

Minuteman Nashoba Health Group

Board Meeting

February 6, 2014 at 10:00 AM

Bolton Public Library
Bolton, MA

Meeting Minutes

Board and Alternate Members Present:

Donna Madden, Chair	Town of Bolton
Margaret Dennehy, Vice Chair	Town of Boxborough
Anthony Logalbo, Treasurer	Town of Concord
Debbie Nutter	Town of Pepperell
Pam Landry	Town of Stow
Kerry Colburn-Dion	Town of Tyngsborough
Lorraine Leonard	Town of Harvard
Melisa Doig	Town of Ayer
Bev Beno	CASE Collaborative

Guests Present:

William Hickey	Harvard Pilgrim Health Care
Jason Fortin	Fallon Health
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Senior Plans
Carol Cormier	Group Benefits Strategies

Donna Madden, Chair, called the meeting to order at 10:22 AM.

Approval of the minutes of September 18, 2013:

Lorraine Leonard moved approval of the Board minutes of September 18, 2013.

Motion

Melisa Doig seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Treasurer Tony Logalbo reviewed the Balance Sheet of December 31, 2013 (unaudited figures) and the Fund Balance history. He said the Uncommitted Fund Balance was \$9.7 million but that does not reflect the reinsurance receivable of \$1.1M of which he learned recently. He said even without that reinsurance reimbursement, the Fund Balance is \$5 million over the target amount. He said that MNHG claims have been trending down for several years. He said that for January things look stable.

Nominating Committee Report:

Tony Logalbo, representing the Nominating Committee comprised of John Flaherty, Patrick McIntyre and himself, said that the Committee recommends the following officers:

Donna Madden for Chair,
Margaret Dennehy for Vice Chair, and
Tony Logalbo for Treasurer.

Mr. Logalbo said that the Committee recommends the current eight members of the Steering Committee to serve again for CY14:

Town of Ayer,	Melisa Doig,
Town of Bolton	Donna Madden,
Town of Boxborough	Margaret Dennehy,
Town of Carlisle	Larry Barton,
Town of Clinton	Patrick McIntyre,
Town of Concord	Tony Logalbo,
Concord Carlisle RSD	John Flaherty,
Town of Harvard	Lorraine Leonard.

Mr. Logalbo said the Committee recommends that the vacancy on the Steering Committee be filled by Tyngsborough's representative Kerry Colburn-Dion.

Bev Beno motioned to accept all the nominations of the Nominating Committee. Motion

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

Group Benefits Strategies Reports:

Funding Rate Analysis - Carol Cormier reviewed the Funding Rate Analysis with data through December 2013. She said that on a composite basis the expense-to-funding ration was 95% resulting in an excess of funding over expenses of \$1,146,753. She said that the Harvard Pilgrim HMO plan was under-funded by 1.8%.

HPHC Level Monthly Deposit Quarterly Accounting – Ms. Cormier said that for the quarter ending December 31, 2013, the Level Monthly Payments fell short of the actual costs by \$505,605.

Stop Loss Reports – Carol Cormier said that for the CY13 policy period there were 6 claimants that exceeded the \$275K specific deductible with claims totaling \$3,435,805. She said that excess claims were \$1,560,805 and that the group must pay the first \$450K of that. She said that leaves \$1,110, 805 in outstanding reimbursements. She said after the report had been prepared MNHG received reimbursement checks of almost \$300K.

Reports from the Abacus Group - Carol Cormier reviewed the *My Medication Advisor* financial report for CY13 and said that the group had net savings of 213, 443 for those programs. She said employees saved \$47,058 in waived copays.

Ms. Cormier reviewed the report from the Abacus Group on *the Good Health Gateway Diabetes Rewards Program*®. She said that MNHG was meeting goals with 30% of identified diabetics enrolled in the program and 51% of those compliant with the five guidelines of care. She said this compares favorably to other municipal groups.

Wellness Committee Report:

Donna Madden reviewed the RFP process for engaging a Wellness Coordinator and said that there were three responses. She said that two were from companies and their responses were incomplete. She said the third response was from a woman who has been doing this kind of work for employers in Florida. She said the Committee, made up of Melisa Doig, Kerry Colburn-Dion, and herself, were pleased with Ms. Morrison's proposal and seek approval from the Board to negotiate a contract with her.

Tony Logalbo moved to authorize the Wellness Committee to negotiate a contract with Marcy Morrison and to develop a Wellness Program budget and to bring them to the Steering Committee for review.

Motion

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

Multi-Level Reinsurance Pooling Arrangement (MLRPA):

Carol Cormier reviewed the concept of the proposed reinsurance pooling program and the hand-out of financial information including rates for 7/1/14. She said that the proposal was brought to three joint purchase groups because it's been very difficult to get reinsurance quotes in recent years. She said that Cape Cod Municipal Health Group (CCMHG) Board voted unanimously to participate in the pool effective 7/1/14. She said that West Suburban Health Group (WSHG) will take its vote on participation on February 11. She said that three groups are needed in order to constitute the MLRPA. Ms. Cormier said that Donna Madden and Tony Logalbo have been serving on the Advisory Committee for this project. Ms. Cormier said that claims up to \$300K would be the responsibility of each Joint Purchase Group (JPG), and claims between \$300K and \$800 K would be paid for from the reinsurance pool. She said that claims exceeding \$800K would be paid by Berkley Insurance. Ms. Cormier said that the Advisory Committee decided that all groups would pay the same rates and have the same terms of coverage.

Tony Logalbo said that the \$450K aggregating specific deductible will go away with the MLRPA and that with the elimination of that expense, the rates are a wash with the current rates. He asked Ms. Cormier to review highlights of the Governance Document.

Carol Cormier said that each JPG must sign the Governance Document which binds them to three years of participation. She said that each JPG will name a primary and alternate Board representative. She said all JPGs will have the same policy terms and will pay the same rates. She said that if the pool is found to have excess funds after 24 months, the JPGs will be entitled to a dividend, and the excess funds will be distributed proportionally based on premium paid which is based on enrollments. Ms. Cormier said that two attorneys, one engaged by GBS, have reviewed the Governance Document.

Margaret Dennehy motioned that Minuteman Nashoba Health Group join the proposed Multi-Level Reinsurance Pooling Arrangement (MLRPA) as described in documents provided along with Cape Cod Municipal Health Group and West Suburban Health Group effective July 1, 2014.

Motion

Kerry Coburn-Dion seconded the motion. The motion passed by unanimous vote.

Tony Logalbo moved to approve the Governance Document as written.

Motion

Melisa Doig seconded the motion. The motion passed by unanimous vote.

Margaret Dennehy moved to appoint Donna Madden as the primary representative to the MLRPA Board and Tony Logalbo as the alternate Board representative.

Motion

Melisa Doig seconded the motion. The motion passed by unanimous vote.

Rate Projections for FY15:

Tony Logalbo said that as stated earlier the claims experience of the group has been declining over several years resulting in an Uncommitted Fund Balance above the target level established by the MNHG's Fund Balance policy. He said that he determined that the group could use \$2,225,000 from Fund Balance to reduce FY15 rates and stay within all the guidelines of the policy.

Donna Madden said that the Steering Committee recommends Funding Scenario D, which has a composite funding *decrease* of 5.9% and which anticipates using \$2.2 million of Fund Balance.

Carol Cormier said that the health plans and GBS did independent rate projections and Funding Scenario A was based on GBS projections and Scenario B was based on health plan projections. She reviewed the Scenarios provided in the Board packet and detailed expense items that were not included in the rates. She said that the concern in reducing rates is that there could be a significant rate increase in the following year. Nevertheless, she said the rates for the last several years have been too high so this is a correction.

Lorraine Leonard moved to adopt Scenario D as presented.

Motion

Bev Beno seconded the motion. The motion passed by unanimous vote.

Health Plan Reports:

Harvard Pilgrim Health Care – Bill Hickey said that the pediatric hearing aid mandate did not get incorporated in the Harvard Pilgrim plans last year but was added to the Tufts and Fallon plans. He explained why this happened. He said that the cost to add this benefit is negligible.

Erin Hayes, Tufts Health Plan, said that Tufts is covering adult hearing aids as well as pediatric aids under the DME benefit with 20% coinsurance. She said that Tufts could change this arrangement if the MNHG wishes.

Jason Fortin, Fallon Health, said that their plans cover hearing aids for members under age 21 only.

There was a discussion.

Tony Logalbo moved to add the pediatric hearing aid mandate to the Harvard Pilgrim plans.

Margaret Dennehy seconded the motion. The motion passed by unanimous vote.

Mr. Logalbo asked that this benefit be added to the Benefit Comparison charts that GBS issues.

Fallon Health – Jason Fortin said that effective February 2nd Fallon Community Health Plan changed its name to “Fallon Health” and all the branding will be changed. He said members will be issued new cards with the new name as they are ordered but there will not be new cards distributed to everyone. He said he and the Fallon wellness staff are anxious to work with the new MNHG Wellness Coordinator.

Donna Madden said that there had been some errors in the Fallon Senior Plan benefits on the Senior Plan Benefit Comparison, specifically on the copays for vision care and dental. She said she communicated this to Bob Cannon.

Carol Cormier said that she will send the comparison chart to Mr. Cannon for corrections and will distribute the corrected version.

Tufts Health Plan – Erin Hayes said that Tufts is re-branding and making changes to its wellness program. She said that Tufts is expanding the reimbursement criteria for the Fitness benefit to include organized group fitness classes. She said these must be in studio or fitness facility and include yoga, zumba, etc. She said that the benefit reimbursement amount will remain at \$150/member.

Margaret Dennehy moved to add the expanded criteria to the Tufts Fitness reimbursement benefit.

Motion

Melisa Doig seconded the motion. The motion passed by unanimous vote.

Ms. Hayes said until recently Tufts interpretation of the Women's Health Act was different from the interpretation of the other health plans. She said that Tufts has been charging copays for prenatal and post-partum outpatient maternity visits but said that the copays will be removed upon renewal on July 1, 2014.

Tufts Senior Plans – Fred Winer said that Open Enrollment for the senior plans went well and Tufts had a strong response in the state. He said that the Tufts Medicare Preferred HMO was rated 4.5 stars out of 5 by CMS. He said that CMS rewards the plans that are high performers with cash which then can go towards reducing rates.

Other Business:

Erin Hayes, Tufts Helath Plan, said Tufts is partnering with FitBits and said that soon Tufts would make the FitBit fitness tracking bracelets available at a discounted rate.

Jason Fortin, Fallon Health, talked about the Fallon Healthy Health plan. He said that when the Wellness Coordinator is on board, Fallon would like to make a presentation about this program.

Tony Logalbo noted that he brought the FY13 audited Financial Statements and Management Letters and asked Board members to pick up their copies.

Donna Madden set the next meetings at Bolton Public Library in May as follows:

- Steering Committee meeting on Wednesday, May 28 at 8:30 or 9:00 AM;
- Board meeting on Wednesday, May 28 at 10 or 10:30 AM.

Ms. Madden said that the meeting times will be worked out with the Library.

Margaret Dennehy moved to adjourn,

Tony Logalbo seconded the motion. The motion passed by unanimous vote.

Chair, Donna Madden, adjourned the meeting at 11:40 AM.