Minuteman Nashoba Health Group

Steering Committee Meeting

Wednesday, March 29, 2017 at 10:00 AM

Groton Center Fire Station
Groton, MA

Meeting Minutes

Committee and Alternate Members Present:

Donna Madden, Chair	Town of Bolton
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:

Joe Anderson	Fallon Heath
Kate Martin	Tufts Health Plan
Bill Hickey	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Donna Madden, Board Chair, called the meeting to order at 10:13 AM.

Approval of the minutes of January 26, 2017:
Tony Logalbo moved approval of the Steering Committee minutes of January 26, 2017 as written.

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

Wellness Committee Report –
Donna Madden said Marcy Morrison, Wellness Consultant, will report at the Board meeting in May. She said that they are doing weight loss programs, crock pot lunches and health fairs. Ms. Madden said to contact Ms. Morrison with questions on the programs.

Treasurer's Report:
Treasurer Tony Logalbo reviewed the financial report of February 28, 2017 (unaudited figures). He said the Uncommitted Fund Balance was $4,985,621 which is about $560K below the Fund Balance target. He said the preliminary March report looks stable. Mr. Logalbo said he is still working with the auditor on the FY16 financial audit regarding the reinsurance receivable amount.

GBS reports:

Funding Rate Analysis Report (FRA) - Carol Cormier reviewed the FY17 FRA report with data through February 28, 2017 She said the expense-to-funding ratio on a paid claims basis was 102.7% with a funding shortfall of almost $816K. She said that Fallon and Harvard Pilgrim plans are more than 3% underfunded. She said that the HPHC PPO is over 300% underfunded but that there are only seven individuals on the plan so the impact in dollars is $264K.

Reinsurance reports - Karen Carpenter reviewed the FY16 reinsurance reports with claims paid through February 28, 2017. She said that there were 3 claimants with claims exceeding $300K totaling $1.69M and excess claims of $792,939. She said that the MNHG was reimbursed $813,352, and MNHG owes the MMRA reinsurance pool $20,413.

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

Ms. Carpenter reported on the FY17 reinsurance policy and said that 1 member had exceeded the $300K specific deductible with claims totaling $383,706. She said 7 members had claims between 50% and 100% of the deductible, totaling $1.56 million.

myMedicationAdvisor® (MMA) Report – Carol Cormier reviewed the 2016 year-end MMA report, prepared by Abacus Health Solutions. She reported total net savings of $337,798 and member copays waived in the amount of $47,770.

Reinsurance renewal for FY18: Donna Madden said that the Board of the Mass Municipal Reinsurance Arrangement (MMRA) met recently. She said the Board gave direction to approve a reinsurance quote of 8.5% or lower received by Grey Matter and noted that a larger percentage of the increase in the rate will be deposited into the reinsurance pool.

Discussion about alternative prescription drug purchasing program:
Ms. Madden said that the MMRA Board made up of representatives of three joint purchase groups that have the alternative Rx program and use Abacus/PBS services, asked to hear a presentation from Chris Collins, CanaRx regarding their specialty drug buying program and services that CanaRx provides. She said MNHG is paying $50K in fees to Abacus to do the same things that CanaRx says it can do without charging additional fees. Ms. Madden said that members who are already registered with CanaRx through the MMA program would not see a change in the way they currently receive their medications.

Ms. Cormier said when MNHG first signed on with Abacus and PBS, CanaRx did not have the customer service and administrative capabilities that they have now. She said CanaRx builds the costs of running the program into the per pill costs. Ms. Cormier said the cost per pill is included in the cost of the alternative prescription drug program. She said it appears that MNHG and the other joint purchase groups can get the same services without paying the fees.

Ms. Cormier said she spoke to Mike Follick, owner and President of Abacus. He asked to speak to the Steering Committee about the value that he believes Abacus adds to the program.

There was a discussion and the Steering Committee agreed to hear presentations from Abacus and from CanaRx before making a recommendation to the Board.

Kevin Johnston made a motion to ask CanaRx to present their program to the Board.

Motion

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

Carol Cormier said she would do a side-by-side comparison between the MMA & CanaRx programs.

Donna Madden said she is recommending that the group continue with the Abacus-run Diabetes Program.

Joint Purchase Agreement – suggested changes:
Carol Cormier said that the MNHG Joint Purchase Agreement (JPA) has not been amended in several years.

Donna Madden said Ms. Cormier put together a list of suggested changes to protect MNHG in case of potential loss of membership, as well as some clarifications.

Ms. Cormier reviewed the suggested changes and asked that they be attached to this set of meeting minutes. She said changing the notification date for withdrawal from "60 days prior to the end of the fiscal year", to "by December 1st prior to the end of the fiscal year" would give MNHG enough notice to consider the impact of a loss of a member on the next year's health plan rates.

Ms. Cormier reviewed a proposed change to the calculation of "proportionate share".
There was a discussion about run-out of claims and the different scenarios that could be imposed on exiting units.

Tony Logalbo suggested adding language about the timeliness of member payments and said he would send some verbiage to Ms. Cormier.

Donna Madden said she would like the Committee to review the proposed amendments to the JPA prior to the next Board meeting.

High Deductible Health Plans (HDHPs) and Health Savings Accounts (HSAs):
Bill Hickey, HPHC Account Executive, distributed a presentation and said he has presented it to employees that do not know anything about the HSA eligible HDHPs. He referred to the sample benefit structure comparison chart prepared by GBS and noted that the exhibit did not contain MNHG's health plans. Mr. Hickey said the HDHP deductible needs to be satisfied first and then all the benefits would be covered in full, except for prescription drug copays. He said that the ACA preventative services are still covered in full with no deductible. Mr. Hickey said there is also a list of preventative medications not subject to the deductible, available with a rider to the plan.

Mr. Hickey explained that HDHP members should never pay for services at the time of their service. He said that the member will receive an explanation of benefits from the carrier and a bill from the provider. Mr. Hickey said the member will never pay more than the health plan's negotiated rate for each service.

Mr. Hickey gave an example of how a health service would work. He said, in non-emergency situations, members can look up on the carrier's website the prices charged by the various providers and can choose the least expensive location to obtain their healthcare. Mr. Hickey said that HPHC members can view their claims and deductible balances on the member portal.

Carol Cormier said the arrangement being proposed is one in which the employer would contribute into the employee's HSA account an amount of perhaps 50% or up to 50% of the amount of the plan deductible. She said that she did not think the HDHPs would gain any traction in the public sector unless the employer makes a contribution to the employees' HSAs.

Bill Hickey explained how the HSA account is funded said they a re only available to members on qualified high deductible health plans (HDHPs). He said the employee owns the HSA account, it is inheritable and transferable. Mr. Hickey said employers typically contribute to the HSA account an amount equal to one-half of the plan deductible. He said employees can contribute through payroll contributions on a pre-tax basis, or with funds after tax. He said if funds are deposited on an after-tax basis, the medical expenses paid with those funds are eligible to be claimed on their taxes.

Mr. Hickey said that for 2017, the IRS is allowing maximum contributions to the HSA of $3,400 for an Individual plan and $6,750 for a Family plan. He said employees that are enrolled in a full medical FSA plan, are not eligible to open an HSA account. Mr. Hickey noted that limited dental or child care FSA accounts are allowed. He said the HSA money is tax free when deposited and tax-free when used for qualified medical expenses. Mr. Hickey said if a member chooses to invest his HSA money, the growth is not taxed. He said the employer cannot access the HSA, and the money in the account is owned by the employee.

Mr. Hickey explained to be eligible, the employee can't be a member of another health plan and medical expenses can only be used to pay for tax dependents. He said those enrolled in Medicare Parts A and/or B are not eligible. Mr. Hickey said a debit card is issued for use with the HSA account. He said members can pay their claims electronically, or out-of-pocket and reimburse themselves later. Mr. Hickey said no verification of the claim is required, but recommended keeping records of the claim information in case of an audit. He said the high deductible health plans offer lower premiums and engage consumers to be better purchasers of health services.

Carol Cormier said she would send examples of out-of-pocket costs for high and low/ average utilizers of the plan to the Steering Committee. She suggested that the Board should make its decision to add or not add the plans by October for an effective date of 6/1/18, to allow time for educational programs. Ms. Cormier said the Board may want to set the required amount of employer contributions to the HSA accounts.

The Steering Committee favored adding the plans as an option, not as a replacement to the current plans.

Tony Logalbo said he favored recommending to the Board to add the HSA qualified high deductible plans to the MNHG offerings effective June 1, 2018. He said the next step would be to have presentations at the Board meeting.

There was a discussion, and Donna Madden asked Ms. Cormier for a timeline and cost estimates. She also asked that a communication go out to the Board to let them know about the presentations and to get a head count of how many people would be coming from each unit.

Update on Independent Enrollment Audit:
Carol Cormier said that the initial letters were mailed and GBS is receiving responses.

Health Plan Reports:
There were no health plan reports.

Other Business:
There was no other business.

Melisa Doig motioned to adjourn. Motion

Kevin Johnston seconded the motion. The motion passed by unanimous vote.

Chair, Donna Madden, adjourned the meeting at 12:20 PM.

Prepared by Karen Carpenter
Group Benefits Strategies