

MINUTEMAN NASHOBA HEALTH GROUP

Board Meeting

Groton Public Library
Groton, Massachusetts

Meeting Minutes

Monday, September 27, 2010 at 10:30 a.m.

Primary & Alternate Board Members Present:

Judy Belliveau, Chair
Donna Madden, Vice-Chair
Anthony Logalbo
Kathleen LeBlanc
Teresa Watts
Melisa Doig
Lorraine Leonard
Kathy Wylie
Patrick McIntyre
Barbara Conti
John Flaherty
Stephanie Gintner
Pamela Landry

Lincoln-Sudbury RSD
Town of Bolton
Treasurer, MNHG
Town of Groton
CASE Collaborative
Town of Ayer
Town of Harvard
Narragansett RSD
Town of Clinton
North Middlesex RSD
Concord-Carlisle RSD
Town of Ayer
Town of Stow

Guests Present:

Judy Suprenant
Bill Hickey
Emily Savaria
Fred Winer
Rob Anderson
Carol Cormier
Karen Carpenter

North Middlesex RSD
Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Fallon Community Health Plan (FCHP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Chair, Judy Belliveau called the meeting to order at 10:40 a.m.

Approval of the minutes of the June 2, 2010 meeting:

Tony Logalbo moved to approve the Board minutes of the June 2, 2010 meeting.

Donna Madden seconded the motion. The motion passed by unanimous vote.

Motion

Treasurer's Report –

Tony Logalbo said that the Uncommitted Fund Balance was negative \$41,242 as of August 31, 2010. He said the fund balance target was \$5.88M. Mr. Logalbo said that claims have increased significantly over the past three months. He said there is one high cost claimant that is lased on the reinsurance policy at \$575K. Mr. Logalbo said that if this trend continues, there may be a 15% or more rate increase for FY12. He noted that approximately \$150K for the Retiree Drug Subsidy payments are not included on the August statement.

GBS Reports:

FY10 Funding Rate Analysis by Plan – Carol Cormier reviewed the Funding Rate Analysis report for FY10 with data through July 2010. Ms. Cormier noted that GBS has not been receiving claims and enrollment data from Fallon since February and therefore there is no Fallon information on the report. Ms. Cormier said that the expense-to-funding ratio was 109.6% based on Harvard Pilgrim and Tufts data only. She said that the Harvard Pilgrim EPO and PPO and the Tufts EPO plans were under-funded and accounted for the negative numbers.

Carol Cormier said that the Retiree Drug Subsidy received each year has been a little over \$300K. She said that there are still outstanding subsidy amounts due MNHG for FY10.

Ms. Cormier said that GBS met with high level representatives from Fallon to review the data and reporting problems in order to get commitments from Fallon to resolve these issues quickly. She said that Fallon would be reporting to GBS on its progress and in the meantime would prepare stop loss reports manually for GBS clients.

Level Monthly Quarterly Accounting Reconciliation for HPHC, 1st quarter– Ms. Cormier said that the July LMD payment to HPHC was higher than the actual costs by \$132,468.

myMedicationAdvisor® Report- Carol Cormier said that the myMedicationAdvisor® program is running better than projected and said that the cumulative net savings from November 2009 through July 2010 was \$175,122. She said that the employee savings through July is approximately \$49K.

ERRP Memo of Understanding – Carol Cormier said that the Steering Committee approved payment of \$2,500 to GBS for producing and submitting the application for the Early Retiree Reinsurance Program as described in the Memo of Understanding which was approved by the Committee.

Group Benefits Strategies (GBS) Agreement – Tony Logalbo said that the current MNHG/GBS Agreement for consulting and central benefits administration is expiring on December 31, 2010 and said that there are no changes proposed by GBS to the terms of the 3-year renewal. Mr. Logalbo said that the Committee is recommending renewal of the contract.

John Flaherty made a motion to approve renewing the GBS Contract to the Board.

Donna Madden seconded the motion. The motion was passed by unanimous approval.

Motion

Prescription Benefit Services (PBS) Contract Renewal- Carol Cormier said that the Steering Committee approved renewing the PBS Contract that will expire on October 31, 2010. She said that PBS is the liaison between the Abacus Group, CanaRx, and MNHG and assists with the myMedicationAdvisor® program. Ms. Cormier said that the proposed renewal is for one year and there are no changes to the terms or fees.

Stop Loss Reports – Ms. Carpenter reviewed the Excess Loss Report for the CY10 policy period. She said that there are three claimants with total paid claims of \$1.07M. Ms. Carpenter said the Aggregating Specific Deductible of \$400K has not been met and, therefore, there are no reimbursements due MNHG. She said there were fourteen claimants on the report of claims at 50%+ with a paid claims total of approximately \$4.5M.

Senior Plan Rates for CY2011 –

Judy Belliveau asked Carol Cormier to review the rate projections for the Medicare Complement Plan (MCP).

Ms. Cormier said that the Steering Committee reviewed the MCP claims projections data for CY09 and CY10 and the rates proposed by the health plans and by GBS and is recommending a rate of \$405 for the plan for CY2011. Ms. Cormier said that rate represents a 6.6% increase over the CY10 rate of \$385. Ms. Cormier said that the Committee is also recommending that the Board accept the proposed CY2011 rates for the following fully insured plans: Tufts Medicare HMO at \$242, Tufts Medicare Complement (TMC) at \$390, and the Fallon Senior Plan at \$267.

Teresa Watts made a motion to approve the rate of \$405 for the Medicare Complement Plan and to accept the fully insured senior plan rates as proposed for CY2011.

Donna Madden seconded the motion. The motion was passed by unanimous approval.

Motion

Harvard Pilgrim PFFS senior plan - Bill Hickey said that the Harvard Pilgrim Health Care Private-Fee-for-Service (PFFS) plan will be eliminated effective January 1, 2011. Mr. Hickey said that HPHC is expecting to send letters to affected members beginning October 1, 2010. He said that he will send a copy of the letter to Group Benefits Strategies for distribution to MNHG.

Tufts Medicare Preferred HMO and Medicare Complement Plans - Fred Winer said that there are some benefit changes to the Tufts Medicare Preferred (TMP) HMO benefits for CY11. Mr. Winer said that the TMP HMO and all of the Medicare Advantage plans are eliminating their annual Routine Physical co-pays. Mr. Winer said that another change is that a Smoking Cessation program will be covered at a \$0 co-pay. He said that was not covered in previous years. Mr. Winer said that the \$150 fitness and \$150 eyewear reimbursement benefits remain the same. He said that Tufts also provides discounts on Acupuncture and Massage at contracting providers.

Regarding the Tufts Medicare Complement (TMC) plan, Mr. Winer said that the annual Routine Physical co-pay has been eliminated and said there were no other benefit changes to the TMC plan.

Mr. Winer said that payments from the federal government to Medicare Advantage plans will begin to decrease in 2012 and will be used towards health care reform.

Carol Cormier noted that the Tufts Medicare Complement Plan (TMC) does not work for members who live outside of the service area longer than 90-days.

The Affordable Care Act:

Early Retiree Reimbursement Program (ERRP) – Carol Cormier said that the ERRP program was designed to give employers incentive to continue to or begin to provide health insurance coverage to retirees 55 to 64 years old. Ms. Cormier said that the MNHG ERRP Application was approved and said that the government has not yet given instructions on how claims should be submitted.

Judy Belliveau said that only claims that are for services that are approved Medicare services will be eligible for a possible reimbursement.

Bill Hickey said that the preliminary layout has been received and the health plans agreed that they should be able to get the claims data out quickly.

Grandfathering - Carol Cormier explained that certain employer plans are eligible to be Grandfathered under The Affordable Care Act if the plans have not changed since March 23, 2010. Ms. Cormier said that Grandfathered plans are exempt from certain provisions of the Affordable Care Act until 2014 such as the preventive care cost sharing rule, but are still subject to others, such as the eligibility of a child to age 26 and the prohibition on lifetime and annual limits which must be implemented on plan anniversary following September 23, 2010.

Carol Cormier said that MNHG has been encouraging members to move to the Rate Saver plans and said that Grandfathering their plans could limit those efforts if an employer had not previously offered Rate Savers to its employees. Ms. Cormier said that the Board should make a decision at the next Board meeting.

Reinsurance Procurement for CY11:

Judy Belliveau said that the Committee discussed obtaining reinsurance quotes for policy year CY11 and said that the current deductible level is \$225,000 and the current aggregating specific deductible is \$400,000 with a 12-month incurred and a 24-month paid period. Ms. Belliveau said that the Committee is recommending asking for quotes at a \$250K deductible level and \$400K aggregating specific deductible with a 12month incurred and a 24-month paid period. She said that the Committee is also recommending getting a second quote alternative that would be 10% lower than the requested quoting scenario.

Donna Madden made a motion to authorize Group Benefits Strategies to obtain reinsurance policy quotes at all of the terms discussed above.

Motion

Teresa Watts seconded the motion. The motion was passed by unanimous approval.

Health Plan Reports-

Harvard Pilgrim Health Care (HPHC)-

Bill Hickey, Account Executive for HPHC, said that he and HPHC are busy keeping up with the health care reform and regulations. He said that HPHC was ranked the number one private health plan for the seventh year by the NCQA (National Committee for Quality Assurance), a non-profit organization dedicated to improving health care quality. Mr. Hickey said that Tufts Health Plan ranked #2 and Fallon was ranked #8. He said that MNHG should be proud that they offer three of the top ten health plans in the country. He said that he would send the announcement to Group Benefits Strategies.

Tufts Health Plan (THP)-

Emily Savaria, Account Executive for THP, said that the health plan reform is a huge undertaking and said that it is a major focus at Tufts right now.

Fallon Community Health Plan (FCHP)-

Rob Anderson, Account Executive for FCHP, said that health care reform is also a focus at FCHP. Mr. Anderson said that in addition, the FCHP claim reporting is another priority that is taking priority. He said that the systems conversion is working well with the exception of the data storage, reporting, and transferring issue. He said that the new system will help to do more with cost efficiency efforts. Mr. Anderson said that a new wellness initiative involving 12 colleges has begun. He said that it is a walking program, and the colleges designate teams of walkers that compete against each other. Mr. Anderson said that the FCHP dental benefit provider 3rd party has not expanded the network as expected and said that Fallon has decided that it will eliminate the dental benefit on plan anniversaries following January 1, 2011. He said the benefit will remain available to children up to 12 years of age.

It was later learned that the Fallon dental benefit will be discontinued for children as well as for adults. Fallon also subsequently agreed to continue the dental discount program for MNHG and for a few other employers.

Judy Belliveau asked the Board if it would like to discuss the possibility of offering a dental plan as a group rather than each entity offering a plan on their own. She said that it was her understanding that the contributory dental risk balances out.

Donna Madden said that it was her experience that the first year dental rates were high and that by the third year, costs level out.

Carol Cormier said that entities are not required to contribute to dental plans as they are for the health plans.

Donna Madden said that a number of employees chose the Fallon health plan because of the dental benefit offered and expressed her disappointment that it is being discontinued

Carol Cormier said that she would send a survey regarding interest in a jointly purchased dental plan to the units and would bring the results to the next meeting.

The next meeting was scheduled on February 9, 2010 at 10:00 a.m. at the Peter Fitzpatrick Elementary School, 45 Main Street, in Pepperell.

Subsequently a Board meeting was also scheduled for January 5 at 10:15 Am at Groton Public Library.

The following two Steering Committee meetings were scheduled. December 13, 2010 at 1:30 p.m. and February 2, 2011 at 9:30 a.m., both to be held at the Groton Town Hall.

Barbara Conti introduced Judy Suprenant, No. Middlesex Business Manager, to the Board. The Board welcomed Ms. Suprenant and introduced themselves.

There was no other business.

John Flaherty motioned to adjourn the meeting at 10:20 a.m.

Motion

Lorraine Leonard seconded the motion. The motion passed by unanimous approval.

There was no other business.

Chair Judy Belliveau adjourned the meeting at 12:05 noon.

*Prepared by Karen Carpenter
Group Benefits Strategies*