

MINUTEMAN NASHOBA HEALTH GROUP

Steering Committee Meeting

Groton Town Hall
Groton, Massachusetts

Meeting Minutes

Tuesday, September 15, 2009 at 2:00 p.m.

Committee Members Present:

Judy Belliveau, Vice-Chair
Anthony Logalbo
Valerie Jenkins
Donna Madden
Margaret Dennehy
John Flaherty
Larry Barton

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

Guests Present:

Fred Winer
Emily Savaria
Rob Anderson
Bill Hickey
Carol Cormier
Karen Carpenter

Tufts Health Plan (THP)
Tufts Health Plan (THP)
Fallon Community Health Plan (FCHP)
Harvard Pilgrim Health Care (HPHC)
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Vice-Chair Judy Belliveau called the meeting to order at 2:00 pm.

Approval of the minutes of the February 2, 2009 meeting:

Donna Madden moved to approve the Steering Committee minutes of the February 2, 2009 meeting.

Margaret Dennehy seconded the motion. The motion passed by unanimous approval.

Motion

GBS Reports:

FY09 Funding Rate Analysis by Plan – Carol Cormier reviewed the year-end report and said that the expense-to-funding ratio was 99.6%. She said she noticed a few errors on the report and said that she would have it corrected for the Board meeting.

Ms. Cormier said that the Treasurer's reports as well as the GBS reports show a steady decline in the fund balance. She said that the Harvard Pilgrim PPO and Fallon EPO plans were under-funded for two months.

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that at the end of the first month of the fiscal year, the July LMD payments were higher than the actual costs by approximately \$80K.

Carol Cormier said that the enrollment report of September 1, 2009 showed that out of over 3,119 health plan contracts, only 42 of them were in the Rate Saver plans.

GBS Retiree Drug Subsidy Memo of Understanding:

Carol Cormier reviewed the Memorandum and said that the proposed fee for account management for the Retiree Drug Subsidy was \$9,250, a \$250 increase from FY09.

John Flaherty moved to approve the GBS Memorandum of Understanding for RDS Account Management.

Margaret Dennehy seconded the motion. The motion passed by unanimous vote.

Motion

Stop Loss Reports – Ms Carpenter reviewed the Excess Loss Report for the CY09 policy period. She said that there are three claimants with total paid claims of \$1.35M. Ms. Carpenter said the Aggregating Specific Deductible of \$100K has been met. She said that a total of \$130,800 has been received to date from the reinsurer and that the outstanding reimbursement total due the group is \$201,993. She said there were four claimants on the report of claims at 50%+ with a paid claims total of approximately \$260K. Ms. Carpenter said that there was a formula error on the 50% report and that she would correct it for the Board meeting.

Karen Carpenter reviewed the report of excess claims for the CY08 policy period with claims paid through December 2008. She said that for this year the group has received \$729,856 in reinsurance reimbursements. She said that there were 12 claimants with claims between \$112,500K and the specific deductible of \$225K.

Valorie Jenkins arrived at the meeting.

RDS Hearing Update –

Carol Cormier said that Tony Logalbo and she attended a telephonic hearing with representatives of Center for Medicare and Medicaid Services (CMS) to appeal CMS's decision to deny the subsidy payment for the RDS Application #70038 (1/2 year). Ms. Cormier explained the filing process and said that CMS not only requires proof that a Retiree List has been uploaded, but also proof that it was received by CMS.

Tony Logalbo arrived at the meeting.

Ms. Cormier said that the hearing office will send CMS's determination letter within two weeks of the hearing.

Tony Logalbo said that he would send a letter to Senator Kerry if the request to reverse the decision is denied.

Rob Anderson arrived at the meeting.

Treasurer's Report –

Tony Logalbo reviewed the unaudited financial statements for August 31, 2009 and said that the Uncommitted Fund Balance was \$2.5M as of August 31, 2009. He said the fund balance target was \$5.6M. Mr. Logalbo said that there was a significant rise in health claims. Mr. Logalbo reported that \$201K was received in reinsurance reimbursements.

Mr. Logalbo said that the July financial statements were also included in the meeting packets.

CY10 MCP Rates and Insured Senior Plan Rates –

Carol Cormier reviewed the Medicare Complement Plan (MCP) claims data for CY08 and CY09 and said that there has been a steady decline of enrollment in the MCP. Ms. Cormier said that CY09 claims per member increased 5.6% over claims per member of CY08. Ms. Cormier said that the Tufts projection was just slightly higher than the GBS projection. She said that she used the Tufts numbers and built in their administrative charge, the GBS management fee and also a factor for reinsurance premium to calculate the CY10 funding rate of \$378.13. Ms. Cormier said that is a 2.2% increase over the CY09 rate of \$370.

Ms. Cormier recommended a 5% increase this year due to the low fund balance and the fact that the rate had been held at a zero percent increase for FY09.

Tony Logalbo said that he did not feel comfortable with a 5% increase because the retirees would not be getting a cost of living adjustment (COLA) in 2010.

Carol Cormier said that another option would be to not re-insure the Medicare Complement Plan. Tony Logalbo said that it is worth reinsuring the plan because the cost of reinsuring is low.

Fred Winer said that the Tufts Medicare Preferred HMO (TMP HMO) plan premium is increasing to \$207 for January 1st, a 21% increase. Mr. Winer said that all of the Medicare Advantage plans would see high increases due to the cuts in federal funding for those plans. Mr. Winer said that there have been modest increases to this plan over the past several years. Mr. Winer said that there are some minor changes to the TMP HMO benefits for CY10. Mr. Winer said that the changes are: In-patient Hospital co-pay is increasing to \$300 per year; Out-patient surgery co-pay increased to \$50 per service; Occupational, physical and speech therapy co-pays increased to \$15 per visit; Ambulance co-pay increased to \$50 per day. He said that the Medicare Part D out-of-pocket maximum for prescription drugs increased to \$4,550. Mr. Winer said that there were no benefit changes to the TMC plan.

Fred Winer said that the Tufts Private-Fee-for-Service plan would be eliminated effective December 31, 2009. Mr. Winer said that Tufts is waiting approval from CMS on the letter that they will be sending to the members. He said that there are approximately 40 members currently enrolled and said that he would send out the information to each unit.

Fred Winer said that the Tufts Medicare Preferred (TMC) plan rate will be \$358, a 10% increase. He said that there will be no benefit changes to that plan.

Bill Hickey said that the Harvard Pilgrim Health Care Private-Fee-for-Service plan rate will be increasing by 30% to \$255 and said that he will bring the details to the Board meeting. Mr. Hickey said that HPHC is committing to offer the PFFS plan in 2010 and is unsure if they will be offering the plan in 2011.

Mr. Winer said that the MCP and PFFS plans are the only options for retirees who live out-of-state.

Bob Cannon said that he has not received the renewal information for the senior plans yet and said that they should be available for the Board meeting.

There was additional discussion about the 2010 Medicare Complement Plan (MCP) rate.

Larry Barton made a motion to recommend a 4.5% increase of \$385 for the Medicare Complement Plan to the Board.

Motion

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

The Steering Committee asked Karen Carpenter to send the senior plan benefit comparison charts to them in Word format.

Suggestion to change MNHG's plan year to July 1 – June 30:

Judy Belliveau said that there was a request made from the Town of Ayer's Finance Director requesting a change to MNHG's fiscal year from calendar year to a July 1 to June 30 fiscal year. Ms. Belliveau said there has been discussion about the pros and cons of making this change.

Bill Hickey mentioned that the Group has a greater access to the health plan representatives during open enrollment with a June 1 date.

Tony Logalbo said that the only reason he was aware of for making the change was to align the date with the budgets.

Donna Madden suggested sending out a survey to all of the Board members for their input.

Donna Madden and Margaret Dennehy volunteered to create the survey form.

Mr. Logalbo said that if the Board decides to make the change, that the earliest time it could change, would be the year 2011.

Early Intervention Mandate:

Carol Cormier said that there is a new state Early Intervention Mandate that would remove the \$5,200 benefit cap on early intervention services. She said these services apply to children under 3 years of age.

Bill Hickey from Harvard Pilgrim said that the cost impact to the group is so small as to be immeasurable. Mr. Hickey said that there would be less than a 1.1% exposure and said that the special services are medical type services for those children from 1 to 3 years of age.

Fred Winer said that Tufts Health plan will wait to make the change on June 1, 2010, MNHG's fiscal anniversary.

Larry Barton made a motion to recommend to the Board to keep the existing \$5,200 cap.

Margaret Dennehy seconded the motion. The motion was passed by unanimous vote.

Alternative Rx program and MCP plan Retiree Drug Subsidy (RDS):

Carol Cormier reviewed the *myMedicationAdvisor* (MMA) financial report through the July 2009 report. Ms. Cormier said she had asked MMA to run a report on the savings for the retirees on the self-funded plans to see if the employer savings through the alternative Rx import program and the Alternative Generic Savings Program exceed what the Retiree Drug Subsidy would have been if the same medications had been purchased through the retirees' health benefit plans.

Carol Cormier said that the Group is not eligible to receive a subsidy for those drugs that are purchased through the alternative Rx program when drugs are purchased outside of the United States. Ms. Cormier said that from April of 2008 to March of 2009, MNHG and its members combined had net savings of \$14,120 (39.9%) on \$19,036 in Rx spending through the *myMedicationAdvisor*® program. She said the employer group savings were 27%. Ms. Cormier noted that the Rx import program gives a great benefit to the retirees but said that this bears watching.

Ms. Cormier said that members on Fallon and on the insured plans cannot utilize the *myMedicationAdvisor*® program but pointed out that the Fallon plans already provide good savings on prescription drugs.

Changes re: Fair Share Contribution (FSC) Filing requirement:

Carol Cormier said that municipalities were previously exempted from the FSC filing requirements. Ms. Cormier said that effective 1/1/09, the Division of Health Care Finance and Policy changed the tests and other filing requirements for determining whether certain employers had made a fair and reasonable contribution to their employees' health insurance. She said that the Division also added the requirement for municipalities to file starting in 2010. She said that the first deadline is in February 2010 and that if a municipal employer passes the test, it would only have to file once per year rather than quarterly. Ms. Cormier said that employers that operate under MGL Chapter 32B are satisfying the requirements and should not have to do the FSC filing.

Tony Logalbo suggested drafting letters to send to the governor, one that each Board member of each Joint Purchase Group will sign and send and then a letter that each individual Board member should sign and send separately. Mr. Logalbo suggested setting up a conference call on Thursday afternoon around 2:30 PM to 3:00 PM with himself, Carol, Judy Belliveau and Marc Waldman, Board Chair of the WSHG.

Carol Cormier said that she would initiate the conference call.

HIPAA changes:

Carol Cormier said that the Department of Health and Human Services recently transferred authority for the administration and enforcement of the HIPAA security Rule to the Office for Civil Rights. Ms. Cormier said that

the Privacy Rule provides federal protections for personal health information. Ms. Cormier cautioned that the names of health plan members should never be used in the subject field of any emails.

Other Business:

Bill Hickey said that Harvard Pilgrim Health Care is giving MNHG a credit of approximately \$102,562 for a prescription drug rebate and said that the credit would be on the June invoice.

Rob Anderson said that Fallon Community Health Plan is expanding its provider network into Southern New Hampshire. Mr. Anderson said that the Fallon insured plans are changing the co-pay to \$0 for yearly routine exams to encourage members to go to their preventative doctor visits.

Carol Cormier asked Mr. Anderson about the claims decrement resulting from the co-pay change.

Rob Anderson said that there would be no impact on the existing rates.

Ms. Cormier asked Mr. Anderson for a report on the number of visits to be able to evaluate the impact of changing the routine exam co-pay to \$0.

There was no other business.

Tony Logalbo motioned to adjourn the meeting at 3:34 P.M.

Margaret Dennehy seconded the motion. The motion passed by unanimous approval.

*Prepared by Karen Carpenter
Group Benefits Strategies*