

MINUTEMAN NASHOBA HEALTH GROUP

Steering Committee Meeting

Groton Town Hall
Groton, Massachusetts

Meeting Minutes

Wednesday, February 06, 2008 at 9:30 a.m.

Committee Members Present:

Valerie Jenkins, Chair
Anthony Logalbo
Gerald Martin
Margaret Dennehy
M. Larry Barton
John Flaherty
Judy Belliveau

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

Guests Present:

Bill Hickey
Rob Anderson
Fred Winer
Emily Chaves
Jim Dellisle
Carol Cormier
Karen Carpenter

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

Chair Valerie Jenkins called the meeting to order at 9:30 a.m.

Approval of the minutes of the December 17, 2007 meeting:

M. Larry Barton moved to approve the Steering Committee minutes of the December 17, 2007 meeting.

Gerald Martin seconded the motion. The motion passed by unanimous approval.

Motion

Treasurer's Report:

Treasurer Tony Logalbo reviewed the financial statements of January 31, 2008 (unaudited figures). He reported an Uncommitted Fund Balance of \$3,514,297. He said the Fund Balance target was \$4,823,552.

GBS Reports:

Funding Rate Analysis by Plan - Carol Cormier reviewed the Funding Rate Analysis report with data through December. She said the composite expense-to-funding ratio was 0.90 on a paid basis and that funding exceeded expenses by \$2.2M. She said that the funding for Harvard Pilgrim EPO plan is not supporting the expenses, and there is a funding shortfall for this plan of \$139K through December.

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that for the quarter ended December 31st the Group owed Harvard Pilgrim \$595,205.

MMA Program – Carol Cormier reviewed the report for November and December 2007. She said the Group is falling a bit short of projections for the Canadian purchasing program. Ms. Cormier said the decline in value of the US dollar is a problem.

Larry Barton asked how the Group had done in the previous year. Carol Cormier said she did not recall the year-end figures and would send the year-end report to the Committee.

Stop Loss Reports – Carol Cormier reviewed the report of excess claims for the CY07 policy period with claims paid through November 2007 noting that 4 out of 5 are Harvard Pilgrim claimants, which, she said, fits in with the Funding Rate Analysis report for HPHC. She said that for this year the group has received \$547,214 in reinsurance reimbursements and is owed an additional \$30,129. She said that there were 14 claimants with claims between \$100K and \$200K.

Carol Cormier reviewed the CY06 report and said the policy was complete. She said the Group had received \$1.12 million in reimbursements. Ms. Cormier asked the Steering Committee to destroy the report on the CY06 policy that had been distributed at the last meeting and replace it with the corrected CY06 report.

Reinsurance Quotes for CY08:

Carol Cormier delivered the revised rate quotes for the CY08 reinsurance policy submitted by American Stop Loss (ASL) with HCC Life Insurance Co. (formerly Allianz). Since the HCC Life was the incumbent carrier and since rates came back lower and the quotes were firm, i.e. not subject to review of additional claims data, it was agreed that the Committee would revisit its original decision to accept Standard Security Life's quotes.

Larry Barton moved to modify the previous decision and accept quotes submitted by American Stop Loss with HCC Life Insurance Co., the incumbent carrier, instead of the Standard Security Life quotes.

Motion

Margaret Dennehy seconded the motion. The motion was approved by unanimous vote.

Preliminary Rate Projections for FY09:

Carol Cormier reviewed the preliminary FY09 rate projection packet. Ms. Cormier said the report compares the Health Plan rate projections to the GBS rate projections.

Carol Cormier reviewed the proposed Administrative Fee increases and compared the differences between the health plan fee proposals. Ms. Cormier said she thought the Harvard Pilgrim increase of 4.3% was high and asked Bill Hickey to review it with the underwriters. Ms. Cormier noted that Harvard Pilgrim's fiduciary fees were lower than those of Tufts Health Plan.

Ms. Cormier reviewed two years of paid claims history and the rate projection calculations for each health plan.

Ms. Cormier reviewed the current health plan funding scenario and the preliminary health plan funding scenarios for FY09.

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

Scenario A – Using GBS Calculations

Scenario B – Using Health Plan Calculations

Scenario C - Alternative Distribution of Funding

There was a discussion of the scenarios with the majority leaning towards using Scenario C but changing Harvard Pilgrim's EPO increase from 10% to a 9% increase as suggested by Tony Logalbo.

Larry Barton suggested rounding the rates up to the nearest whole dollar as has been done for several years.

Tony Logalbo motioned to recommend Funding Scenario C with the Harvard Pilgrim EPO increase at 9% and all rates rounded up to the nearest whole dollar.

Motion

Judy Belliveau seconded the motion. The motion passed by unanimous approval.

Nominating Committee Report:

Tony Logalbo distributed the Nominating Committee Report.

Part I of the report submitted into nomination the names of Board members Gerald Martin to serve as Chair; Judy Belliveau to serve as Vice Chair and Anthony Logalbo to continue as Treasurer. Mr. Logalbo noted that the by-laws provide for a two-year term, but the candidates desired to sign up for a one-year term and to evaluate next December.

In Part II of the report, the Nominating Committee recommended the following members be elected to serve on the Steering Committee for calendar year 2008:

Larry Barton, Carlisle; Tony Logalbo, Concord; Valerie Jenkins, Groton; Margaret Dennehy, Boxborough; Judy Belliveau, Lincoln-Sudbury RSD; Gerald Martin, No. Middlesex RSD; John Flaherty, Concord-Carlisle RSD.

The Nominating Committee also recommended expanding the Steering Committee to nine members with nominations to be opened from the floor at the Board Meeting of February 13th.

It was agreed that the Nominating Committee will correct the spelling of Judy Belliveau's last name and change the term to calendar year as per the by-laws and the Nominating Committee report will be sent to the Board in advance of the next Board Meeting.

Larry Barton motioned to present the Report of the Nominating Committee with corrections as noted to the Board at the February 13th Board Meeting.

Motion

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

Agenda for February 13th Board Meeting:

It was agreed the Board agenda would include Stipend to Town of Concord, Report of the Nominating Committee, and Rate Projections for FY09.

Other Business:

Tony Logalbo asked if engaging an actuary to do a comparison analysis of the GIC plans with the other health plans would be worthwhile. Carol Cormier said she would ask WSHG about joining with MNHG in hiring an actuary to do such an analysis. Segal Company and Milliman were mentioned as actuarial firm options.

Tony Logalbo distributed the Auditor's Report and Suggestions for Improvement in Accounting Procedures and Internal Control from T.L. Bienvenue.

Rob Anderson from FCHP said Fallon has expanded its added Lahey Clinic physicians and has expanded west and east. Mr. Anderson said Fallon is using a "Surround Boston Strategy". Carol Cormier asked him to send her the information in memo form. Mr. Anderson said he would expand on this at the Board Meeting.

Carol Cormier asked Rob Anderson and Bill Hickey to review the administrative fee proposals and hopefully come back with reductions before the Board Meeting.

There was no other business.

Larry Barton motioned to adjourn the meeting at approximately 10:50 AM.

Motion

Judy Belliveau seconded the motion. The motion passed by unanimous approval.