

MINUTEMAN NASHOBA HEALTH GROUP

Steering Committee Meeting

Groton Town Hall
Groton, Massachusetts

Meeting Minutes

Friday, January 29, 2010 at 9:30 a.m.

Committee Members Present:

Gerald Martin, Chair
Judy Belliveau, Vice-Chair
Anthony Logalbo
Valerie Jenkins
Margaret Dennehy
Donna Madden
John Flaherty
Larry Barton
Patrick McIntyre

North Middlesex Regional School District
Lincoln-Sudbury Regional School District
Treasurer, MNHG
Town of Groton
Town of Boxborough
Town of Bolton
Concord Carlisle Regional School District
Town of Carlisle
Town of Clinton

Guests Present:

Kathleen LeBlanc
Fred Winer
Jim Delisle
Bill Hickey
Rob Anderson
Carol Cormier
Karen Carpenter

Town of Groton
Tufts Health Plan (THP)
Tufts Health Plan (THP)
Harvard Pilgrim Health Care (HPHC)
Fallon Community Health Plan (FCHP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Chair, Jerry Martin called the meeting to order at 9:35 a.m.

Approval of the minutes of the December 11, 2009 meeting:

Larry Barton moved to approve the Steering Committee minutes of the December 11, 2009 meeting.

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

Motion

GBS Reports:

FY10 Funding Rate Analysis by Plan – Carol Cormier reviewed the Funding Rate Analysis report for FY09 with data through December of 2009. Ms. Cormier said that the expense-to-funding ratio was 100.7%. She said that the Harvard Pilgrim EPO and Tufts EPO plans were under-funded and accounted for the negative numbers.

Larry Barton asked if the Retiree Drug Subsidy would offset the funding shortfall.

Ms. Cormier said it would.

Level Monthly Quarterly Accounting Reconciliation for HPHC, 2nd quarter– Ms. Cormier said that the October and November LMD payments were higher than the actual costs. Ms. Cormier said that at the end of December, there is a credit balance of approximately \$213K.

myMedicationAdvisor® Report-

Carol Cormier said that the myMedicationAdvisor® program is running better than projected and said that the total net savings for November and December are \$38,792.

Stop Loss Reports – Ms Carpenter reviewed the Excess Loss Report for the CY09 policy period. She said that there are four claimants with total paid claims of \$2.1M. Ms. Carpenter said the Aggregating Specific Deductible of \$100K has been met. She said that a total of \$766,835 has been received to date from the reinsurer and that the outstanding reimbursement total due the group is \$93,521. She said there were eighteen claimants on the report of claims at 50%+ with a paid claims total of approximately \$2.77M.

Health Plan Reports-

Harvard Pilgrim Health Care (HPHC)-

Bill Hickey, Account Executive for HPHC said that there was nothing new to report.

Tufts Health Plan (THP)-

Fred Winer, Account Executive for THP Retiree Products, said that all but four of the Tufts Private Fee For Service (PFFS) plan members signed up for a Tufts Retiree plan when the PFFS plan was discontinued January 1, 2010.

Carol Cormier asked if the new Tufts Medicare Supplement Plan would be available as an option to the MNHG.

Fred Winer said that it could be available but that he wasn't sure if it would be financially feasible since the MNHG has the Medicare Complement Plan (MCP). He said Tufts would be looking into this and sharing the results with the Steering Committee.

Jim Delisle, Manager of Client Services with Tufts Health Plan said that Tufts is waiting for direction from the state regarding the claims surcharge that will be implemented to fund the Pediatric Immunization program. Mr. Delisle said that he does not expect there to be a significant change.

Carol Cormier said that the list of surcharges seems to be growing and asked Mr. Delisle if he could report the yearly totals of all of the surcharges.

Mr. Delisle said that he would have the report run and would send it to Ms. Cormier.

Carol Cormier asked all of the health plan representatives if they would run reports documenting their surcharges.

Bill Hickey and Fred Winer said that they would request the HPHC and Tufts surcharge reports. Rob Anderson from Fallon Community Health Plan said that he wasn't sure if he could produce this report and would find out.

Fallon Community Health Plan (FCHP)-

Rob Anderson, Account Executive for FCHP said that he would like MNHG to consider changing the preventative services co-pay to \$0 for both the Legacy and Rate Saver plans. Mr. Anderson said making that change would encourage members to obtain those services that will help with early detection and keep them healthy.

Carol Cormier said that she thought having a zero co-pay for wellness visits for Rate Saver plans was a good idea and could encourage more movement to the Rate Saver plans. She suggested discussing this at the Board meeting following the Steering Committee meeting.

Treasurer's Report –

Tony Logalbo said that the Uncommitted Fund Balance was \$2.5M as of December 31, 2009. He said the fund balance target was \$5.6M. Mr. Logalbo said that the fund balance has remained steady for the past six months and expects to see the same in January. Mr. Logalbo said that the auditor does not recommend making an adjustment to the IBNR at this time.

Mr. Logalbo asked the health plan representatives if they knew if the Group Insurance Commission (GIC) plans pay surcharges.

The health plan representatives all said that they were not positive, but believed that the GIC does pay surcharges.

FY11 Rate Projections:

Carol Cormier said that the FY11 Rate Projections are in the meeting packet. Ms. Cormier reviewed the carrier proposed administrative fees. Ms. Cormier said that the administrative fees have increased by 2.5% for Tufts Health Plan, 1.7% for Harvard Pilgrim Health Care and 4% for Fallon Community Health Plan. Ms. Cormier said that the Tufts and HPHC fiduciary fees are included. Ms. Cormier noted that the FCHP fees include additional programs that are not included in the HPHC and Tufts fees.

Ms. Cormier said that she used a 35% expected reinsurance premium increase when calculating the rates, but believes the increase may be higher than that based on the total premium payments and the total reimbursement of claims.

Carol Cormier reviewed the assumptions built into the preliminary FY10 rate projections.

Ms. Cormier said that the projected funding scenarios are compared to the current funding scenario. She noted that there are currently only 67 Rate Saver plan contracts/subscribers.

Ms. Cormier presented 3 funding scenarios for the MNHG to consider.

Scenario A – Using GBS calculations and full projected funding rates with a composite increase of 11.9%.

Scenario B – Using GBS calculations and setting Rate Saver rates 15% below Legacy plan rates and no change in enrollments with a composite increase of 11.9%

Scenario C – Using GBS calculations and setting Rate Saver rates 15% below Legacy plan rates and assuming 10% enrollment in Rate Savers with a composite increase of 6.1%

Judy Belliveau said that she anticipated that the Rate Saver premiums would increase at a slower rate than the Legacy plans.

Ms. Cormier said that the Rate Saver premiums started with a lower base and would remain lower, but the yearly increase would be the same as the Legacy plans based on the way MNHG has decided to rate the plans unless the MNHG decides to discount the Rate Saver plans to encourage enrollments.

Judy Belliveau said that she favors creating a differential between the Legacy plans and the Rate Savers as shown on Scenario C.

Tony Logalbo said that on page 24, the Fallon SelectCare plan has different numbers than on page 23.

Carol Cormier said that they should be the same and said that change would affect Scenario C. Ms. Cormier said that the composite increase should be 6.9%. She said that she would correct this and send an electronic copy to the Committee.

There was a discussion about the rate projections and the Rate Saver plans.

Bill Hickey said that the actuarial assumption of the Rate Saver plans is that healthier, younger members are expected to sign up for these plans if given a choice between Legacy and Rate Savers.

Rob Anderson said that if the long term goal is to move to the Rate Saver plans that more credible data would be needed.

Carol Cormier said that she completed Scenario D on her laptop and set all Legacy plans at an 11.5% increase and the Rate Saver plans at a 5.3% increase with a composite increase of 11.5% and \$45,582,522M of funding expected.

Jerry Martin left the meeting at this time.

Patrick McIntyre left the meeting and asked Ms. Cormier to email the Committee's rate decision to him.

Tony Logalbo asked the Committee to discuss the possibility of subsidizing the rates with the trust fund surplus. Mr. Logalbo said that the GBS projections have been shown to be more accurate than the health plan projections for the years past. Mr. Logalbo asked if it made sense to subsidize the rates to bring the increase down to a 10.5% composite.

Valerie Jenkins said that she favored subsidizing the rates.

Ms. Cormier said that the revenues from the Retiree Drug Subsidy and alternative prescription drug program monies were not considered in the rate projections.

Ms. Cormier said that she would create a new scenario to reflect the funding for a 10.5% composite increase.

Kathleen LeBlanc left the meeting.

There was a discussion about what could be done to lower future health care costs of the Group.

Carol Cormier suggested that MNHG may want to consider targeting chronic illness with a wellness program such as The Abacus Group's Diabetes Rewards Program. Ms. Cormier said that some of the high claims can be avoided if the members with chronic illnesses adhere to basic care guidelines.

Ms. Cormier said that Scenario E with a composite of 10.6% increase would contemplate using approximately \$550K of the trust fund surplus.

Tony Logalbo made a motion to recommend Scenario E with rates rounded up to the nearest whole dollar to the Board.

Valerie Jenkins seconded the motion. The motion was passed by unanimous vote.

Motion

The Committee thanked Ms. Cormier for the preparation of the rate projections.

Other Business:

Jerry Martin said that he has not reached Jeannie Mitchell of Groton Dunstable RSD yet.

Valerie Jenkins said that she heard that they saved during the first year of moving to the Group Insurance Commission (GIC) but said that she was unsure if they would continue to save now that the GIC has changed their benefit plan co-pays and rates.

Bill Hickey said that he spoke to Ms. Mitchell and she told him that they are expecting difficulties.

Valerie Jenkins said that the new Superintendent search is in its final stages.

There was a discussion about wellness options and Carol Cormier gave an overview of two other JPGs' wellness programs.

There was no other business.

Donna Madden motioned to adjourn the meeting at 11:40 a.m.

Motion

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