

MINUTEMAN NASHOBA HEALTH GROUP

Steering Committee Meeting

Groton Town Hall
Groton, Massachusetts

Meeting Minutes

Thursday, August 4, 2011

Committee Members Present:

Judy Belliveau, Chair

Donna Madden, Vice Chair

Anthony Logalbo, Treasurer

Valerie Jenkins

Margaret Dennehy

Larry Barton

John Flaherty

Lorraine Leonard

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

Guests Present:

Dave Lindsay

Patricia Dufresne

Michael Gilleberto

Emily Savaria

Jim Delisle

Fred Winer

Robert Anderson

Linda Loiselle

Carol Cormier

Karen Carpenter

Town of Bolton

Town of Groton

Town of Tyngsborough

Tufts Health Plan

Tufts Health Plan

Tufts Health Plan

Fallon Community Health Plan (FCHP)

The Abacus Group

Group Benefits Strategies

Group Benefits Strategies

Chair, Judy Belliveau called the meeting to order at 9:35 a.m.

Health Plan Reports:

Fallon Community Health Plan – Rob Anderson said that FCHP is continuing to work with providers to lower health care costs and has developed a new product, the Fallon Advantage Plan. He said that the plan utilizes the Select Care Network and offers discounts from the providers to the plan sponsor. Mr. Anderson said that the City of Worcester has already saved over \$1M. Mr. Anderson said the plan has higher co-pays and has a 2-tiered benefit design similar to the Group Insurance Commission's benchmark plan designated by the new municipal health reform legislation. He said that the Tier 1 network utilizes providers in Central MA, while Tier 2 network's providers are located outside of the area. Mr. Anderson said that there has been a lot of interest and migration to this plan.

Mr. Anderson distributed information about the FCHP MA Municipal Health Reform seminar scheduled for August 16, 2011 and asked those interested in attending to notify him by August 9, 2011.

In response to a question, Jim Delisle, from Tufts Health Plan said that THP also has the ability to calculate other provider discounts.

Tufts Health Plan – Fred Winer said that in 2012, the Tufts Medicare Preferred HMO rates will decrease. He said that he will have more details after speaking with Carol Cormier at Group Benefits Strategies.

Jim Delisle said that THP is in discussions with Cambridge Health Alliance and said that if they are added to the THP network, the provider base would increase by approximately 170 physicians.

Mr. Delisle said that effective July 1, 2011, THP began offering a new tiered provider network option plan named "Your Choice". He said the Your Choice plan groups hospitals and affiliated physicians into tiers, or levels, based on comprehensive cost and quality information and methodology that incorporates overall provider efficiency and management, quality, and an integrated approach to member health care. Mr. Delisle said that the PCPs, hospitals and specialists are segmented into three levels and said that the PCP's and specialists are tiered the same as the hospitals with which they are affiliated. Mr. Delisle said that most of the hospitals are in Tier 1, and said that the teaching hospitals are in Tier 3.

Emily Savaria said that she would send Carol Cormier the list of hospitals and their tiers.

Approval of the minutes of the February 7, 2011 meeting:

John Flaherty moved to approve the Steering Committee minutes of the February 7, 2011 meeting.

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

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| Motion |
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GBS Reports:

FY11 Funding Rate Analysis by Plan – Carol Cormier said that the Funding Rate Analysis reports for FY11 and FY12 are in the meeting packet. Ms. Cormier reviewed the Funding Rate Analysis report for FY11 with data through May 2011. Ms. Cormier said that the year-end expense-to-funding ratio was 101.4%. She said that the Harvard Pilgrim EPO and the Tufts EPO plans were significantly under-funded. Ms. Cormier reviewed the report for FY12 with one month of data through June 2011 and said that the expense-to-funding ratio was 83.3%.

Ms. Cormier said that the Retiree Drug Subsidy payments report needs to be updated.

Level Monthly Quarterly Accounting Reconciliation for HPHC, thru June 2011– Ms. Cormier said that MNHG has a credit balance with HPHC of \$640,546.

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 \$3.68M. Ms. Carpenter said the Aggregating Specific Deductible of \$400K has been met and said that reimbursements of \$907,987 have been received. Ms. Carpenter said that there are no additional reimbursements due MNHG. She said there were 27 claimants on the report of claims at 50%+ with a paid claims total of approximately \$3.98M. Ms. Carpenter said there were 3 claimants on the CY11 report of claims at 50%+ with a paid claims total of approximately \$628,325. She said that there are no excess claimants to report.

myMedicationAdvisor® Report- Carol Cormier said that the MMA analysis of Fallon claims will be ready to present at the next meeting.

Treasurer's Report:

Treasurer Tony Logalbo said that the Uncommitted Fund Balance was \$2.18K as of July 31, 2011. He said the fund balance target was \$5.95M. Mr. Logalbo said that the June and July claims decreased and he hopes that the trend continues. Mr. Logalbo said that the reinsurance claims recoveries over the past 11 years were almost identical to the reinsurance premiums paid.

Diabetes Incentive Program - Linda Loiselle- Linda Loiselle said that Sean Follick, Director of Sales was not available to attend the meeting. Ms. Loiselle said that she is the Operations Manager and is usually the one who implements the diabetes program. Ms. Loiselle distributed and reviewed the MNHG proposal from Abacus Healthcare Solutions. Ms. Loiselle said that the program helps members with diabetes to control their disease by offering medications and supplies at a \$0 co-pay to participants who meet five program requirements. She said

that the requirements include an annual eye and foot exam, and three lab tests, fasting blood lipids, urine protein levels and an HbA1c every 6 months. Ms. Loiselle said that diabetic patients who follow these recommended guidelines generate substantially lower claims than those who do not. Ms. Loiselle said that the program is completely HIPAA compliant and no employee medical information is shared with the employer. Ms. Loiselle said that the prescription co-pay reduction is at point of sale.

Ms. Loiselle said that there is a website for participants to track their progress, but said that those without a computer can track on paper. Ms. Loiselle said that diabetes is a chronic illness that is preventable or manageable with proper care. She said that the program is designed to manage risk in a targeted population through education, communication, measurement, tracking and feedback to members and their physician. She said that the savings average over \$250 per member per month and said that the participants that are compliant become healthier and more productive workers.

Ms. Loiselle said that based on the MNHG data received by the carriers, almost 6% or 500 diabetics were found in the MNHG population. She said that there were 152 admissions and 862 days spent in the hospital over the 12 month span for those members. Ms. Loiselle said that medical and prescription costs for those members totaled almost \$8M. Ms. Loiselle noted that is high for this region. Ms. Loiselle said that the projected year one savings is estimated at \$225K with 150 participants and 75 completers of the program. She said that the projected return on investment is estimated at 4.4 to 1.

Rob Anderson said that he believes the assumption that the Abacus Group makes, is that the health plans disease management programs are not sufficiently handling the medical issues of their subscribers. He said that this may be an opportunity for FCHP to re-vamp its programs if they are not working well. He said that representatives from FCHP recently presented several new initiatives to improve the wellness of the MNHG subscribers and members.

Carol Cormier asked Mr. Anderson if FCHP could offer the same type of program and to provide the diabetic supplies and medications at no cost to all of the members of MNHG? Ms. Cormier invited the health plans to present a similar proposal.

Carol Cormier said that the health plans currently provide the Abacus Group with the prescription drug claims information needed to target the subscribers with diabetes. She asked Ms. Loiselle if the Abacus Group could return the information to the health plans since they are receiving medications that the health plans are unaware of. She said that this limits the health plans from knowing which members may need to be contacted by the health plans disease management teams.

Ms. Loiselle confirmed that the requested data can be sent back to the health plans.

Ms. Loiselle said that one of the incentives that they have used with other clients is a \$50 member registration incentive. She said that they have found if the incentive is used for the first 90 days of promoting the program, that the enrollment is greater however, there is a delay in members completing their requirements. Ms. Loiselle recommends using the incentive about six to nine months into the program for greater results. Ms. Loiselle said that unlike the MMA alternative prescription program, the Fallon Community Health Plan members are eligible to participate.

The Steering Committee thanked Ms. Loiselle and she left the meeting.

Sean Follick, Abacus Group, emailed Carol Cormier during the meeting to clarify that the \$250 per member per month in savings is estimated only for the members in full program compliance. He said that the \$980 to \$900 reduction in costs was across the board for all of the members with diabetes in that population, not just participants or completers.

Jim Delisle said that Tufts said that in response to the rise of health insurance costs, THP has designed a Coordinated Care Model that aligns provider reimbursement that rewards efficient quality care, product design that encourages members to seek value through lower-cost and high-quality provider settings, and care management. He said that he would like to speak about this at the next MNHG Board meeting.

Eligibility Audits:

Carol Cormier said that the new Section 26 of Chapter 32B requires municipalities to conduct a health care eligibility audit once every two years. Ms. Cormier said that a dependent eligibility audit would verify that each dependent enrolled on a family plan is eligible. Ms. Cormier said the subscribers would be required to send copies of documents to prove the eligibility of their dependents. She said that the audit is conducted through a series of mailings, each of which can be customized to meet the needs of MNHG. Ms. Cormier said that there is minimal employer involvement and a final report is presented at the end of the audit. She said that the copies of the documents received can be returned to each employer, alphabetically filed by subscriber in individual files. Ms. Cormier said that two other Joint Purchase Groups that she consults for used Enrollment Audit Solutions (EAS) located in Barre, MA. She said that Kate Sharry and Michael See are owners of the company. Ms. Cormier said that contract awards were made based on an email RFP process.

Margaret Dennehy said the MNHG should get the names of other auditors.

Carol Cormier suggested conducting the audit as a group, since the group is responsible for paying the health care claims.

The Steering Committee was in favor of conducting the audit regardless of the requirement to do so and asked Ms. Cormier to forward a copy of the RFP process for their review.

A Steering Committee and a Board meeting was scheduled on September 14, 2011 at the Groton Town Library, time to be determined.

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| The location of the meetings was subsequently changed to be held at the Clinton Town Hall, Clinton, MA at 8:45 a.m. and 10:15 a.m. respectfully. |
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MA Municipal Health Reform Legislation:

Ms. Cormier gave an overview of the new legislation, i.e. amendments to Chapter 32B that give municipalities an expedited bargaining process outside of Ch. 150E to make plan design changes to the level of the Group Insurance Commission's (GIC's) benchmark plan. She also said that the legislation outlines the process to move to the GIC if a municipality can prove savings greater than 5% over what the municipality would save by making plan design changes alone. Ms. Cormier said that there is a MNHG/GIC benchmark comparison chart included in the meeting packet. Ms. Cormier said that the law does not allow for making contribution changes and said that the units must follow the Ch. 150E bargaining process to change contribution rates.

Ms. Cormier said that she wants to prepare a spreadsheet template that can be used by each unit to complete their cost savings analysis required by the law. She said that the analysis will compare the projected claims cost of MNHG with the costs of making the benefit design changes that the Board approves. Ms. Cormier said that she contacted the MNHG auditor, Richard Bienvenue for his assistance and said that he would most likely charge a fee for the additional work.

Ms. Cormier said that in addition to a cost savings analysis, a mitigation proposal is required for the first year to share not more than 25% of the estimated one-year savings. She said that Health Reimbursement Arrangements (HRA's), health care trust funds for emergency medical or inpatient care, and wellness programs are included as some of the ways that the employer can mitigate costs.

Ms. Cormier briefly explained the expedited bargaining process and said that each unit that contains one or more unions will need to organize an Insurance Advisory Committee (IAC) and a Public Employee Committee (PEC).

Carol Cormier said that if MNHG chooses to change its health plan designs according to the MA Municipal Health Reform Legislation of 2011, that they would lose their Grandfathered status under the Patient Protection and Affordable Care Act (PPACA). Ms. Cormier said that Grandfathered plans are exempt from certain provisions of the Affordable Care Act until 2014.

Ms. Cormier said that the Chapter 32B local option Sections 18 and 18A have been replaced with a new Section 18A which is mandatory. She said that all governmental units that had not previously adopted Section 18 or 18A are now required to transfer Medicare eligible retirees and their dependents out of “active” plans and into Medicare supplement or Medicare Advantage plans. Ms. Cormier said that the employer is responsible for any Medicare late enrollment penalty fees. She said that Group Benefits Strategies wants to contact CMS to argue that it is unfair to charge a Medicare Part B late enrollment penalty because richer plans are offered by MNHG.

Tony Logalbo said that he would draft and send a letter to Ms. Cormier that could be used by the units to inform the retirees that they now need to apply for Part B and sign up for retiree plans.

The Steering Committee asked the health plan representatives to provide the expected savings of moving their health plans to GIC look-a-like plans for further review and discussion.

Tony Logalbo suggested hiring an independent actuary in addition to getting the health plan actuaries reports.

The Committee agreed.

Tony Logalbo made a motion to ask the health plans to provide the Committee with their GIC look-a-like plan and to include decrements.

Motion

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

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 12:15 p.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*