

MINUTEMAN NASHOBA HEALTH GROUP

Steering Committee Meeting

Harvard Town Hall
Harvard, Massachusetts

Meeting Minutes

Thursday, August 24, 2006 at 2:00 p.m.

Committee Members Present:

Paul Cohen, Chair
Tony Logalbo, Treasurer
Valerie Jenkins
Edward Orenstein
Jerry Martin
Judy Belliveau

Town of Harvard
Town of Concord
Town of Groton
Case Collaborative
No. Middlesex Regional School District
Lincoln-Sudbury Regional School District

Guests Present:

Bill Hickey
Maria Chandler
Fred Winer
Robert Cannon
Carol Cormier
Lisa Trombly

Harvard Pilgrim Health Care (HPHC)
Tufts Health Plan (THP)
Tufts Health Plan (THP) Sr. Plans
Fallon Clinic Health Plan (FCHP)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Chair Paul Cohen called the meeting to order at 2:05 p.m.

Approval of the minutes of the July 12, 2006 meeting:

Valerie Jenkins moved to approve the Steering Committee minutes of the meeting of July 12, 2006.

Jerry Martin seconded the motion. The motion passed by unanimous vote.

Motion

Treasurer's Report:

Treasurer Tony Logalbo reviewed the Treasurer's Report of July 31, 2006 (unaudited figures). He said the uncommitted Fund Balance is \$897,422.85, which is an increase from last month. He stated that the total assets are \$4.8M and the total liabilities are \$3.9M.

Group Benefits Strategies Reports:

Funding Rate Analysis by Plan Type – Carol Cormier reviewed the Funding Rate Analysis report for policy period June 1, 2005 through May 31, 2006. She said all plans ran at a shortfall except Harvard Pilgrim EPO and the Tufts MCP. Ms. Cormier said that there was a funding shortfall of \$1.7M across all plans on a paid claims basis.

Level Monthly Deposit (LMD) Quarterly Accounting Report for HPHC plans – Ms. Cormier said that, MNHG owed Harvard Pilgrim \$610K for the fourth quarter settle-up. She stated that the LMD has been increased to \$800K for FY07 effective July 2006.

Funding Rate Analysis by Plan – Carol Cormier reviewed the policy period 6/1/06-5/31/07 and said that through the first two months of this new policy the overall funding surplus was \$611K. She said only the Tufts POS plan funding appears to be running a little low.

Stop Loss Reports – Lisa Trombly reviewed the CY05 non-confidential reinsurance excess claims reports with ten members with claims totaling \$2.1M. She said for this policy period the Group was reimbursed over \$530K, and there is no outstanding reimbursement at this time. Ms. Trombly said there were 17 members within 50% or more of the stop loss deductible with claims totaling \$1.6M.

Lisa Trombly reviewed the CY06 non-confidential excess claims reports with four members with claims totaling \$1.6M. She stated that two of the listed members also appeared on the CY05 policy period and that one of the excess members has since expired. She said the Aggregating Specific Deductible of \$100K had been met and the Group received over \$330K in reimbursements and is due approximately \$33K in additional reimbursements. Ms. Trombly stated that there were eight members on the 50% report totaling claims of \$715K as of June 30, 2006.

PBS/myMedicationAdvisor® proposal for Alternative Generic Purchase Program – Carol Cormier reviewed features of the Alternative Generic Savings Program as described by Heidi Steinitz, The Abacus Group, at the previous meeting and said the Steering Committee needed to vote on whether to recommend it to the Board.

Tony Logalbo asked if the incentive to members to participate was the \$0 co-pay.

Ms. Cormier responded that it was. She said there may be some members who are not eligible for the Canadian drug program but are eligible for this program.

Ed Orenstein asked if participation by members was voluntary.

Carol Cormier said participation is voluntary and that there is no additional cost to the MNHG.

Tony Logalbo motioned to recommend to the Board to adopt the Alternative Generic Purchase Program proposal of PBS/myMedicationAdvisor®.

Motion

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

Disease Management:

Carol Cormier said the Disease Management programs topic was discussed at the last meeting but that it was not voted upon yet.

Maria Chandler, Tufts Health Plan, said that chronic conditions are the major drivers of rising healthcare costs. She said that the American Healthways' disease management options are quality-driven cost management solutions to some of the highest cost trending chronic diseases and conditions. She distributed a non-confidential report of MNHG members with medical and pharmacy claims greater than or equal to \$50,000. She said this report lists the primary diagnosis and helps target members who would qualify for one of the disease management programs.

Carol Cormier reviewed the costs associated with each of the packages offered by Tufts.

There was a discussion.

Bill Hickey, Harvard Pilgrim Health Care, reviewed the disease management programs HPHC offers and the costs associated with each.

Ed Orenstein said it was a terrific concept but was having difficulty understanding how the Group would know the return on investment.

Tony Logalbo said he understood that the Group would get a monthly bill showing how many participants are in each program and would be billed per member per disease management program per month. He said it seems worthwhile.

Carol Cormier agreed.

Jerry Martin asked how long the Group would be locked in for if it adopts the programs.

Mr. Hickey said the Group would be locked into the programs they chose until the anniversary, which would be June 1st. He said a savings would not be realized for 18 months to 2 years.

Judy Belliveau asked how the savings was measured.

Mr. Hickey and Ms. Chandler both stated that the savings can only be measured by book of business not by Group.

Bill Hickey said that the disease management programs are included in the HPHC insured plans.

Paul Cohen said this would be a major vehicle to address cost containment.

Valerie Jenkins motioned to recommend the presented comprehensive programs of Tufts and Harvard Pilgrim Health Care to the Board for approval.

Motion

There was a discussion.

Jerry Martin seconded the motion. The motion was approved by unanimous vote.

Benefit Design and proposed Meeting with Managers and Labor to discuss possible benefit changes:

Tony Logalbo gave an overview of what would be covered in the meeting with the managers. He said there were three important topics that would be focused on: Who MNHG is, what the problem is that the MNHG is facing, and a discussion of any possible solutions. He said it would be important to ask the managers what they thought and if they would be willing to proceed in a collaborative effort. Mr. Logalbo said that he has been working with Valerie Jenkins and Carol Cormier on producing an outline and some slides and that they were shooting for an October timeframe for the two separate meetings to be held.

Mr. Logalbo said that Paul Cohen would be asked to give the introduction and present some of the items followed by Carol Cormier who would present the trends and environment. Mr. Logalbo said he would discuss some of the options available.

Paul Cohen asked what would happen after these meetings were held. He said that attendees will be very interested in knowing what the next step will be.

Tony Logalbo said that the goal is to convey the information; solicit responses from attendees; and then ask each Board member to go back to the attendees for a status check very shortly after the meetings are held.

Judy Belliveau asked that the options be clarified.

Carol Cormier said the Group needs to make changes as a collaborative purchasing group and then each of the employers need to fulfill their collective bargaining obligations or they can choose to offer two plans, a higher premium plan and a lower premium plan. She said the hopes would be that the two-plan option would eventually be bargained out.

A discussion followed.

Judy Belliveau said the options should be presented to the managers along with the pros and cons of each.

Carol Cormier said that she will request each employer to respond to her advising of their union contract expiration dates.

Paul Cohen asked what the consensus was for holding an informational meeting with management and labor. He asked if anyone saw a down side to having it.

Judy Belliveau said she thought Lincoln-Sudbury RSD members would be very interested in attending and asked if there would be any talk about GASB45.

Tony Logalbo said a meeting pre-notice would be sent out to get a feel for how many people would be interested in attending.

There was a discussion regarding tentative dates.

Paul Cohen said the topic would be further discussed at the September 12, 2006 meeting.

Health Plan Reports:

HPHC First Seniority Freedom plan for 1/1/07 - Bill Hickey, Harvard Pilgrim Health Care, introduced a new product called First Seniority Freedom. He said it was due to launch on January 1, 2007 and would replace the current HPHC First Seniority product. He gave a presentation of the new plan and distributed handouts. Mr. Hickey said the First Seniority Freedom plan would cover the Medicare enrolled retirees throughout the country with no network limitations. He said it was less costly than the traditional Medicare with Medigap policy. He said First Seniority Freedom plan is a private fee-for-service (PFFS) Medicare Advantage plan, meaning that members would be able to go to any Medicare-approved doctor or hospital anywhere in the U.S. but that members must be retired with Medicare Part A and Part B. Bill Hickey said that providers can choose to participate or not to participate at the point of service.

Fred Winer, Tufts Health Plan, said that a number of providers, specifically the Health One providers, are not accepting this new plan.

Paul Cohen asked Mr. Hickey if the MNHG has a choice as to whether to offer this new plan or not. He said he understands that HPHC will not be offering the plan the MNHG currently has, First Seniority, but wanted to know what members were to do if their providers won't accept the new product.

Carol Cormier said that the First Seniority Freedom plan may not meet the needs of the First Seniority members but that it may meet the needs of others because it is a rich plan at a lower cost. She said the Group will need to hold a special open enrollment to allow members of First Seniority to enroll in other plans.

There was a discussion.

Paul Cohen asked to discuss this topic further at the September 14, 2006 meeting.

Disabled Adult Dependent eligibility, proposed change by HPHC – Carol Cormier said this was discussed at a previous meeting but that on the Committee had not voted on its recommendation to the Board.

Bill Hickey said the current HPHC Disabled Adult Dependent Eligibility guidelines state that coverage would only be allowed if the dependent were disabled while under the age of 19. He said the proposed change would allow dependents to remain covered even if they were to become disabled between the ages of 19 and 26 while a full-time student dependent and would become effective on January 1, 2006, a retroactive date.

Ms. Cormier said the change proposed by HPHC would make HPHC's disabled dependent eligibility rules the same as the rules of the other health plans.

Valerie Jenkins motioned to adopt the new HPHC disabled adult dependent eligibility guideline.

Motion

Judy Belliveau seconded the motion. The motion was passed by unanimous approval.

Personal Health Assessments – Carol Cormier reviewed what a Personal Health Assessment (PHA) is and how it would benefit the Group to encourage employees to complete them.

Maria Chandler, Tufts Health Plan, said that the management of the PHA's is done through a vendor, not directly through Tufts, and offer four different programs.

Paul Cohen asked about the cost.

Maria Chandler said she'd like the Group to review the demo of the programs first and she will, in the meantime, obtain an estimate of the cost per member.

Paul Cohen said the demo should be scheduled to take place at the next Steering Committee meeting.

Bill Hickey, Harvard Pilgrim Health Care, said that HPHC offers a member enrichment tool at no cost to the member or Group. He said the feature does not compile the data though.

Maria Chandler said she would like to present a cost utilization report to the Group but asked that the other Health Plan Representatives not be present.

Mr. Cohen explained that the meetings are open and therefore, they could not exclude any of the representatives from attending. He asked how reviewing the cost utilization report would help the Group.

There was a brief discussion.

Other Business:

Paul Cohen said the next Board meeting will be held on September 14, 2006 at 10:00 a.m. He said the Steering Committee meetings are scheduled for October 18, 2006 at 2:00 p.m. at the Harvard Town Hall and December 6, 2006 at 9:00 a.m. at the Groton Town Hall with a Board meeting to follow at 10:00 a.m. Mr. Cohen said that Tufts presentation can take place at the October 18th meeting.

There was no further business.

Tony Logalbo motioned to adjourn the meeting.

Motion

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

Paul Cohen adjourned the meeting at 4:10 p.m.

*Prepared by Lisa Trombly
Group Benefits Strategies*