

MINUTEMAN NASHOBA HEALTH GROUP

Steering Committee Meeting

Groton Town Hall
Groton, Massachusetts

Meeting Minutes

Wednesday, June 2, 2010 at 9:30 a.m.

Committee Members Present:

Judy Belliveau, Chair
Anthony Logalbo
Valerie Jenkins
Margaret Dennehy
Donna Madden
Larry Barton

Lincoln-Sudbury Regional School District
Treasurer, MNHG
Town of Groton
Town of Boxborough
Town of Bolton
Town of Carlisle

Guests Present:

Kathleen LeBlanc
Paula Martin
Jim Delisle
Emily Savaria
Bill Hickey
Rob Anderson
Carol Cormier
Karen Carpenter

Town of Groton
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, Judy Belliveau called the meeting to order at 9:15 a.m.

Approval of the minutes of the January 29, 2010 meeting:

Valerie Jenkins moved to approve the Steering Committee minutes of the January 29, 2010 meeting.

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

Motion

Treasurer's Report –

Tony Logalbo said that the Uncommitted Fund Balance was \$1.88M as of April 30, 2010. He said the fund balance target was \$5.77M. Mr. Logalbo said that the claims have been running high.

GBS Reports:

FY10 Funding Rate Analysis by Plan – Carol Cormier reviewed the Funding Rate Analysis report for FY10 with data through April 2010. Ms. Cormier said that the expense-to-funding ratio was 100.2%. She said that the Harvard Pilgrim EPO and PPO and the Tufts EPO plans were under-funded and accounted for the negative numbers.

Carol Cormier said that the Retiree Drug Subsidy received for each year has been a little over \$300K.

Level Monthly Quarterly Accounting Reconciliation for HPHC, 4th quarter– Ms. Cormier said that the April LMD payment to HPHC was higher than the actual costs by \$3,191.

Bill Hickey, Account Executive for HPHC said that HPHC is recommending no change to the Level Monthly Deposit for FY11.

myMedicationAdvisor® Report- Carol Cormier said that the myMedicationAdvisor® program is running better than projected and said that the cumulative net savings from November 2009 through March 2010 was is \$90,275. She said that the employee savings has been averaging approximately \$5K each month. Ms. Cormier said that she would ask The Abacus Group to send out another mailing to the members in hopes of increasing participation.

Stop Loss Reports – Ms. Carpenter reviewed the Excess Loss Report for the CY09 policy period. She said that there are six claimants with total paid claims of \$2.75M. Ms. Carpenter said the Aggregating Specific Deductible of \$100K has been met. She said that a total of \$1,035,594 has been received to date from the reinsurer and that the outstanding reimbursement total due the Group is \$22,093. She said there were eighteen claimants on the report of claims at 50%+ with a paid claims total of approximately \$2.87M.

Ms. Carpenter reviewed the report of claims at 50%+ for CY10 and said there were three claimants on the report with a paid claims total of approximately \$587K. She said no one has reached claims in excess of the CY10 deductible through April. Ms. Carpenter noted that the Fallon Community Health Plan is working on their systems and said that GBS has received their claims information through February.

Medicare Part D Retiree Drug Subsidy Memorandum of Understanding (MOU) – Carol Cormier said that the Group Benefits Strategies MOU for providing services related to the application and filing of the Medicare Part D Retiree Drug Subsidy expired on May 31, 2010. Ms. Cormier said that the contract renewal for calendar year 2011 is an annual fee of \$9,250 and said that the fee has not increased from last year.

Tony Logalbo made a motion to approve with gratitude the Group Benefits Strategies MOU for calendar year 2011.

Motion

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

The Affordable Care Act:

Early Retiree Reimbursement Program (ERRP) - Carol Cormier said that the final application for the program is expected to become available towards the end of June. Ms. Cormier said that the claims data from the health plans will be needed in order to make an estimate of future costs for the application. Ms. Cormier said that similar to the Retiree Drug Subsidy program that an Authorized Representative will need to be designated by the Board to make any necessary decisions and to sign the documents required. Ms. Cormier said that once the scope of the work is known, GBS will be charging a set-up fee and then a fee for ongoing Account Management work. Ms. Cormier said that GBS has obtained the retiree employment status information from the towns and districts.

Judy Belliveau asked what the Retiree Drug Subsidy (RDS) point-person is required to do.

Tony Logalbo briefly described the duties and responsibilities to the RDS Authorized Representative.

Judy Belliveau asked if there was a volunteer for this task.

Tony Logalbo volunteered to be the Authorized Representative for the ERRP.

Carol Cormier said that the program is a 2-year program and that the government is setting aside \$5 billion dollars for reimbursement money. She said that employers will need to meet certain criteria to include demonstrating that disease management programs for chronic illness are in place. Ms. Cormier said that the health plans provide these programs for MNHG. Ms. Cormier said that up to 80% of claims between \$15K and \$90K may be eligible for reimbursement.

Tony Logalbo asked how the reimbursements will affect the stop loss insurance reimbursements.

Carol Cormier said that she did not believe that the premiums will be reduced this year because of ERRP and said that the Group will not be reimbursed twice.

Ms. Cormier said that all ERRP reimbursements must be applied to reduce funding rates or premiums or to reduce co-pays.

Adult Child Eligibility - Carol Cormier said that the Affordable Health Care Act includes a federal mandate to allow adult children up to age 26 to remain on their parents' health plan regardless of the adult child's marital or student status unless they are offered health insurance from their own employer. Starting in 2014 even if the adult child has an offer of insurance from his/her own employer, he/she will be eligible for the parent's plan. Ms. Cormier said that the mandate is effective on plan anniversary after September 23, 2010 which means June 1, 2011 for MNHG.

Ms. Cormier said that some of the health plans, under pressure from Dept. of Health and Human Services, are adopting a modified version of this mandate earlier than required and said that there are at least three options that the MNHG has. Ms. Cormier said that it can (1) do nothing now and wait until the law takes effect on July 1, 2011, (2) allow currently enrolled graduating seniors to stay on the family plan until age 26 and then the law will take full effect on July 1, 2011, or (3) adopt the federal mandate in full early such as on June 1, 2010.

There was a discussion about the impact of adding the mandate sooner than required and also about the various student dependent coverage policies for the active plans.

Rob Anderson said that Fallon had not termed the graduates yet because they were waiting to hear what the Groups were going to decide about the mandate.

Bill Hickey said that the last he heard was that the Group Insurance Commission (GIC) wanted to adopt the mandate early.

Donna Madden said that she favored waiting until required to implement the mandate; however, she said that she would like the health plans to all have the same student dependent coverage policies. She said that HPHC's policy terminates seniors who graduate in May or June on September 30th and those that graduate in December or January will terminate on March 31st.

Margaret Dennehy said she favors Ms. Madden's suggestion.

Jim Delisle said that he would have to check to see if this can be done at Tufts.

Donna Madden made a motion to recommend to the Board to implement the mandate on June 1, 2011 when required, but to change the Fallon and Tufts student dependent policy to be the same as the Harvard Pilgrim Health Care policy with an effective date of May 31, 2010.

Motion

Margaret Dennehy seconded the motion. Larry Barton abstained.
The motion was approved by a majority vote.

Ms. Cormier asked the Tufts and Fallon Account Executives to send a list by town to GBS of those that will be impacted to be sure that the students that had graduated in May or June are reinstated in the system and carried to September 30, 2010.

Rate Saver benefits-

Carol Cormier reviewed the Rate Saver plan enrollment numbers noting that Rate Saver EPO enrollments now represent 21.8% of EPO enrollments.

Health Plan Reports-

Tufts Health Plan (THP)-

James Delisle, Manager of Client Services for THP said that Tufts 1st quarter financials reported a modest net gain due to investments. He said that they are preparing for changes due to all of the federal health reform

requirements. Mr. Delisle said that Tufts is working on a new wellness initiative called Destination Wellness. He said more information will be coming and said that he would send a link to the site to the Committee.

Mr. Delisle said that they are expecting to see an approximate loss of \$40M due to the Department of Insurance (DOI) rate caps on small business.

Harvard Pilgrim Health Care (HPHC)-

Bill Hickey, Account Executive for HPHC, said that he just received an email stating that the GIC will not be implementing the expanded eligibility for adult children until required by the mandate to do so.

Mr. Hickey said that HPHC is also working on a new wellness program in addition to preparing for the health reform changes. Mr. Hickey said that he would like to bring in some people to present the new wellness initiative. Mr. Hickey said that HPHC is expecting a loss of approximately \$35M due to the DOI rate caps.

Fallon Community Health Plan (FCHP)-

Rob Anderson, Account Executive for FCHP, said that they are also looking at the financial effect of the rate caps and are reviewing provider costs.

Bill Hickey added that the underlying costs are not being addressed by the DOI.

There was a discussion about the Senate bill which would not require bargaining to change health plan designs.

The next several MNHG meetings were scheduled:

Steering Committee Meeting - Wednesday, September 22st at 9:00 a.m. to be held at the Groton Town Hall

Board Meeting – Monday, September 27th at 10:30 a.m. to be held at the Groton Public Library.

There was no other business.

Donna Madden motioned to adjourn the meeting at 10:45 a.m.

Motion

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

*Prepared by Karen Carpenter
Group Benefits Strategies*