

MINUTEMAN NASHOBA HEALTH GROUP

Finance/Steering Committee Meeting

The Bromfield School
Harvard, Massachusetts

Meeting Minutes

Tuesday, May 4, 2004 at 10:30 a.m.

Committee Members Present:

Evan Katz, Chairman
Tony Logalbo
Pauline Paste
Carol Vogel
David Desgroseilliers

Town of Harvard
Town of Concord
Lincoln Sudbury Reg. School District
Town of Stow
Town of Tyngsborough

Guests Present:

Gerry Martin
Carol Cormier

No. Middlesex Reg. School District
Group Benefits Strategies

Chair Evan Katz called the meeting to order at 10:36 A.M.

Approval of the minutes of the meeting of April 28, 2004:

Tony Logalbo moved to approve the minutes of the April 28, 2004 meeting as written.

David Desgroseilliers seconded the motion.

The motion passed by unanimous vote.

Review of No. Middlesex RSD application for membership:

Carol Cormier said that GBS had compared 18 months of claims data between MNHG and No. Middlesex RSD on a cost per member level and referred to the cost and benefits comparisons in the Committee's packet. She said that the risk compatibility for the Tufts EPO plan is very good but said that No. Middlesex has had higher per member costs for the HPHC EPO than MNHG has had.

In response to a question from Evan Katz, Gerry Martin said that the district has discussed the application for MNHG membership with the district's unions and that they are on board with this move.

There was a discussion of the data.

Evan Katz mentioned that there is a policy of charging a one-time joining fee.

Carol Cormier said that she would look up the joining fee amounts that would apply to No. Middlesex RSD.

Carol Vogel asked Mr. Martin about retirees.

Gerry Martin said that the district has about 19 retirees now and that they are on BCBS Medex. He said that one retiree is on BlueCare 65.

Ms. Cormier said that it is unusual for BCBS to agree to offer the retiree products in an account that does not offer BCBS active employee plans.

Tony Logalbo said that the MNHG believes that it is in its interest to enlarge the Group.

There was more discussion of the HPHC cost comparison.

Tony Logalbo moved to recommend to the Board that it offer membership to the No. Middlesex RSD effective October 2004 under the following terms: (1) rates for the first 8 months (October 2004 through May 2005) for HPHC EPO plan would be 10% higher than the MNHG FY05 rates and that Tufts EPO rates would be equal to the HPHC rates, (2) for the first 8 months the MCP rate charged to the district would be 10% higher than the MNHG FY05 MCP rate, and that the Tufts POS and HPHC PPO rates for No. Middlesex would be the same as the MNHG FY05 rates for those plans.

Motion

David Desgroseillers seconded the motion.

There was a discussion on the motion.

Mr. Logalbo amended his motion to apply to the period October 1, 2004 through May 31, 2006.

David Desgroseillers seconded the amendment to Mr. Logalbo's motion.

Amended motion

The Committee members agreed that surcharging the rates in the early stages of membership was required because of the size of the No. Middlesex group and the claims cost differentials.

There was a discussion about how the underwriting for FY06 should be carried out.

Ms. Cormier said that GBS could look at the No. Middlesex group combined with MNHG and separately.

Tony Logalbo pointed out that there are some senior plans that change rates on January 1st of each year.

Tony Logalbo said that No. Middlesex does not offer Fallon now, but since MNHG will self-fund Fallon for the first time starting on June 1st he further amended his motion to include a 10% surcharge on the Fallon EPO rates from October 1, 2004 through May 31, 2006.

Further-amended motion

Carol Vogel seconded the amended motion.

The amended motion passed by unanimous vote.

Evan Katz told Gerry Martin that the Committee would make this recommendation to the Board at its June 23rd meeting.

Ms. Cormier said that she would inform Gerry Martin of the amount of the one-time new member fee.

Discussion of Implications of Same-Sex Marriage to Benefits Administration:

Evan Katz said that in Massachusetts same-sex marriage would be allowed as of May 17, 2004.

Carol Cormier said that employers should treat same-sex couples and opposite-sex couples the same. She said that for off-anniversary enrollments, the employer should require marriage certificates for couples in all cases.

Ms. Cormier said that the federal government will not recognize same-sex marriages, so for benefits and regulations that are based on federal laws, the employer will have to treat the employee who is in a same-sex marriage and has a Family plan the same as it treats an Individual enrollee.

There was a discussion about the federal vs. state tax implications for employees and employers.

It was agreed that there were many issues to be more clearly addressed including treatment of employer and employee contribution. Section 125 plan at state level, how to deal with what would be qualifying events, COBRA and Ch. 32B continuation coverage, Family Medical Leave Act, etc.

Evan Katz said he would put together a comprehensive list of the issues to be addressed for the next Committee meeting.

Mr. Katz said that there was not time today to deal with items #4 and #5 on the Agenda.

The next meeting was scheduled for June 1, 2004 at 8:30 A.M. at the Bromfield School in Town of Harvard.

It was agreed that from this time forward the Committee would be referred to as the "Steering Committee" of the Minuteman Nashoba Health Group and not as the "Finance/Steering Committee."

Evan Katz adjourned the meeting at 12:20 P.M.

*Prepared by Carol Cormier
Group Benefits Strategies*