

MINUTEMAN NASHOBA HEALTH GROUP

Finance/Steering Committee Meeting

“FY04 Audit Exit Interview”

Concord Town House
Concord, Massachusetts

Meeting Minutes

Tuesday, September 14, 2004 at 4:00 p.m.

Committee Members Present:

Tony Logalbo, Treasurer
Pauline Paste
David Desgroseilliers

Town of Concord
Lincoln Sudbury RSD
Town of Tyngsborough

Guests Present:

Richard Bienvenue, CPA
Carol Cormier

Thevenin, Lynch, Bienvenue, LLP
Group Benefits Strategies

The Committee met to review the draft report and draft audited financial statements for the year ended May 31, 2004.

Rich Bienvenue reviewed changes in reporting format. He told the Committee that his firm has given Minuteman Nashoba Health Group (MNHG) an unqualified opinion for the year ended 5/31/04. Mr. Bienvenue said that there were no incidences of non-compliance and no internal weaknesses. Mr. Bienvenue called attention to the Management Discussion and Analysis (MD&A). There was a discussion of who should write the MD&A.

Tony Logalbo said he would revise the MD&A and send it to Mr. Bienvenue.

Rich Bienvenue discussed the Incurred But Not Reported (IBNR) figure which he said is actually claims payable. He said it includes a known paid/payable figure plus an estimate of claims payable but as yet unreported.

Rich Bienvenue discussed the Harvard Pilgrim figures noting that this had been the first year with the level monthly deposit financial arrangement. He said that the payments had exceeded the actual claims by \$81K so this amount was recorded as a receivable.

Carol Cormier said that the membership of No. Middlesex Regional School District effective October 1, 2004 should be listed in the Notes to the Financial Statements as a Subsequent Event.

There were some additional minor revisions to the Notes to the Financial Statements requested by the Committee.

Mr. Bienvenue talked about his visits to selected governmental units. He talked about Town of Lancaster which has a new Treasurer. This led to a discussion about transfer of knowledge when key people leave.

It was suggested and agreed that periodically GBS should ask each governmental unit to verify and actually sign off on the enrollment census.

It was agreed that health plan representatives should be reminded again to notify GBS if there is a high cost claim pending.

David Desgroseilliers moved to accept the audit report with the minor corrections made.

Motion

Pauline Paste seconded the motion.

The motion passed by unanimous vote.

David Desgroseilliers had to leave the meeting at this time.

Mr. Bienvenue reviewed the Management Letter. There was a discussion about the fact that the electronic claims data sent to GBS does not agree with claims paid figures.

Carol Cormier said that there are differences in timing.

It was agreed that Ms. Cormier would send a spreadsheet of the FY04 monthly electronic claims by health plan to Mr. Logalbo. The health plans would then be asked to explain variances between paid and electronically reported claims.

Mr. Bienvenue said he was suggesting that MNHG have the COBRA account under its own ID number.

Mr. Bienvenue suggested that the Fallon and Tufts weekly funding request amounts be included on the Warrants. He said, for example, that the October warrant would list the August claims payments.

Mr. Bienvenue said he would send the bound copies of the audit report and management letter to Mr. Logalbo prior to the Board meeting so that they could be distributed at that time.

There was no further discussion.

The meeting ended at about 5:20 p.m.

*Prepared by Carol Cormier
Group Benefits Strategies*