit form noting any changes or that there were no changes. She said if the employees say there has been a change, then GBS will request documents.

Donna Madden said that the Steering Committee discussed the timing of the audit and decided that the timing Ms. Sharry recommends, starting in late February early March, is probably the best.

Ms. Sharry said that the fees are \$14 per subscriber, which would be about \$38,500 based on current family plan enrollments. She said the average savings is \$4,000 per member who is found to be ineligible.

There was a discussion.

Bev Beno moved to accept the dependent eligibility audit proposal from Group Benefits Strategies.

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

Wellness Report – Marcy Morrison, MNHG Wellness Consultant:

Marcy Morrison distributed a handout and reviewed the current MNHG wellness programs and progress and participation in each. She said 62 people participated in the weight loss challenge and lost a total of 280 lbs which they've kept off to date. She said that there are healthy recipes on the MNHG website. She talked about spring health fairs.. Ms. Morrison said she has met with wellness consultants for other joint purchase groups and they have compared programs. Ms. Morrison mentioned that there are Affordable Care Act (ACA) rules about incentives and rewards .

Marcy Morrison said that she and Donna Madden met with Weight Watchers and that it is expensive to do at-work programs. She said if the Board wants to do this type of program perhaps the MNHG could split the cost with the participants.

Donna Madden asked Ms. Morrison to put together information about Weight Watchers at work and send it to the Board.

Marcy Morrison suggested doing some regional health fairs to get more employers and employees involved.

Treasurer's Report:

Treasurer, Tony Logalbo, reviewed the financial report through December 31, 2016 (unaudited figures) and said that the Fund Balance is a bit under the target. Mr. Logalbo reported a Fund Balance of \$5,018,284, about \$372K under the target. He said that reduction of the Fund Balance was intended.

GBS reports:

Funding Rate Analysis Report (FRA) - Carol Cormier reviewed the FY17 FRA report with data through December, 2016. She said the expense-to-funding ratio on a paid claims basis was 102.6% with a funding shortfall on a paid claims basis of \$632,732K. Ms. Cormier said that the GBS reports include only major expenses and revenue. She said they are claims, administrative expenses, and reinsurance. She said the only revenue on the report is the funding rate revenue. She said there are 2,759 subscribers on self-funded plans.

Stop Loss Reports - Karen Carpenter reviewed the stop loss reports for FY16 with data updated on January 24, 2017. She said that there were three claimants with claims exceeding the specific deductible of \$300,000. She said the claims totaled \$1,666,433, and the excess amount was \$766,433. She said MNHG has been reimbursed \$786,217 and owes the reinsurance pool over \$19.7K. Ms. Carpenter said there were thirteen claimants on the report of claims at 50-100% of the deductible with total claims of \$2.412M.

Ms. Carpenter said that as of January 24, 2017 there were no members with claims exceeding the \$300K specific deductible. She said that there were five members who had claims between 50% and 100% of the deductible with total claims of \$1.08 million.

Abacus Health Solutions reports – Linda Loiselle and Joe Wroblewski:

Linda Loiselle reviewed the 2016 calendar year-end report for the My Medication Advisor® program, the alternative prescription drug program offered to members enrolled in MNHG's self-funded health plans. She said that there were 121,939 CanaRx purchases by members and 3,226 Alternative Buying Program purchases. She said Gross Savings were \$385,926, program fees were \$48,128, and Net Savings to the Group was \$337,798. Ms. Loiselle said that members saved \$47,770 in waived copays.

Linda Loiselle said that as of February 1st the Fallon members have access to My Medication Advisor programs.

Ms. Loiselle reviewed a Specialty Drugs Issue Brief from American Health Insurance Plans (AHIP). She explained that specialty medications are the fastest growing and most expensive drugs of all pharmaceuticals. She said that there are a lot of savings to be realized even though they may be low in utilization. She said that Abacus met with Donna Madden, Tony Logalb, and Carol Cormier along with representatives of Cape Cod Municipal Health Group (CCMHG) and West Suburban Health Group (WSHG) to review a proposal to add specialty medications to the program. Ms. Loiselle said that Abacus/PBS has proposed a new contract with different payment arrangements.

Joe Wroblewski said Abacus has typically looked at large quantities of prescription drugs but now will be looking at a sub-set, i.e. specialty drugs. He said that in order to effectively offer specialty drugs, Abacus needs to add additional services to support members including a full-time pharmacist and outreach to members. He said Abacus will want to set up additional data feeds with carriers and produce and distribute additional educational materials.

Erin Mooney Hayes, Tufts Health Plan, asked if Abacus is doubling the work done by the carriers.

Linda Loiselle said that Abacus is not replacing the role of the carriers and their Disease Management programs. She said Abacus would welcome an opportunity to talk with the carriers about this.

Donna Madden said participation in the My Medication Advisor (MMA) program is low. She said that she encourages employers to talk with their employees about this program. Joe Wroblewski said that Abacus performs a lot of program oversight and that a medication has to save money compared to the pricing through the carriers in order to get on the MMA med lists. He said the lists are different for each carrier.

Rate projections for FY18:

Carol Cormier reviewed the rate projections from the carriers and from GBS. She said that since the Fund Balance is now below the targeted range, the FY18 rates should not be subsidized by money from Fund Balance. She said the rating exhibits show the expected FY18 claims costs for the My Medication Advisor program and Diabetes Rewards program. She said that in past years the MNHG did not add these expenses into the rates but that for the FY18 projections, she said she shows the rates both ways, i.e. with and without the My Medication Advisor and Diabetes Rewards Program expected expenses (“alternative Rx expenses”).

Ms. Cormier said that combined medical and prescription drug trend is between 10-11%, higher than in previous years. She said she sent the full rate projections packet to the Board after the Steering Committee had reviewed the projections at its January meeting. Ms. Cormier reviewed the funding scenarios:

- Current (FY17) Funding Scenario;
- FY18 Scenario A-1, GBS projections without alternative Rx expenses, *13.7% total funding increase;*
- FY18 Scenario A-2, GBS projections with alternative Rx expenses, *15.0% total funding increase;*
- Scenario B-1, health plan projections without alternative Rx expenses, *12.0% total funding increase;*
- FY18 Scenario B-2, health plan projections with alternative Rx expenses, *13.7% total funding increase;*
- FY18 Scenario C, same total funding as Scenario A-1 but with more homogeneity of rate increases across carriers, *13.7% total funding increase;*
- FY18 Scenario D-1, the lower of GBS or health plan projections without alternative Rx expenses, *11.9% total funding increase;*
- FY18 Scenario D-2, same total funding as in Scenario D-1, but with different distribution of rate increases by plan and with a 7% spread in rates between Fallon SelectCare and DirectCare plans, *11.9% total funding increase.*

Ms. Cormier said that the Steering Committee requested Scenario D-2.

There was a discussion about possible changes for FY19, including addition of HSA-qualified High Deductible Health Plans.

Kerry Colburn-Dion moved to approve the FY18 rates shown in Funding Scenario D-2 but with rates rounded to the nearest whole dollar.

Motion

Bev Beno seconded the motion. The motion passed by majority vote with Marie Sobalvarro opposed.

Health Plan Reports:

Julia LeBrun, Fallon Health, as requested, reviewed what was going on with the GIC FY18 renewal. She discussed GIC proposed rates and plan design changes, noting increases in the deductibles and addition of a separate prescription drug (Rx) deductible on all plans except Fallon plans. She said Fallon’s overall deductible is going to be higher than those of the other plans since Fallon cannot accommodate a separate Rx deductible. She said that the GIC intends to freeze enrollments in the broad network plans, including the GIC Benchmark plan, effective July 1, 2017. She said members may disenroll from but may not enroll in these plans.

Bill Hickey, Harvard Pilgrim Health Care, said he did not have any updates and said he is looking forward to the health fairs.

Erin Hayes, Tufts Health Plan, reviewed two new state mandates for insured plans. She said that these cover certain treatments for HIV and for Lyme Disease and that the claims impact was very minimal. She said that self-funded employers are not required to adopt these mandates.

There was a discussion.

Bev Beno moved to approve both state mandates as described by Ms. Hayes for all active employee plans.

Motion

Kevin Johnston seconded the motion. The motion passed by unanimous vote.

Fred Winer, Tufts Health Plan Senior products, said that enrollment applications for the Tufts senior plans need to be in at least 30 days prior to the effective date of enrollment. He said employers should track retirees and spouses for Medicare Part B eligibility.

Other Business:

Carol Cormier said that although the Affordable Care Act (ACA) appears to be in jeopardy, employers must go ahead with the required annual reporting.

Donna Madden said that the next MNHG meetings are

- March 29, Steering Committee at 10 AM, Groton Central Fire Station – *preliminary discussion about Health Savings Accounts (HSAs)*,
- May 4, Board meeting at 10:30 AM, Groton Central Fire Station – *presentations on High Deductible Health Plans with HSAs*.

There was no other business.

Melisa Doig moved to adjourn the meeting.

Motion

Bev Beno seconded the motion. The motion passed by unanimous vote.

Chair Donna Madden adjourned the meeting at 12:20 PM.

Prepared by Carol Cormier
Group Benefits Strategies