

# MINUTEMAN NASHOBA HEALTH GROUP

## Steering Committee Meeting

Groton Town Hall  
Groton, Massachusetts

Meeting Minutes

Wednesday, September 22, 2010 at 9:30 a.m.

### Committee Members Present:

Judy Belliveau, Chair  
Anthony Logalbo  
Valerie Jenkins  
Margaret Dennehy  
Larry Barton  
Patrick McIntyre  
John Flaherty

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

### Guests Present:

Barbara Conti  
Fred Winer  
Emily Savaria  
Bill Hickey  
Rob Anderson  
Bob Cannon  
Carol Cormier  
Karen Carpenter

North Middlesex Regional School District  
Tufts Health Plan (THP)  
Tufts Health Plan (THP)  
Harvard Pilgrim Health Care (HPHC)  
Fallon Community Health Plan (FCHP)  
Fallon Community Health Plan (FCHP)  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Chair, Judy Belliveau called the meeting to order at 9:05 a.m.

### Approval of the minutes of the June 2, 2010 meeting:

Larry Barton moved to approve the Steering Committee minutes of the June 2, 2010 meeting.

Valerie Jenkins seconded the motion. John Flaherty abstained.  
The motion passed by majority vote.

Motion

### Treasurer's Report –

Tony Logalbo said that the Uncommitted Fund Balance was negative \$41,242 as of August 31, 2010. He said the fund balance target was \$5.88M. Mr. Logalbo said that the June and July claims were high and said there is one high cost claimant that is lased on the reinsurance policy at \$575K. Mr. Logalbo said that if this trend continues, there may be a 15% or more rate increase for FY12.

### GBS Reports:

*FY10 Funding Rate Analysis by Plan* – Carol Cormier reviewed the Funding Rate Analysis report for FY10 with data through July 2010. Ms. Cormier noted that GBS has not been receiving claims and enrollment data from Fallon since February and therefore there is no Fallon information on the report. Ms. Cormier said that the expense-to-funding ratio was 109.6% based on Harvard Pilgrim and Tufts data only. 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 each year has been a little over \$300K. She said that there are still outstanding subsidy amounts due MNHG for FY10.

Ms. Cormier said that GBS met with high level representatives from Fallon to review the data and report problems in order to get commitments from Fallon to resolve these issues. She said that Fallon would be reporting to GBS on its progress and in the meantime would prepare stop loss reports manually for GBS clients.

Level Monthly Quarterly Accounting Reconciliation for HPHC , 1st quarter– Ms. Cormier said that the July LMD payment to HPHC was higher than the actual costs by \$132,468.

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 July 2010 was \$175,122. She said that the employee savings through July is approximately \$49K.

ERRP Memo of Understanding – Carol Cormier said that GBS had produced and submitted the application for the ERRP. She reviewed the tasks that were involved. She said that GBS is charging all clients a flat fee of \$2,500 for filing the application.

Valerie Jenkins moved to approve the ERRP MOU and one-time fee of \$2,500.

Motion
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John Flaherty seconded the motion. The motion passed by unanimous vote.

Prescription Benefit Services (PBS) Contract Renewal- Carol Cormier said that the PBS Contract will expire on October 31, 2010. She said that PBS is the liaison between the Abacus Group, CanaRx, and MNHG and assists with the myMedicationAdvisor® program. Ms. Cormier said that the proposed renewal is for one year and there are no changes to the terms or fees.

Larry Barton moved to approve the Prescription Benefit Services contract renewal through October 31, 2011.

John Flaherty seconded the motion. The motion passed by unanimous vote.

Motion
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Stop Loss Reports – Ms. Carpenter reviewed the Excess Loss Report for the CY10 policy period. She said that there are three claimants with total paid claims of \$1.07M. Ms. Carpenter said the Aggregating Specific Deductible of \$400K has not been met. She said that there are no reimbursements due MNHG. She said there were fourteen claimants on the report of claims at 50%+ with a paid claims total of approximately \$4.5M.

#### **Senior Plan Rates for CY2011 –**

Carol Cormier reviewed the Medicare Complement Plan (MCP) claims data for CY09 and CY10 and said that there has been a steady decline of enrollment from the MCP into the Tufts Medicare Complement (TMC) plan. Ms. Cormier said that there was an increase in CY10 claims per member over CY09 by 8.0%. Ms. Cormier said that the Tufts claims projection was just slightly higher than the GBS projection. She said that using the Tufts projection and with the proposed administrative charge, GBS management fee and a factor for reinsurance premium added in, the CY11 funding rate proposed was \$410.45. Ms. Cormier said that rate represents a 6.6% increase over the CY10 rate of \$385.

After discussion, Margaret Dennehey made a motion to recommend to the Board the rate of \$405 for the Medicare Complement Plan for CY2011.

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

Motion
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Fallon Senior Plan – Bob Cannon said that the Fallon Senior Plan Premier HMO monthly premium would be increasing to \$267 per member per month for CY2011 (12% increase). Mr. Cannon said that the CY2009 rate was \$238. Mr. Cannon said that changes to the benefits are: the Dental visit co-pay is increasing from \$10 to \$25. He said that there are no other changes. He said that the Annual Wellness Exam co-pay was changed to a \$0 co-pay in 2010 and will remain the same for CY11. He said that Medicare is requiring all Medicare Advantage plans to eliminate the co-pay for the Annual Wellness Exam.

Tufts Medicare Preferred HMO and Medicare Complement Plans - Fred Winer said that the Tufts Medicare Preferred HMO plan premium is increasing to \$242. Mr. Winer said that there are some benefit changes to the TMP HMO benefits for CY11. Mr. Winer said that the TMP HMO and all of the Medicare Advantage plans are eliminating their annual Routine Physical co-pays. Mr. Winer said that another change is that a Smoking

Cessation program will be covered at a \$0 co-pay. He said that was not covered in previous years. Mr. Winer said that the \$150 fitness and \$150 eyewear reimbursement benefits remain the same. He said that Tufts also provides discounts on Acupuncture and Massage at contracting providers.

Regarding the TMC plan, Mr. Winer said that the annual Routine Physical co-pay has been eliminated and said there were no other benefit changes to the TMC plan. He said that the rate would increase from \$358 to \$390.

Mr. Winer said that payments to Medicare Advantage plans will begin to decrease in 2012 and will be used towards health care reform.

Harvard Pilgrim PFFS senior plan - Bill Hickey said that the Harvard Pilgrim Health Care Private-Fee-for-Service (PFFS) plan will be eliminated effective January 1, 2011. Mr. Hickey said that HPHC is expecting to send letters to affected members beginning October 1, 2010. He said that he will send a copy of the letter to Group Benefits Strategies for distribution to MNHG.

**The Affordable Care Act:**

Adult Child Eligibility - Carol Cormier said that at its last meeting the Board voted to make no change in the current eligibility rules until required by law to do so and that the required date for MNHG is June 1, 2011. She said that there has been some discontentment of members in some of the other Joint Purchase Groups and wanted to know if the Board would like to have further discussion.

Judy Belliveau said that there seemed to be some member confusion regarding what a self-funded and fully insured plan was. She said that changing the Tufts and Fallon health plan policies to match the HPHC policy to terminate seniors who graduate in May or June on September 30<sup>th</sup> and those that graduate in December or January to terminate on March 31<sup>st</sup> helped.

Grandfathering - Carol Cormier explained that certain plans are eligible to be Grandfathered under The Affordable Care Act if the plans have not changed since March 23, 2010. Ms. Cormier said that Grandfathered plans are exempt from certain provisions of the Affordable Care Act such as the preventive care cost sharing rule until 2014, but are still subject to others, such as the eligibility of a child to age 26 and the prohibition on annual limits which must be implemented on plan anniversary following September 23, 2010.

Ms. Cormier said that a plan can lose grandfather status in several ways, such as increasing coinsurance, co-pays, and/or deductibles by certain amounts or by reducing the employer premium contribution. Ms. Cormier said there are additional ways to lose the status and said that it may be very difficult to administer in a joint purchase group and could potentially mean the group would have to have a set of grandfathered plans and a set of non-grandfathered plans. She explained further.

Bill Hickey said that it is HPHC's understanding that a single unit would need a separate level of benefits if it violated a prohibition for grandfathering.

Carol Cormier said that MNHG has been encouraging members to move to the Rate Saver plans and said that Grandfathering their plans could limit those efforts.

**Reinsurance Procurement for CY11:**

Carol Cormier said that she would be obtaining quotes for reinsurance for the policy year CY11 and said that the current deductible level is \$225,000 and the current aggregating specific deductible is \$400,000 with a 12 month incurred and a 24-month paid period. Ms. Cormier said that she could ask for quotes with other terms if the Board would like

Tony Logalbo said that in addition to obtaining quotes for a policy with the same terms as the current policy, he would also like the reinsurers to provide alternative quotes that would be 10% lower than the requested quoting scenario.

Carol Cormier said that in addition, the Committee may want to ask for quotes on a policy with a \$250,000 deductible level and aggregating specific deductible of \$400,000.

Valerie Jenkins made a motion to authorized Group Benefits Strategies to obtain reinsurance policy quotes at all of the levels discussed above.

Motion

John Flaherty seconded the motion. The motion was passed by unanimous approval.

### **Health Plan Reports-**

#### *Harvard Pilgrim Health Care (HPHC)-*

Bill Hickey, Account Executive for HPHC, said that he and HPHC are busy keeping up with the health care reform and regulations. He said that HPHC was ranked the number one private health plan for the seventh year by the NCQA (National Committee for Quality Assurance), a non-profit organization dedicated to improving health care quality. Mr. Hickey said that Tufts Health Plan ranked #2 and Fallon was ranked #8. He said that MNHG should be proud that they offer three of the top ten health plans in the country. He said that he would send the announcement to Group Benefits Strategies.

#### *Tufts Health Plan (THP)-*

Emily Savaria, Account Executive for THP said that the health plan reform is a huge undertaking and said that it is a major focus at Tufts right now.

#### *Fallon Community Health Plan (FCHP)-*

Rob Anderson, Account Executive for FCHP, said that health care reform is also a focus at FCHP. Mr. Anderson said that in addition, the FCHP claim reporting is another priority that is taking priority. He said that the systems conversion is working well with the exception of the data storage, reporting, and transferring issue. He said that the new system will help to do more with cost efficiency efforts. Mr. Anderson said that a new wellness initiative involving 12 colleges has begun. He said that it is a walking program, and the colleges designate teams of walkers that compete against each other. Mr. Anderson said that the FCHP dental benefit provider 3<sup>rd</sup> party has not expanded the network as expected and said that the dental benefit will be eliminated on plan anniversaries following January 1, 2011. He said the benefit will remain available to children up to 12 years of age.

Patrick McIntyre asked if MNHG has ever looked at the possibility of offering a dental plan as a group.

Carol Cormier said that a survey was sent out in the past to the MNHG units and it revealed that those units that did offer a dental program, all offered very different plans and programs.

Tony Logalbo said that the Town of Concord offers a contributory plan while most others are voluntary plans.

Carol Cormier said that MNHG could possibly offer both contributory and voluntary dental plans if there were sufficient numbers of enrollees.

Mr. Logalbo asked Ms. Cormier to add this to the Board agenda for a discussion.

Group Benefits Strategies (GBS) Agreement - Carol Cormier said that the MNHG/GBS Agreement is expiring on December 31, 2010 and said that there are no changes to the terms of the 3-year renewal.

Tony Logalbo made a motion to recommend renewing the GBS Contract to the Board.

John Flaherty seconded the motion. The motion was passed by unanimous approval.

Motion

There was no other business.

John Flaherty motioned to adjourn the meeting at 10:20 a.m.

Motion

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

*Prepared by Karen Carpenter  
Group Benefits Strategies*