

# MINUTEMAN NASHOBA HEALTH GROUP

## Steering Committee Meeting

Groton Town Hall  
Groton, Massachusetts

Meeting Minutes

Tuesday, September 23, 2008 at 2:00 p.m.

### Committee Members Present:

Gerald Martin, Chair  
Anthony Logalbo  
Margaret Dennehy  
M. Larry Barton  
John Flaherty  
Pauline Guilmette  
Valerie Jenkins

North Middlesex Regional School District  
Treasurer, MNHG  
Town of Boxborough  
Town of Carlisle  
Concord-Carlisle Regional School District  
Town of Tyngsborough  
Town of Groton

### Guests Present:

Bill Hickey  
Rob Anderson  
Fred Winer  
Emily Chaves  
Dr. Heidi Steinitz  
Carol Cormier  
Karen Carpenter

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

Chair Gerald Martin called the meeting to order at 2:04 p.m.

### Approval of the minutes of the June 11, 2008 meeting:

John Flaherty moved to approve the Steering Committee minutes of the June 11, 2008 meeting.

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

Motion
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### GBS Reports:

Funding Rate Analysis by Plan - Carol Cormier reviewed the Funding Rate Analysis report with data through August. She said the composite expense-to-funding ratio was 0.932 on a paid basis and that funding exceeded expenses by \$476K.

Level Monthly Quarterly Accounting Reconciliation for HPHC – Ms. Cormier said that after the July LMD payment, the Group owed Harvard Pilgrim approximately \$87K in settlement.

MMA Program – Dr. Heidi Steinitz reviewed the *myMedicationAdvisor*® (MMA) report through July 2008. She said the July script numbers are below what they had hoped, but that the savings of \$6,800 are ahead of projections. Dr. Steinitz said she expects the numbers to climb higher with the expanded import program.

Stop Loss Reports – Karen Carpenter reviewed the report of excess claims for the CY08 policy period with claims paid through July 2008. She said that for this year the group has received \$56,041.40 in reinsurance reimbursements and is owed an additional \$120,594. She said that there were 3 claimants with claims between \$112,500K and the specific deductible of \$225K.

### GBS Medicare Part D Retiree Drug Subsidy (RDS) Memorandum of Understanding for FY09:

Carol Cormier reviewed the proposed RDS Memorandum of Understanding for FY09. Ms. Cormier said that the proposed fee has increased by \$1K to \$9K for calendar year 2009.

Carol Cormier told the group that the period end-date that was used when setting up RDS application 70038 was incorrect and that GBS has filed an appeal. Ms. Cormier said if the appeal is denied, the Group would lose two months worth of the subsidy.

Tony Logalbo suggested writing a letter to the Senator since this was a simple administrative error and not an error with the data.

Carol Cormier distributed a spreadsheet showing the RDS receipts from January 2006 through the current date which totaled \$778,471.

Tony Logalbo made a motion to approve the 2009 GBS RDS Memo of Understanding with the increase to \$9K.

Donna Madden seconded the motion. The motion was approved by unanimous vote.

Motion

**Treasurer's Report:**

Treasurer Tony Logalbo reviewed the financial chart and reported a total annual income of approximately \$40M. He reported an Uncommitted Fund Balance of approximately \$5.3M. Mr. Logalbo said he would find out when the CY08 audit draft would be ready.

**Prescription Benefits Services (PBS) Contract Renewal:**

Carol Cormier said that the last PBS contract had expired at the end of October 2007. Ms. Cormier said that PBS has proposed a three-year contract and that the fees listed on Exhibit B did not change. Carol Cormier reminded the Committee that John Sharry, owner of GBS, had sold the PBS company in July.

Tony Logalbo said the name of the Chair needed to be updated with Gerald Martin's name as well as the RX and import information on Exhibit C.

Donna Madden made a motion to approve the renewal of the PBS contract with changes subject to the approval of the MNHG Board.

Motion

John Flaherty seconded the motion. The motion was approved by unanimous vote.

**The Abacus Group proposed programs:**

Dr. Heidi Steinitz said that at the June 11th MNHG Steering Committee meeting she had suggested the possibility of using some of the myMedicationAdvisor (MMA) prescription drug (Rx) incentive money as wellness program incentives for employees. Dr. Steinitz recommended targeting the "at risk" population which could be identified from members' prescription drug use. She reminded the Committee that The Abacus Group receives the electronic prescription drug claims data from the health plans.

Dr. Steinitz said she ran a report of the prescription data for the MNHG, and she said it revealed that sixty percent of the prescription drugs used were to treat diseases of the cardiovascular system. She distributed a MMA Heart Health Program form that a member could bring to his/her physician to fill in results of the member's lab work relating to cholesterol and blood pressure levels and to indicate the member's progress towards lower risk of cardiac events. The member would then turn in the form to The Abacus Group for an incentive bonus.

Tony Logalbo asked how Abacus would verify that the physician filled out the form.

Dr. Heidi Steinitz said that a verification section could be added to the form and the physician would need to fill in specific information such as their physician number.

Larry Barton asked if any of the health plan providers' wellness programs could be integrated with the information listed on the forms. Mr. Barton said that he would like to see a follow up to the form to be sure that the members are following the recommendations made by their physicians.

Bill Hickey said that the wellness programs offered by Harvard Pilgrim are not outreach programs. He said they are volunteer-based programs.

Larry Barton asked if Dr. Steinitz would come up with a few incentive programs that would integrate with each other.

Carol Cormier suggested that the group set up a meeting to hold a "summit on wellness" and come up with a plan of action. Ms. Cormier said that the group has been talking for some time about establishing some type of wellness program but has had difficulty in moving forward.

Gerry Martin told Dr. Steinitz that the Steering Committee would re-group to discuss the programs of interest.

Carol Cormier asked Dr. Steinitz if she would run a report to determine the top three health risk categories for MNHG.

Dr. Heidi Steinitz distributed examples of the Good Health Gateway incentive programs available through The Abacus Group for consideration and said they could be tailored to suit their needs.

**Fallon Senior Plan Renewal:**

Carol Cormier said the Fallon Senior Plan renewal for FY09 indicated a 2.9 percent rate increase to \$213 per member per month.

Gerry Martin asked Carol Cormier to add the Fallon Senior Plan renewal to the October 1<sup>st</sup> Board Meeting Agenda for approval.

**Tufts Health Plan:**

Fred Winer said there would be an overall increase of approximately 7.1 percent to the Tufts Retiree Health Plan rates. He said there has not been an increase in premiums over the last three years. Mr. Winer said the rates for the Tufts Medicare Preferred HMO would increase to \$164, Medicare Preferred PFFS to \$182 and Tufts Medicare Complement plan would increase to \$326.

Mr. Winer said there are increased benefit changes to the Medicare Preferred PFFS and Medicare Preferred HMO plans. He said the vision allowance has increased from \$69 to \$150 and that the Fitness Benefit no longer has a waiting period of reimbursement.

Mr. Winer said there is a new pharmacy option proposal available. He said for an additional premium cost of \$7 per member per month the prescription tiers could be reduced to \$10/\$20/\$35 instead of the current tiers of \$10/\$25/\$50.

Carol Cormier said she had received the rate projections for the Medicare Complement Plan (MCP) from Tufts but that the GBS projections had not yet been done. She said the Tufts' projections were below current levels. She would bring the GBS rate projections and Tufts projections to the October Board Meeting for the MCP plan.

**Proposed Optional Menu of "Rate Saver" Plans:**

Carol Cormier said the Steering Committee had asked the health plans for examples of "rate saver" plan designs at rates 10 to 15 percent lower than the regular plan rates. Ms. Cormier said other groups allow employers flexibility in that they may offer all of the plans, just the standard plans, or just the "rate saver plans at each employer's discretion.

Ms. Cormier said the WSHG rate saver plans were on average 10% lower actuarially than the standard or legacy plans but that the WSHG decided to discount the Rate Saver plans an additional 5% so that the difference in rates between a standard EPO and its Rate Saver counterpart was 15%. She said the WSHG did this to create incentives to employees to join accept Rate Saver plans.

Ms. Cormier said that each employer will have a different view of offering the “Rate Saver” plans largely depending on their unit’s contribution rate. She said the contribution strategy paying a fixed amount or percentage to the lowest cost comprehensive plan and equal dollar to all others is the contribution strategy that makes the most sense.

Bill Hickey said Harvard Pilgrim as an employer has had five years of experience with “Rate Saver” type of plans. He said there was a 10 percent migration during the first year, 20 percent the second year and they now have 60 percent of HPHC employees on the plans. Mr. Hickey also said there was only six percent participation in the Flexible Spending Accounts when they first came out, but there is now seventy percent participation.

Pauline Guilmette asked if the “Rate Saver” plans would need to be brought to the unions.

Ms. Cormier said the unions would need to be notified in writing and offered the opportunity to bargain over the addition of new plans or replacement of old plans with the new plans. Ms. Cormier also said that the Joint Purchase Agreement would require a language change.

There was a discussion on whether to offer one or three “Rate Saver” plans.

Tony Logalbo said the Steering Committee was not ready to make a decision and asked to bring this discussion to the Board on October 1<sup>st</sup>. He said a decision would be made to offer none, all, or one of the “Rate Saver” plans, how the rates should be set, and if each employer would have the ability to offer any or all of the plans.

**Other Business:**

There was no other business.

Tony Logalbo motioned to adjourn the meeting at approximately 4:07 P.M.

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

*Prepared by Karen Carpenter  
Group Benefits Strategies*