

MINUTEMAN NASHOBA HEALTH GROUP

Steering Committee Meeting

Groton Town Hall
Groton, Massachusetts

Meeting Minutes

Monday, February 7, 2011

Committee Members Present:

Judy Belliveau, Chair
Donna Madden, Vice Chair
Anthony Logalbo, Treasurer
Valerie Jenkins
Margaret Dennehy
Larry Barton
John Flaherty
Lorraine Leonard
Patrick McIntyre

Lincoln-Sudbury Regional School District
Town of Bolton
Town of Concord
Town of Groton
Town of Boxborough
Town of Carlisle
Concord-Carlisle Regional School District
Town of Harvard
Town of Clinton

Guests Present:

Bill Hickey
Emily Savaria
Fred Winer
Robert Cannon
Carol Cormier
Karen Carpenter

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

Chair, Judy Belliveau called the meeting to order at 1:10 p.m.

Approval of the minutes of the December 13, 2011 meeting:

Donna Madden moved to approve the Steering Committee minutes of the December 13, 2011 meeting.

John Flaherty seconded the motion. The motion passed by unanimous vote.

Motion

GBS Reports:

FY11 Funding Rate Analysis by Plan – Carol Cormier reviewed the Funding Rate Analysis report for FY11 with data through December 2010. Ms. Cormier said that the expense-to-funding ratio was 108.4%. She said that the Harvard Pilgrim EPO the Tufts EPO plans were significantly under-funded and accounted for the negative numbers.

Level Monthly Quarterly Accounting Reconciliation for HPHC, 2nd quarter– Ms. Cormier said that at the end of the second quarter, MNHG has a debit balance with HPHC of \$689,853.

myMedicationAdvisor® Report- Carol Cormier said that the myMedicationAdvisor® program report reflects one month of data for the program year from November 2010 through October 2011 and said that the net savings was \$22,770K. She said that the employee savings for November was approximately \$5.9K.

Ms. Cormier said that CanaRx sent out an Extortion Scam Alert on February 2nd warning the public about criminals posing as US law officials and calling members to inform them of prosecution being brought against them for ordering controlled substances outside of the US. Ms. Cormier said the notice has been added to the MNHG website.

Stop Loss Reports – Ms. Carpenter reviewed the Excess Loss Report for the CY10 policy period. She said that there are nine claimants with total paid claims of \$3.57M. Ms. Carpenter said the Aggregating Specific Deductible of \$400K has been met and said that reimbursements of \$386,818 have been received. Ms. Carpenter said that there are reimbursements due MNHG in the amount of \$415,260. She said there were 22 claimants on the report of claims at 50%+ with a paid claims total of approximately \$3.19M.

Treasurer’s Report:

Treasurer Tony Logalbo said that the Uncommitted Fund Balance was negative \$2.7K as of January 31, 2011. He said the fund balance target was \$5.98M. Mr. Logalbo said that the January claims decreased slightly and he hopes that the trend continues. He said that the uncommitted fund balance includes an expected \$200K in reinsurance reimbursements.

Fallon Dental Benefit:

Carol Cormier said that the cost to keep the dental benefit on the MNHG Fallon Directcare and Selectcare plans is \$15.30 per contract or \$8.00 per member per month.

Rob Anderson said that he is trying to get the cost lowered and said that he is not expecting that a separate rider will be written. Mr. Anderson said that he will send a benefit summary in time for the Board meeting.

Valerie Jenkins made a motion to approve the dental cost not to exceed the ASO fees stated.

Motion

Donna Madden seconded the motion and asked if FCHP would be sending a communication out to members.

Rob Anderson said that he will confirm if a communication will go out and said that providers should be checking the enrollment information at the office.

The motion passed by unanimous vote.

MA Autism Mandate:

Carol Cormier asked the health plan representatives to speak about the Autism Mandate specific to their organization.

Bill Hickey said that the MNHG health plans already offer a benefit to members with autism, however the mandate will cover additional services. He said that cost to MNHG is estimated to be approximately six-tenths of a percent. Mr. Hickey said that the mandate would go into effect on June 1, 2011 unless MNHG instructs HPHC that it does not want to add the benefit enhancement.

Emily Savaria said that the cost would be about 1% for the Tufts plans and that Tufts will add it if it does not receive notice from MNHG that it does not want to add it.

The Committee took no action.

MNHG Website Maintenance Contract Renewal:

Carol Cormier reviewed the contract and said that the contract fees have not increased and the contract has not changed. She said that the annual fee remains at \$1,350 to be paid in three equal installments of \$450 beginning in March of 2011.

John Flaherty made a motion to approve the renewal MNHG website maintenance contract effective February 1, 2011 to January 31, 2012.

Motion

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

FY12 Rate Projections:

Carol Cormier said that the funding rates include the claims projections, health plan administrative fees, an estimate of reinsurance premiums and the GBS administrative, consulting and COBRA administrative fees. She said that the costs of the alternative drug program are more than offset by the savings and the Retiree Drug Subsidy program, so she did not build the alternative Rx program costs into the rates. Ms. Cormier said that she maintained the current 15% spread between the Legacy and Rate Saver plan rates.

Carol Cormier reviewed the health plan administrative fees and said that Tufts Health Plan is holding its administrative fees for FY12.

Rob Anderson said that he will see what he can do to lower the FCHP administrative fees.

Ms. Cormier said there was no trust fund surplus to use to supplement the FY12 rates and reviewed the following funding scenarios:

Scenario A: Current funding rates and enrollments with an annualized cost of \$42,771,972.

Scenario B: GBS funding projections with a composite increase of 12.4%

Scenario C: The health plan projections with a composite increase of 14.1% and including the GBS calculation of a 25.5% composite increase to the POS and PPO plans.

There was a discussion about the effect of the disease management programs, and the health plan representatives said that their programs are working well, but said that they cannot calculate the effect that the programs have had on the claims.

Rob Anderson offered to invite speakers from Fallon to present their wellness initiatives.

Judy Belliveau said that the Lincoln Sudbury RSD offered a cash incentive to enroll into the Rate Saver plans and said that there was no movement.

There was a discussion about other health plan options that the MNHG may have.

Ms Cormier said that even with the high rate increase for FY12, the rates themselves are still reasonable.

Tony Logalbo made a motion to recommend Scenario B to the Board with a rate increase of 14.1% and a 25.5% increase to the PPO and POS plans.

Motion

Valerie Jenkins seconded the motion.

Larry Barton suggested taking the composite increase and applying that to each plan evenly.

Lorraine Leonard suggested keeping the projected increase of 25.5% to the POS and PPO plans and a 14.5% increase to all of the other plans.

A vote on the previous motion was taken and defeated.

Donna Madden made a motion to recommend a 14.5% increase to all plans evenly with the exception of the PPO and POS plans which would increase by 25.5% and to round the rates.

Motion

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

The Steering Committee requested that FY12 rate sheet include the FY11 and proposed FY12 rates side-by-side.

Ayer Shirley RSD interest in membership:

Carol Cormier said that the Town of Ayer is already part of the MNHG and said should the Ayer-Shirley RSD join MNHG, approximately 77 subscribers from Town of Shirley would be added to the Group. Ms. Cormier said

that the Ayer school department consists of about 138 subscribers. Ms. Cormier reviewed the current enrollment census and said that 53% of the combined Ayer-Shirley membership is enrolled in the BCBS HMO plan. She reviewed the Town of Shirley's large claim losses above \$50K and said that out of a total of 13 cases, 5 of those are no longer enrolled.

Ms. Cormier said that following past practice new units joining the Group can be charged higher rates than current units for a period of time; however, she said that since the majority of Ayer Shirley RSD employees will be from the Town of Ayer which is already a part of MNHG, the MNHG might not want to take this approach in this case. Ms. Cormier reviewed the loss ratios for Town of Shirley and said that it is 89.2% of their premiums.

Lorraine Leonard said that she would favor charging a surcharge should they join MNHG.

Tony Logalbo said that most of the subscribers are already members of MNHG and said he favors waiving the surcharge for the additional 77 subscribers.

Tony Logalbo made a motion to recommend to the Board to make an offer of membership to the Ayer-Shirley RSD to allow the them to join effective July 1, 2011.

Motion

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

Health Plan Reports:

Tufts Health Plan - Emily Savaria said that for Tufts fully insured plans, effective September 23, 2010, upon plan renewal, they will be removing annual limits on DME benefits and adding 30% coinsurance to these services.

Judy Belliveau said that she had a concern about changing benefits since MNHG is grandfathering their plans.

Ms. Savaria said that to retain the benefit without adding a coinsurance, that MNHG would need to sign an attestation.

Fred Winer said that CMS is requiring that the Tufts Medicare Preferred HMO enrollment form be edited to remove a check box. Mr. Winer said that new improved identification cards will be sent to the members.

Harvard Pilgrim Health Care - Bill Hickey said that HPHC and Tufts have signed a Memorandum of Understanding and are in preliminary talks of a possible merger. He said they are reviewing whether or not it would make sense to merge and noted that no changes would occur for at least a year.

Other Business:

There was no other business.

Donna Madden motioned to adjourn the meeting.

Motion

Lorraine Leonard seconded the motion.

Chair Judy Belliveau adjourned the meeting at 3:26 p.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*