

MINUTEMAN NASHOBA HEALTH GROUP

Finance/Steering Committee Meeting

The Bromfield School
Harvard, Massachusetts

Meeting Minutes

Wednesday, March 17, 2004 at 1:00 p.m.

Committee Members Present:

Evan Katz, Chairman
Tony Logalbo
Pauline Paste
David Desgroseilliers

Town of Harvard
Town of Concord
Lincoln-Sudbury Regional School District
Town of Tyngsborough

Guests Present:

Robert Anderson
Julia Lebrun
Paul Lazar
Carol Cormier

Fallon Community Health Plan
Fallon Community Health Plan
Harvard Pilgrim Health Care
Group Benefits Strategies (GBS)

Chair Evan Katz called the meeting to order at 1:10 p.m.

Fallon ASO Administrative Procedures:

Rob Anderson introduced Julia Lebrun who handles the self-funded business for Fallon.

Tony Logalbo said he had reviewed the Fallon banking arrangements and prefers a different arrangement. He said he wants Fallon and not MNHG to set up the account.

Julia Lebrun said she would check to see if Fallon would do this. Ms. Lebrun reviewed the request-for-funding notification procedures. She said that the Treasurer and/or other authorized person can view the claims and requested funding online.

Julia Lebrun reviewed the ASO report samples.

It was agreed that the next steps to move to an ASO arrangement were as follows: (1) review the proposed ASO Agreement, (2) check on Mr. Logalbo's concerns about the banking arrangements, (3) GBS will review the letter that will go to members along with the new ID cards, (4) GBS will review the plan description booklets, (5) GBS will send Fallon a memo stating that MNHG accepts government mandates.

Julia Lebrun and Robert Anderson left the meeting at this time.

Paul Lazar arrived at the meeting.

Harvard Pilgrim PPO/OOA plan rating issues:

Evan Katz said that he is concerned that the rate for this plan is too high and would like to explore ways to address this since members live out of the service area and do not have any other health plan options.

Paul Lazar reviewed the membership report for the PPO/OOA plan. He said he could not provide claims reports because the enrolled group was very small, and there would be HIPAA concerns about connecting names to claims. Mr. Lazar said that the Individual to Family factor for the plan is 2.062, which is low. Mr. Lazar suggested that if the Group wanted to reduce the rates for this plan, it could have higher copays and deductibles.

Evan Katz asked Mr. Lazar what percent of the PPO plan claims are for services received in-network.

Mr. Lazar said that 76% of claim dollars for the plan are in-network.

David Desgroseilliers said that he did not want to price the PPO lower than the POS because the POS members have other options.

There was a discussion about rating methodology and benefit design.

Pauline Paste said that she would like to see a review of the benefits for all plans and not just for the PPO.

Dave Desgroseilliers suggested that the MNHG conduct a survey of the PPO members to see if they would prefer lower premiums with lower benefits or the *status quo* arrangement.

Pauline Paste asked why this item was on the agenda at this time.

Tony Logalbo said that there is no policy for dealing with the rating of this plan and that the Group needed to determine how this rate would be handled for the next year and beyond.

Pauline Paste said that the Committee should look at the entire pool. She said she was surprised by the decision not to increase the PPO rate for FY05.

Paul Lazar said that the difference between the POS and EPO rates was large compared to rates for other employer groups.

Carol Cormier said that the Group could consider eliminating the EPO and just have a POS. She said that utilization would probably be no different under this arrangement since there are financial incentives to stay within the network.

Dave Desgroseilliers said he thought that what is needed is more education of the PPO members to help them find doctors in the network and to demonstrate the value of using Mail Order for maintenance medications.

Evan Katz asked Carol Cormier to develop some funding scenarios in which there are small subsidies from the EPO plans to cover the PPO plan rates.

Carol Cormier said she would do this and pointed out that there is already a subsidy to this plan since rates are not increasing even though the funding for the current year for this plan was insufficient by far.

David Desgroseilliers said that this would impact towns' appropriations through the contributions.

Plan Designs:

Paul Lazar said that going from the current prescription drug (Rx) co-pays of \$5 generic, \$10 preferred brand name, \$25 non-preferred brand (\$5/\$10/\$25) for a 30-day supply retail to \$10/\$15/\$30 would reduce total claims (medical and Rx) by an estimated 1.7%. He said the Group could also consider going to split co-pays whereby visits to specialists have a higher co-pay than visits to primary care physicians

(PCPs). Mr. Lazar said that HPHC would roll out a tiered network plan next year. He said that with this plan there would be different co-pays based on the quality and cost of the providers.

Tony Logalbo asked that the health plans provide the Committee with worksheets (manageable lists) of possible benefit changes and the estimated cost impact of each.

It was agreed that the health plans should look at areas of high utilization and target benefits to those areas in creating the worksheets.

Pauline Paste said that the MNHG requests information from health plans each year to find out what changes in benefits they are making and that it would make sense to follow their leads.

Tony Logalbo inquired about status of purchasing prescription drugs from Canada.

Carol Cormier said that it was highly likely that Worcester would be adopting a program that includes purchasing drugs from Canada using “Canusa” and “The Abacus Group” as early as April of this year. She said that Boston would be putting out a Request for Proposals for purchasing Canadian drug purchasing services.

Evan Katz asked Ms. Cormier to monitor this topic and report back to the MNHG as new information develops.

Mass Health Data Consortium (MHDC) Conference:

Evan Katz said he would like to attend the MHDC conference on Consumer Driven Health Plans on April 13th. He asked the Committee if it would consider having the MNHG pay for his registration.

Tony Logalbo moved to approve payment of \$150 for Mr. Katz to attend the MHDC conference on April 13th.

Motion

Pauline Paste seconded the motion.

The motion passed by unanimous vote.

Legal and Eligibility Issues:

Call fire fighters and other emergency personnel - Carol Cormier reviewed the new optional category of eligibility under Ch. 32B, Section 2, i.e. call fire fighters and other emergency personnel. She said that each governmental unit could decide whether or not to provide eligibility for these categories. She said that although the fire fighter or emergency worker would have to pay 100% of the premiums, there could be significant costs to the Group if this is not done thoughtfully to minimize the potential for people to sign up for these duties in order to get needed health care on a short-term basis. She reviewed some suggestions for minimizing potential abuse of the eligibility privilege.

Evan Katz asked Ms. Cormier to send an email to the Board regarding the optional coverage for call fire fighters and other emergency personnel and in particular the cautions and rules that each employer that adopts the category needs to set up to administer the coverage.

Partners of same-sex marriages – Ms. Cormier said that effective May 17, 2004 when marriages of same-sex couples become legal in Massachusetts, same-sex spouses of employees will become eligible for benefits. She said that same-sex couples that wed would have a qualifying event to permit the spouse to come onto the health plan off-anniversary. She said that employers should treat same-sex and opposite-sex couples alike, so they should require a marriage certificate for off-anniversary enrollments of spouses.

There was a discussion about the state and federal tax implications and whether or not the employers would be required to honor a marriage license of a same-sex couple married in another state.

Evan Katz said that the Group needs legal guidance.

Ms. Cormier said that GBS would contact legal counsel about these issues.

Treasurer's Report:

Tony Logalbo reviewed the financial statement of February 29, 2004 (unaudited figures). He said that the Uncommitted Fund Balance of \$1.8 million is very close to the target level of almost \$2 million.

Approval of the minutes of the February 11, 2004 meeting:

Pauline Paste moved to approve the meeting minutes of February 11, 2004.

Motion

Evan Katz seconded the motion.

The motion passed by unanimous vote.

Other Business:

There was no other business.

Pauline Paste moved to adjourn the meeting.

Motion

Dave Desgroseilliers seconded the motion.

The motion to adjourn passed by unanimous vote.

Evan Katz adjourned the meeting at 3:45 p.m.

*Prepared by Carol G. Cormier
Group Benefits Strategies*