

MINUTEMAN NASHOBA HEALTH GROUP

Steering Committee Meeting

Harvard Town Hall
Harvard, Massachusetts

Meeting Minutes

Wednesday, February 8, 2005 at 2:30 p.m.

Committee Members Present:

Paul Cohen, Chair

Valerie Jenkins, Vice Chair

Tony Logalbo, Treasurer

Pauline Paste

Lawrence Barton

Edward Orenstein

Gerald Martin

Town of Harvard

Town of Groton

Town of Concord

Lincoln Sudbury Reg. School District

Town of Carlisle

C.A.S.E. Collaborative

No. Middlesex Reg. School District

Guests Present:

Lorraine Leonard

Robert Anderson

Maria Chandler

Fred Winer

Bill Hickey

Carol Cormier

Mark Nicholson

Town of Harvard

Fallon Community Health Plan

Tufts Health Plan

Tufts Health Plan – Retiree products

Harvard Pilgrim Health Care

Group Benefits Strategies (GBS)

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Chairman Paul Cohen called the meeting to order at 2:30 p.m.

1. Approval of the minutes of the meeting of November 22, 2005:

Larry Barton moved to approve the minutes of the November 22, 2005 meeting as written.

Motion

Pauline Paste seconded the motion. The motion passed by majority vote with Ed Orenstein abstaining since he did not attend the meeting.

2. Treasurer's Report:

Tony Logalbo said that the report was not ready and would be presented at the February 15th Board meeting. He said that the Fund Balance was declining.

3. Group Benefits Strategies Reports:

Funding Rate Analysis Report - Carol Cormier reviewed the Funding Rate Analysis Report with claims paid through December 2005. She said that expenses were exceeding funding by just over 1% producing a shortfall on a paid basis of \$190K through December. She said that only HPHC EPO and the Tufts MCP were sufficiently funded.

HPHC Level Monthly Deposit Accounting Report – Ms. Cormier said that for the quarter ending December 31st, the Group had a debit balance with HPHC of \$272,391.

Stop Loss Reports – Ms. Cormier reviewed the report for the CY2005 policy year. She said that for claims paid through November 2005, the Group had received \$115,381 in reimbursements and was owed an additional \$54,551. She said that the reinsurer was making payments to MNHG even though the

Group appears to have fallen short of meeting the aggregating specific deductible by \$45,852. She said she would have to check up on this with the broker and get back to the Committee with the explanation.

Rate Projections for FY07:

Mark Nicholson distributed the Preliminary Funding and Rate Projections for June 2006 – May 2007. He explained that GBS and the health plans made independent projections for most plans and that GBS has shown exhibits using the lower of the two projections.

Mr. Nicholson reviewed the administrative fee proposals from the three health plans and the fiduciary fee proposals from Tufts and Harvard Pilgrim (HPHC).

Bill Hickey said that the ASO fee increase was modest but that the fiduciary fees had increased more significantly.

Rob Anderson asked why the MNHG had not sought fiduciary arrangements from Fallon.

Carol Cormier explained that the Fallon administrative services fees were high to begin with and that there was a sense that there would not be a volume issue with appeals for Fallon.

Paul Cohen asked why the Fallon administrative fees were so much higher than those of Tufts and HPHC.

Rob Anderson explained that Fallon includes the chiropractic and dental provider capitation fees in the administrative fees; whereas, the other plans do not.

Mr. Nicholson continued to review the rating packet.

Carol Cormier noted again that GBS and the health plans had projected FY07 claims independently and that GBS used the lower of the two claims projections to develop the funding rates. She said that the difference between the two projections was significant and by going with the lower projections, she said the group could end up subsidizing FY07 expenses from the Fund Balance if the claims were closer to the higher projections.

On 2-10-06 Rob A. informed GBS that only dental is capitated and all other provider charges are fee-for-service.

There was a discussion.

Tony Logalbo said he thought the Group could go with the lower of the two projections but should not consciously subsidize the rates with monies from the fund balance as it did last year.

Carol Cormier said that Fallon had made projections from just the last five months of claims since there had been a significant change in the claims per member during that period.

There was a discussion about the Fallon rates.

Ed Orenstein left the meeting at this time.

Rob Anderson said that the MNHG had a higher ratio of Family to Individual contracts than the Fallon Book of Business and that the Emergency Room utilization among the MNHG population was higher than Book of Business.

Paul Cohen suggested a rating scenario that targets a 14.5 to 15% increase overall from the current levels. He said he thought the EPO plans could be brought up to a 15% increase, the MCP rate could be held at 5% and the other plan rates could be adjusted to bring the total funding to around a 15% increase.

Lorainne Leonard said she thought that since the Fallon rate increases were very minimal last year, the rates should be brought up to, or close to, the fully funded level for FY07.

There was a discussion about the impact of the Fallon increase on the Town of Clinton, which has a large Fallon population.

The Committee requested GBS to prepare additional funding scenarios that would bring the total FY07 funding increase closer to 15% rather than the 13.9% presented using the parameters Mr. Cohen suggested.

Mr. Nicholson and Ms. Cormier agreed to present the scenario requested.

Application for Membership from Groton Dunstable Regional School District:

Carol Cormier said that the Groton Dunstable RSD (GD RSD) was applying for membership for an effective date of July 1, 2006. She said that Tufts was the sole health plan provider to the district.

Mark Nicholson reviewed the comparison of claims for MNHG and GD RSD and said that the two groups were very compatible. He noted that GD RSD has adopted MGL Ch. 32B Section 18 and 19.

Carol Cormier thanked Maria Chandler, Tufts Health Plan, for the quick turn-around on comparative claims information.

Carol Cormier said that GD RSD has lower office visit co-pays than MNHG's Tufts plans but that the prescription drug co-pays are the same for both groups.

After a discussion, Tony Logalbo moved to recommend to the Board that it offer membership to Groton Dunstable RSD for July 1, 2006 at the same rates that the Town of Clinton pays, i.e. surcharged rates. He further moved to recommend that the surcharge apply for two years and then GD RSD would become a legacy member after this two-year period.

Motion

Larry Barton seconded the motion. The motion passed by unanimous vote.

Fitness Benefits:

Harvard Pilgrim Health Care – Bill Hickey reviewed the new HPHC Fitness Benefit that reimburses the member \$150 per contract for health club membership of at least four months. He said that this benefit became effective on insured business on January 1, 2006 and was optional for self-funded clients on their anniversary date.

Tufts Health Plan – Maria Chandler said that Tufts can offer the same benefit as HPHC with one exception. She said that Tufts is able to offer the benefit at the member level rather than at the contract level if the group wishes.

Fallon Community Health Plan – Rob Anderson says the Fallon plans already have the fitness reimbursement benefit of \$200 per member.

Carol Cormier said that she had provided some cost estimates based on about 5.5% if eligible members participating.

Larry Barton moved to recommend adoption of the HPHC and Tufts Fitness club reimbursement benefits effective June 1, 2006.

Motion

Pauline Paste seconded the motion. The motion passed by unanimous vote.

Alternative plan designs and prescription drug carveout plans:

It was agreed that this item would be taken up at a future meeting.

PBS/myMedicationAdvisor® update:

Carol Cormier reviewed the report from Prescription Benefits Services that showed higher-than-projected level of participation in the alternative prescription drug purchasing program through December.

Ms. Cormier said that at the Board meeting she would urge the towns and districts to cooperate with scheduling meetings with *myMedicationAdvisor*®. She said that these face-to-face sessions are needed to keep all parties on target for meeting the goals of the program.

MGL Ch. 32B, Section 18:

Ms. Cormier said that GBS has been working with the MNHG employers to identify Medicare eligible retirees on the active employee plans.

Medicare Retiree Drug Subsidy (RDS):

Carol Cormier said that she had set up the new applications on the RDS website for the FY07 policy year. She said she requested quarterly payments to improve cash flow. She said that GBS was preparing the data for the HPHC and Tufts actuaries to do the attestations required.

Other Business:

Rob Anderson said that MNHG does not have the co-pay free annual physical; whereas, the insured Fallon clients do have this benefit. He said that Fallon sends out information about this in its newsletters that the self-insured members also receive.

Bill Hickey distributed the HPHC renewal package for FY07.

Paul Cohen set a Steering Committee meeting for 9:15 a.m. on February 15th at Groton Town Hall, just prior to the Board meeting scheduled for 10 a.m. at Groton Public Library.

Tony Logalbo reminded Rob Anderson that Mr. Anderson had offered to research the issue of whether a Mass. municipal employer may contribute to an HSA and if there are any municipalities in Mass. that are doing so now.

There was no other business.

Paul Cohen adjourned the meeting at 4:35 p.m.

*Prepared by Carol Cormier
Group Benefits Strategies*