

MINUTEMAN NASHOBA HEALTH GROUP

Finance/Steering Committee Meeting

The Bromfield School
Harvard, Massachusetts

Meeting Minutes

Tuesday, June 8, 2004 at 8:30 a.m.

Committee Members Present:

Evan Katz, Chairman
Tony Logalbo
Carol Vogel
David Desgroseilliers

Town of Harvard
Town of Concord
Town of Stow
Town of Tyngsborough

Guests Present:

Larry Barton
Carol Cormier

Town of Carlisle
Group Benefits Strategies

Chair Evan Katz called the meeting to order at 8:35 A.M. He summarized the items on the agenda.

Approval of the minutes of the meeting of May 4, 2004:

There was a brief discussion and clarification of the motion and successive amendments to the motion recorded in the minutes to recommend to the Board that No. Middlesex RSD be admitted as a member of MNHG effective October 1, 2004. Carol Cormier said that she would write up the motion for the Board meeting.

Tony Logalbo moved to approve the minutes of the May 4, 2004 meeting as written.

Motion

Carol Vogel seconded the motion.

The motion passed by unanimous vote.

Group Benefits Strategies Reports:

HPHC Level Monthly Deposit Quarterly Accounting Report - Carol Cormier reviewed the report and said that for the 3rd quarter of the policy year the MNHG had a debit balance of \$4,348 and for the fourth quarter with only April payments recorded, the MNHG had a credit balance of \$92,754.

Funding Rate Analysis by Plan Report – Ms. Cormier said that with data on claims paid through April (11 months), the expense to funding ratio is 89.2%. She said that the only plan for which the funding is not supporting the expenses is the Harvard Pilgrim PPO plan. She said that there is an excess of funding over expenses of \$1.7 million (paid basis).

Stop Loss Reports –

1/1/03 – 12/31/03 Policy period – Ms. Cormier said that one claimant had exceeded the \$150,000 policy deductible with total claims of \$163,510 and excess claims of \$13,510. She said that the reinsurer had reimbursed \$12,472 and \$1,038 is outstanding. She said that seven members had claims between \$75,000 and \$150,00 with total claims of \$706, 154.

Treasurer's Report:

Tony Logalbo presented the Balance Sheet as of April 30, 2004 (unaudited figures). He said that the Fund Balance was at \$2,268,864 with the target being \$2,056,694. He said that at the end of May there was \$4.5 million in cash.

Mr. Logalbo said that the auditor was starting work on the FY04 audit and would be in Concord on June 28th.

Mr. Logalbo said that overall the Group was in good shape having added \$1M to the Fund Balance over the last year.

New Member Fees:

Carol Cormier summarized the policy on new member joining fees, the amount that had been assessed to new members in the past, and the fact that GBS had not billed Town of Lancaster for the new member fee of \$7,400 which was due in spring of 2002.

Evan Katz explained the situation with Lancaster.

After a discussion Tony Logalbo said he thought that MNHG should bill Lancaster for the joining fee and he proposed a schedule of payments for Lancaster if the town wishes to pay over time.

There was further discussion about the new member fees for Lancaster and for No. Middlesex Regional School District which will be offered membership effective October 1, 2004.

Carol Cormier said that she thought the Group should consider reducing the maximum fee amount because she was concerned that it could be a deterrent to groups that might be interested in joining.

Tony Logalbo made a motion to cap the new member joining fees at \$15K, specifically he moved a policy of one-time new member fees of \$100 per subscriber but not less than \$5K and not more than \$15K.

Motion

Carol Vogel seconded the motion.

The motion passed by unanimous vote.

Evan Katz said he would call Alan Agnelli, Lancaster Town Manager, to discuss the late billing. He also said that he would call Gerry Martin, No. Middlesex RSD Business Manager, to inform him of the \$15K one-time joining fee.

Administration of benefits for same-sex married couples:

David Desgroseilliers distributed a one-page informational handout that Town of Tyngsborough will use to explain how benefits will be administered to spouses of same-sex marriage. He also distributed a copy of a working draft letter on the topic from the Mass. Dept. of Revenue.

Carol Cormier agreed to distribute Mr. Desgroseilliers' handout to the other employers in the MNHG.

Medicare Complement Plan Identification Card:

Carol Cormier said that there had been a misunderstanding about benefits on the part of an MCP member and it seemed that the MCP ID card was causing some confusion. She said the card says \$0 co-pay which is correct; however, she said that some services have 20% coinsurance and there is no mention of this on the ID card. Ms. Cormier said that many people do not know the difference between co-pays and coinsurance.

There was a discussion. It was agreed that Tufts should revise the ID cards to include the statement, “coinsurance may apply for certain services”. It was further agreed that a letter should be sent with the ID cards explaining why new cards are being sent, that there are no changes in benefits, and that members should check their plan benefits in the Description of Benefits booklets.

Carol Vogel said that the towns and districts should be notified that new MCP cards will be issued.

Tufts Member Appeals Cases:

Carol Cormier said that Joelle Carlberg had sent Committee members all the documents on the two appeals with identifiers deleted. She said that Tony Logalbo had studied the two appeals cases thoroughly and asked him to present the background.

Mr. Logalbo reviewed the details of the cases both of which asked for coverage for out-of-network providers. Mr. Logalbo said that Tufts had made the case that in-network providers who are skilled in these types of cases were available.

There was a discussion.

Tony Logalbo moved to uphold Tufts’ denial of the two appeals, cases #1496 and #1497.

Motion

Carol Vogel seconded the motion.

The vote in favor of the motion was unanimous.

Out-of-Area Plan Rate:

Evan Katz said that based on the discussion at the last meeting, this issue would be on the back-burner until the next underwriting cycle early in the new year.

Evan Katz said he was pleased that Joelle Carlberg was reaching out to towns that had out-of-state retirees on the Out-of-Area plan who live in the out-of-state service areas of the EPO plans to let them know and to help them contact and inform the retirees of the lower cost choices.

Strategic Planning:

Evan Katz reviewed some of the topics that the MNHG should be looking into to maintain high quality cost-effective programs in the future. He said that these include Plan design, alternative plans, and high risk case management and risk reduction.

There was a discussion of the planning process.

Larry Barton said that he thought the Steering Committee should take the lead on this, study the issues, and make recommendations to the Board.

Tony Logalbo said that a Strategic Planning group is needed which could be the Steering Committee or other Board members who are interested.

It was agreed that the Committee would seek guidance on this at the June 21st Board meeting.

Carol Cormier agreed to put together a piece for the Board meeting that will outline the areas that need to be studied as part of the strategic planning process.

Other Business:

There was no other business.

Tony Logalbo 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 10:10 a.m.

*Prepared by Carol Cormier
Group Benefits Strategies*