

Minuteman Nashoba Health Group

Steering Committee Meeting

Thursday, January 26, 2017 at 10:30 AM

Groton Center Fire Station
Groton, MA

Meeting Minutes

Committee and Alternate Members Present:

Donna Madden, Chair	Town of Bolton
Patrick McIntyre, Vice Chair	Town of Boxborough
Anthony Logalbo, Treasurer	Town of Concord
Melisa Doig	Town of Groton
Beverly Beno	CASE Collaborative
Kevin Johnston	Town of Ayer
Kerry Colburn-Dion	Town of Carlisle

Guests Present:

Marie Sobalvarro	Town of Harvard
Julia Lebrun	Fallon Health
Joe Anderson	Fallon Health
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan
Bill Hickey	Harvard Pilgrim Health Care
Kate Sharry	Group Benefits Strategies
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Donna Madden, Board Chair, called the meeting to order at 10:30 AM.

Approval of the minutes of October 5, 2016:

Kerry Colburn-Dion moved approval of the Steering Committee minutes of October 5, 2016 as written.

Motion

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

Wellness Committee Report –

Donna Madden said Marcy Morrison, Wellness Consultant, will report at the Board meeting in February. She said that they are doing weight loss programs, hoping for 13 week sessions with Weight Watchers (WW). She said Ms. Morrison is proposing that the employee pay half and MNHG pay half of the WW fee. She said some member units are not participating. Ms. Madden said that last year the weight loss programs had more than 100 participants. Ms. Madden said that Marcy Morrison will give additional information at the next Board meeting.

Treasurer's Report:

Treasurer Tony Logalbo reviewed the financial report of December 31, 2016 (unaudited figures). He said the Uncommitted Fund Balance was \$5,018,284 which is about \$372K below the Fund

Balance target. He said that there will not be any Fund Balance excess available to subsidize the FY18 funding rates.

Mr. Logalbo said that the draft FY16 Audit report has been completed and that he and Carol Cormier will each review the report. Mr. Logalbo said that there were more questions than usual from the auditor in this audit.

GBS reports:

Funding Rate Analysis Report (FRA) - Carol Cormier reviewed the *FRA* FY17 report with data through December 31, 2016. She said the expense-to-funding ratio on a paid claims basis was 102.6.0% with a funding shortfall of almost \$624K. She said that all plans except for the Tufts POS, a totally non-credible plan, were to varying degrees underfunded.

Reinsurance reports - Karen Carpenter reviewed the FY16 reinsurance reports with claims updated on January 24, 2017. She said that there were 3 claimants with claims exceeding \$300K totalling \$766,433. She said that the MNHG was reimbursed \$786,216, and MNHG owes the MMRA reinsurance pool \$19,783.

Ms. Carpenter said that in FY16 there were 13 members with claims between 50% and 100% of the reinsurance deductible. She said their claims totalled about \$2.4 million.

Ms. Carpenter reported on the FY17 reinsurance policy and said that no members had exceeded the \$300K specific deductible, but 5 members had claims between 50% and 100% of the deductible, totalling \$1.08 million.

Abacus Group and PBS reports:

Reports - Carol Cormier briefly reviewed the 7-month reports on the Diabetes Rewards program and the alternative prescription drug program provided by Abacus Health Solutions. She said the programs were performing better than projections. She said that Fallon Health members will have access to the My Medication Advisor® alternative prescription drug program effective February 1, 2017. She said Fallon members already have access to the Diabetes Rewards program.

Ms. Cormier said that Jason Fortin is no longer the Fallon Account Executive (AE) for MNHG. She said he has taken a position with another health plan. Ms. Cormier said that Julia LeBrun is now the MNHG's AE. She said that Ms. LeBrun is also the AE for the GIC.

Proposed PBS contract – Carol Cormier said that the proposed PBS contract freezes the current fee schedule but leaves open negotiating a new agreement once Abacus has added and MNHG has accepted a Specialty Rx program that is now under development. She said that Abacus/PBS has added a full-time pharmacist who will be dedicated to the Specialty Rx program and available to speak with members about their medications. She said that Donna Madden and Tony Logalbo met with representatives of CCMHG and WSHG at a meeting hosted by Abacus to discuss the proposal for the Specialty Rx program.

Kevin Johnston made a motion for the Chair to sign the proposed agreement with PBS.

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

Motion

Tufts Health Plan proposed amendment to Administrative Services Agreement:

Erin Hayes said that the cost savings programs referred to in the amendments are now in place in all fully insured accounts. She reviewed the amendments: Cardiac Management Program, Pre-Payment Specialty Calism Audit Program, Pre-Payment Inpatient Program, and Provider Incentive Payments.

Tony Logalbo made a motion to approve the contract amendments proposed by Tufts Health Plan.

Motion

Patrick McIntyre seconded the motion. The motion passed by unanimous vote. Ms. Madden signed the amendments.

Independent Enrollment Audit:

Kate Sharry, GBS President, reviewed a proposal for an independent enrollment audit. She said that Enrollment Audit Solutions (EAS), a company she owned, is now part of GBS. She said that EAS did the enrollment audit for MNHG in 2012. She said that MGL Ch. 32B, S. 25 requires enrollment audits every two years. Ms. Sharry noted that there are no penalties for non-compliance. She said that the audit being proposed is a bit different from the previous audit. She said that GBS would ask for documents only from people who were hired or enrolled after 2012 or made changes to their enrollments after 2012. She said employees that had submitted documents in the previous audit, would be asked to respond to questions and sign the document – an affidavit. Ms. Sharry further described the process and proposed timeline. She said the first letter will go out on the employer’s letterhead to introduce the audit. Ms. Sharry said that GBS will contact the subscribers several times before reporting to the employers.

There was a discussion about the timing of the audit. After the discussion there was a consensus to recommend the timeline proposed by GBS.

Patrick McIntyre moved to recommend the enrollment audit as proposed by GBS to the MNHG Board.

Motion

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

FY18 Rate Projections:

Carol Cormier said that as in past years the three health plans and GBS made independent rate projections. She said that in all cases the prescription drug trend is very high. She reviewed the administrative fee proposals, Harvard Pilgrim and Tufts at 2% increase and Fallon at 4% but guaranteed for two years. She said that the Transitional Reinsurance Program fees are no longer being charged. She reviewed the projected claims provided by Abacus for the alternative prescription drug program and Diabetes Rewards program which total over \$533K. She said that they are part of MNHG’s claims costs and that she shows the rates with and without the claims factors for these programs.

Ms. Cormier reviewed the GBS calculations and compared the projected rates with those provided by the health plans. She reviewed six funding scenarios: Current funding, Scenarios A1 and A2 with GBS calculated rates, Scenarios B1 and B2 funding with health plan-calculated rates, Scenario C with total funding the same as A1 but different allocation of costs by health plan, and Scenario D using the lower of two projections for each health plan.

There was a discussion about the rate spread between Fallon SelectCare and DirectCare plans.

Joe Anderson said the actuarial cost spread is about 8.9% which is reflected in the rate projections.

Tony Logalbo made a motion not to add the alternative Rx and Diabetes Reward program expenses to the rates.

Motion

Patrick McIntyre seconded the motion. The motion passed by unanimous vote.

Patrick McIntyre said he favored a Fallon rate increase around 9% and decreasing Harvard Pilgrim rates a bit.

Joe Anderson said that in June 2015 there was a significant increase in Fallon enrollments. He said he reviewed the claims of the new members since then and found that they were somewhat higher in cost than the members enrolled before that time. He said he thought it would be prudent to increase the Fallon rates by at least 9%.

Bev Beno suggested using Scenario D and the GBS projection for Fallon.

Kevin Johnston requested that the Fallon increase be kept under 10%.

There was a consensus to keep the Fallon rate increase under 10% and to have a composite funding increase of around 12%.

Carol Cormier said that she would create the funding scenarios that meet the Steering Committee's specifications.

Health Plan Reports:

Fallon Health – Julia LeBrun who is Fallon's Account Executive for the Group Insurance Commission (GIC) reviewed changes proposed for the GIC plans including plan design changes and the possible freezing of enrollments for 7/1/17 in the GIC Tufts Navigator, Harvard Pilgrim Independence, and Fallon SelectCare. She said the changes proposed bring the proposed average rate increase for the GIC down to around 8% compared to the 10.4% average increase originally proposed. Ms. LeBrun talked about the new provider tiering methodology for GIC plans.

Ms. LeBrun said that there was nothing new to report at Fallon Health.

Tufts Health Plan – no updates.

Harvard Pilgrim Health Care – no updates.

Other Business:

There was no other business.

Bev Beno motioned to adjourn.

Motion

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

Chair, Donna Madden, adjourned the meeting at 12:17 PM.

Group Benefits Strategies