

MINUTEMAN NASHOBA HEALTH GROUP

Steering Committee Meeting

Bolton Public Library
Bolton, Massachusetts

Meeting Minutes

Wednesday, January 29, 2014 at 10:00 a.m.

Steering Committee Members Present:

Donna Madden, Chair
Tony Logalbo
Melisa Doig
Margaret Dennehy
Lorraine Leonard
John Flaherty
Larry Barton
Patrick McIntyre

Town of Bolton
Town of Concord
Town of Ayer
Town of Boxborough
Town of Harvard
Concord-Carlisle RSD
Town of Carlisle
Town of Clinton

Guests Present:

Michael Hartnett
Bill Hickey
Jason Fortin
Erin Hayes
Fred Winer
Carol Cormier

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

Chair, Donna Madden, called the meeting to order at 10:06 a.m.

Approval of the minutes of the December 4, 2013 meeting:

John Flaherty moved to approve the Steering Committee minutes of the December 4, 2013 meeting.

Larry Barton seconded the motion. The motion passed by unanimous vote.

Motion

Wellness Committee Report:

Melisa Doig, Wellness Committee member, said that the Committee reviewed three responses to the RFP for a Wellness Coordinator. She said two respondents were companies and that their responses were not complete. She said the third respondent was a woman who has performed the requested services for employers in Florida. Ms. Doig said that the Committee is recommending Marcy Morrison. Ms. Doig said the Committee hopes that Ms. Morrison can be introduced to the Board at the Feb. 6th meeting.

Donna Madden said that she thanks Robert Pontbriand, Ayer Town Administrator, for his work on the RFP and throughout the process.

GBS Reports:

Carol Cormier said that she had checks totaling almost \$300,000 in reinsurance reimbursements for CY13 from National Union Fire which she turned over to Treasurer Tony Logalbo.

Ms. Cormier reviewed the Funding Rate Analysis with data through December 2013 and said the expense-to-funding ratio was 95.0%. She reviewed the Level Monthly Funding Quarterly Reconciliation report and said that MNHG owes Harvard Pilgrim \$505,605 for the last quarter.

Ms. Cormier reviewed the CY12 reinsurance reports. She said that the Excess Report was complete. She said there was \$691,304 in claims over the specific deductible of \$275K. She said the MNHG received \$240,093 in reimbursements after meeting the \$450K Aggregating Specific Deductible. She said \$1,211 in claims was denied as being experimental RX.

Ms. Cormier reviewed the CY13 reinsurance reports, noting excess claims of \$1,560,806 through December. She said that the \$450K ASD has been met and there are outstanding reimbursements due of \$1,110, 805. She said that the reinsurance checks totalling close to \$300K that she gave Mr. Logalbo were part of that amount owed to MNHG.

Treasurer's Report:

Tony Logalbo reviewed the Balance Sheet of December 31, 2013 (unaudited). He noted an uncommitted Fund Balance of \$9,700,407, which he said was \$5 million above the Fund Balance target as set by policy. Mr. Logalbo said that his report does not reflect the \$1.1 million that is due to the MNHG in reinsurance reimbursements.

Multi-Level Reinsurance Pooling Arrangement (MLRPA update:

Carol Cormier said that both CCMHG and WSHG Steering Committees voted unanimously to recommend the MLRPA to their Boards. She said that CCMHG Board would vote on the MLRPA at its meeting tomorrow. She said that the Boards must approve joining the MLRPA and approve the Governance Document.

FY15 Health Plan Rates:

Larry Barton asked Tony Logalbo about historic use of the Fund Balance.

Mr. Logalbo said that this year the group expected to use \$1 million from Fund Balance but instead, the Fund Balance has been growing. He said that the amount of Fund Balance over target is about \$5M and with the new reinsurance reimbursements expected, that could bring it to \$6M.

Carol Cormier reviewed the rate development exhibits showing independent projections of claims by the health plans and by GBS. She reviewed the health plans proposed administrative fees noting that although Fallon's was a 4% increase, it was guaranteed for two years. Ms. Cormier reviewed the estimated expenses for items that were not built into the rates, including the claims and administrative expenses of the alternative prescription drug programs and Diabetes Rewards program and new government fees. Ms. Cormier reviewed the full-funding Scenarios using GBS projections (composite funding increase of 0.6%) and using health plan projections (composite increase of 0.06%). She reviewed four funding scenarios in which fund balance was applied to lower rates. The Scenarios were as follows:

- Scenario A: Full funding using GBS claims projections;
- Scenario B: Full-funding using Carrier claims projections;
- Scenario C: Based on Scenario B but \$2.2 million of Fund Balance at risk
- Scenario D: Same as Scenario C but with rates rounded to the nearest whole dollar;
- Scenario E: Based on Scenario B but with \$1.77 million of Fund Balance at risk;
- Scenario F: Based on Scenario B with \$1.77 million of Fund Balance at risk and with uniform 4.5% rate *decrease* for all HMO plans and rate holds for PPO and POS plans.

There was a discussion of the Fund Balance targeted amount and the recent amendment to the policy stating that if there is excess fund balance above the target, the group may apply only up to 50% of the excess amount to lower rates.

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Tony Logalbo said it is difficult to understand what might be coming down the road, especially with full implementation of the Affordable Care Act.

Larry Barton said he favored Scenario E with the composite rate decrease of 4.5%. He said he liked the fact that this scenario does not homogenize the rate increases.

Lorraine Leonard said she favored Scenario D which expects to use \$2.2M from Fund Balance. She said that with the estimated \$800K in expenses not built into the rates that would bring the expected use of Fund Balance to \$3M. She said that this scenario would be using about 50% of the excess fund balance taking into account the expected \$1.1M in reinsurance reimbursements.

Tony Logalbo said tha the policy says the group is supposed to project where it will end the year financially which would be May 2015. He said trend is always going up.

Mike Hartnett said that money saved in the lower rates could be directed by the towns to OPEB funding.

Donna Madden said she favors Scenario E.

Larry said he is concerned about a big rate increase in the following year if they get too aggressive with the rates.

Patrick McIntyre said he favored Scenario D and thinks it is in line with the MNHG policy.

There was further discussion.

Patrick McIntyre moved to recommend Scenario D to the Board.

Motion

Lorraine Leonard seconded the motion. The motion passed by unanimous vote.

Nominating Committee Report:

Tony Logalbo reviewed the slate that the Committee will recommend to the full Board on February 6th. He said that the Committee recommends Donna Madden as Chair; Margaret Dennehy as Vice Chair until May 31st or her retirement, whichever comes later; and Tony Logalbo as Treasurer. He said that the Committee recommends the current eight Steering Committee members to continue serving in CY13 and to fill the vacancy left by Suzanne Loverin with Kerry Colburn-Dion from Tyngsborough.

Health Plan Reports:

Fallon - Jason Fortin said he looks forward to working with MNHG for another year. He said the senior plan services are ramping up. He mentioned the Healthy Health Plan and talked a bit about that program. It was agreed that Fallon will make a presentation on this plan to MNHG in the near future.

Tufts Senior plans – Fred Winer said that Open Enrollment for Senior Plans went well. He noted that Tufts senior plan membership statewide is growing.

Harvard Pilgrim – Bill Hickey said that HPHC continues to re-tool for the Affordable Care Act (ACA) requirements. He said the 2.4% increase to the administrative fees is the result of ACA re-tooling. He said HPHC is in an expansion mode and has a growing presence in Maine as well as in Connecticut. He said HPHC also has wellness programs with different tools to offer.

Tufts Health Plan – Erin Hayes said the Fitness benefit is expanding to cover classes in yoga, spinning and other activities. She said they are re-branding their wellness program, calling it the “Momentum Plan”. She said that Tufts is providing health coaches and lifting limits and bans. She said she would like to talk with MNHG about

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this program. She said that Tufts has partnered with FitBits and will be offering the FitBits wrist bracelets at reduced prices. Ms. Hayes also mentioned a new partnership with Daily Endorphins which is a web tool for intramural or town-against-town competitions.

Other Business:

Tony Logablo distributed the FY13 audited financial statements and the management letter.

Donna Madden said that the Board meeting will be on Feb. 6 at 10 AM at Bolton Public Library.

Margaret Dennehy asked how the Affordable Care Act will affect the on-call firefighters covered without employer contribution on municipal health plans.

Carol Cormier said she thinks it likely that the on-call personnel will find the cost of coverage on the MA Health Connector exchange to be more affordable than the municipal employer's coverages and that they may qualify for subsidies as well.

Larry Barton moved to adjourn the meeting.

Motion

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

Donna Madden adjourned the meeting at 11:35 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*