

**Minuteman Nashoba Health Group  
Steering Committee Meeting**

Bolton Public Library  
Bolton, Massachusetts

Meeting Minutes

Tuesday, January 20, 2015 at 10:00 a.m.

**Steering Committee Members Present:**

Donna Madden, Chair  
Patrick McIntyre, Vice Chair  
Tony Logalbo, Treasurer  
Melisa Doig  
Kerry Colburn- Dion  
Bev Beno  
Lorraine Leonard  
Larry Barton

Town of Bolton  
Town of Clinton  
Town of Concord  
Town of Groton  
Town of Tyngsborough  
CASE Collaborative  
Town of Harvard  
Town of Carlisle

**Guests Present:**

Kevin Johnston  
Marie Sobalvarro  
Bill Hickey  
Jason Fortin  
Erin Hayes  
Fred Winer  
Carol Cormier  
Karen Carpenter

Town of Ayer  
Town of Harvard  
Harvard Pilgrim Health Care (HPHC)  
Fallon Health (FH)  
Tufts Health Plan (THP)  
Tufts Health Plan (THP)  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Chair, Donna Madden, called the meeting to order at 10:05 a.m. Ms. Madden thanked Melisa Doig for hosting the meeting and providing breakfast.

**Approval of the minutes of the June 12, 2014 meeting:**

Patrick McIntyre moved to approve the Steering Committee minutes of the June 12, 2014 meeting.

Motion

Kerry Colburn-Dion seconded the motion. Bev Beno abstained.

The motion passed by majority vote.

**Treasurer's Report:**

Treasurer Tony Logalbo reviewed the Balance Sheet of December 31, 2014 (unaudited figures) and said the Uncommitted Fund Balance was \$10.2 million, down by approximately \$500K for the month. He noted that the ACA Transitional Reinsurance Program fee of \$306K accounted for most of that loss.

**Wellness Report:**

Donna Madden said that Marcy Morrison will give her report at the Board meeting on February 3, 2015. Ms. Madden said that Ms. Morrison has been working with several MNHG employers and departments to set up wellness programs. She said that Ms. Morrison is setting up a fitness program for the DPW in the Town of Bolton.

The members of the Steering Committee agreed that Ms. Morrison is doing a great job promoting wellness at MNHG.

**Group Benefits Strategies Reports:**

Funding Rate Analysis - Carol Cormier reviewed the Funding Rate Analysis (FRA) with data through December 2014. She said that on a composite basis the expense-to-funding ratio was 100.5% resulting in a six-month funding shortfall of \$95,389. She said that the HPHC EPO and Tufts EPO plans were underfunded, but said the Fallon EPO gains offset the HP EPO loss. Ms. Cormier noted that the Retiree Drug Subsidy (RDS) ended in fiscal year 2012.

Stop Loss Reports – Karen Carpenter said that for the CY14 policy period, there were three claimants on the report of 50% with claims totaling \$499,107. She said there were no claimants that exceeded the \$275K specific deductible.

Ms. Carpenter said that for the short policy period of January 1, 2014 to June 30, 2014, there was one claimant that exceeded the \$275K specific deductible with claims totaling \$464,621. She said that the \$450K aggregating specific deductible has not been satisfied. She said that there are no reimbursements due. Ms. Carpenter said that there were 4 claimants on the report of 50% with claims totaling \$1,023,268.

**ACA updates:**

Cadillac Tax – Carol Cormier said she reviewed an exhibit at the last meeting and said currently MNHG's PPO and POS plans will exceed the ACA thresholds of \$10,200 annual premium for an individual plan and \$27,500 for a family plan in 2018 if one assumes a 7% rate increase each year. Ms. Cormier noted that there were only 4 Individual plan subscribers on the POS and 7 Individual subscribers on the PPO. She said that adjustments can be made to stay below the thresholds through the rate-setting methodology and through plan design changes. She noted that the ACA threshold levels could change before 2018, the year when the tax goes into effect.

Employer Reporting – “Pay or “Play” – Carol Cormier said the ACA employer reports for CY15 will be due on March 1, 2016. She said that complying with the ACA requirements is largely an IT matter which must be dealt with at the local level. She advised that if an employer has not already begun working on this, it should contact the contracted payroll company or look into software systems that can track, accumulate and report the information required. Ms. Cormier said that GBS can provide the data on the monthly employer invoices in Excel format at a cost of \$125 per month. She said there is additional information provided in the Steering Committee packet regarding the ACA requirement.

**GBS proposed contract:**

Carol Cormier said that the GBS contract expired on December 31, 2014 and said she provided the proposed renewal contract to the Board. She said Donna Madden asked the Steering Committee to review the contract to be able to make a recommendation to the Board. Ms. Cormier said that the contract is for a 3-year period and includes the COBRA rates. Ms. Cormier

said that GBS held the rates for the past two years and is proposing holding them for the year 2015.

Patrick McIntyre made a motion to recommend to the Board to approve the GBS contract as presented.

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

Diabetes Rewards Program Report – Carol Cormier reviewed the year-end 2014 report as provided by The Abacus Group. She said that the MNHG current enrollment of 29% falls just short of the enrollment goal of 30%. Ms. Cormier said 52% of those enrolled are compliant with the program requirements, exceeding the compliance goal of 50%. Ms. Cormier said the estimated savings, net of fees and pharmacy copayments, is \$90,416. She said the estimated member copays waived is \$34,354.

**Out-of-Pocket (OOP) Maximums for FY16 – follow-up:**

Carol Cormier said that effective on plan anniversary, June 1, 2015 for MNHG, the ACA is requiring that prescription drug (Rx) co-pays count towards the OOP maximums. She said the ACA allows separate medical and prescription OOP maximums. She said OOP maximums are a benefit to employees, capping the out-of-pocket expenses of the members. Ms. Cormier said the ACA currently requires medical OOP maximums on all health plans. Ms. Cormier said that Fallon did an across-the-board change to include Rx copays in the OOP Maximums effective January 2014. Ms. Cormier said that the MNHG's current OOP Maximums for Harvard Pilgrim and Tufts plans are \$2,000 Individual and \$4,000 Family for medical services only. She said the Fallon OOP maximums are \$2,000 and \$4,000 for medical and RX combined. She said the maximum allowable OOP maximums set by the ACA for 2015 are \$6,600 Individual and \$13,600 Family. Ms. Cormier said that the GIC OOP maximums will be \$5,000 Individual/\$10,000 Family.

Carol Cormier reviewed an exhibit and said she is recommending a separate Rx OOP maximum of \$3,000 Individual and \$6,000 Family as described in option 1.(a) of the exhibit. She said that this brings the maximums to the GIC levels. She said since Fallon plans are the lowest cost plans, it may not be unreasonable to keep the Fallon combined OOP maximums at the current levels.

Ms. Cormier said the ACA does not require an OOP maximum on Out-of-Network (OON) services. She said the MNHG has an OON OOP Max on the PPO and POS. She said it is \$3,000 per member. She said POS and PPO members have 20% coinsurance on costs of OON services in addition to the deductible. She said that it's likely that after a hospitalization, the member would meet the OON OOP max. and would then get all OON services at zero costs for the remainder of the plan year. She said this creates an adverse incentive. She recommended raising the OON OOP maximum at some point, if not this year.

The Steering Committee reviewed and discussed the options described in the exhibit.

Carol Cormier offered to create a template letter that the units could use to notify their unions of the changes.

Lorraine Leonard made a motion to recommend to the Board that it adopt option 1.(a) with the separate medical and prescription drug OOP maximums.

Kerry Colburn-Dion seconded the motion.

Motion

The motion passed by a majority vote. Bev Beno abstained.

**FY16 preliminary rate projections:**

Carol Cormier reviewed the FY16 Preliminary Rate Development packet. She said that as in past years the carriers and GBS make separate claims projections. She said the exhibits compare the two projections. She reviewed the administrative fee proposals from the carriers, noting that Tufts proposed a 2% increase, HPHC a 1% increase, and, as agreed last year, Fallon would be holding its administrative fees at the current levels.

Ms. Cormier reviewed the methodology of the GBS rate projections. She said in prior years, government fees and the claims of the alternative prescription drug programs were not included in the rates and were expected to be funded from the Fund Balance. She said she included scenarios with these fees included and recommends including them. Ms. Cormier reviewed the various funding scenarios, i.e. monthly and annual funding with (1) current rates, (2) rates with GBS claims projections, (3) rates with carrier claims projections, (4) rates using the lower of the two projections for each plan, and (5) two scenarios using \$1.7M to \$2.16 Million of fund balance to subsidize the rates.

After discussion, the Committee requested an additional funding scenario in which not more than \$2.2 million of fund balance is used and with Fallon plan rates assigned a 2% increase.

Ms. Cormier said she would prepare the requested scenario and email it to the Committee members.

The Committee agreed to meet at 9:30 AM on February 3<sup>rd</sup>, a half hour prior to the Board meeting, to vote on its rate recommendations to the Board.

**Other Business:**

There was no other business.

Motion

Patrick McIntyre moved to adjourn.

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

Donna Madden adjourned the meeting at 12:15 PM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*