

Minuteman Nashoba Health Group

Steering Committee Meeting

Tuesday, October 5, 2016 at 1:00 PM

Groton Center Fire Station
Groton, MA

Meeting Minutes

Committee and Alternate Members Present:

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| Donna Madden, Chair | Town of Bolton |
| Patrick McIntyre, Vice Chair | Town of Boxborough |
| Anthony Logalbo, Treasurer | Town of Concord |
| Melisa Doig | Town of Groton |
| Beverly Beno | CASE Collaborative |
| Kevin Johnston | Town of Ayer |
| Kerry Colburn-Dion | Town of Carlisle |

Guests Present:

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| Kerry LaFleur | Town of Concord |
| Sean O'Brien | Town of Concord |
| Nancy Haines | North Middlesex RSD |
| Jason Fortin | Fallon Health |
| Bob Cannon | Fallon Health |
| Erin Hayes | Tufts Health Plan |
| Fred Winer | Tufts Health Plan |
| Bill Hickey | Harvard Pilgrim Health Care |
| Carol Cormier | Group Benefits Strategies |
| Karen Carpenter | Group Benefits Strategies |

Donna Madden, Board Chair, called the meeting to order at 1:05 PM.

Approval of the minutes of February 9, 2016:

Patrick McIntyre moved approval of the Steering Committee minutes of February 9, 2016 as written.

Motion

Melisa Doig seconded the motion. The motion passed by a unanimous vote.

Wellness Committee Report –

Donna Madden said she attended a Worksite Wellness meeting and that Marcy Morrison and the Wellness Committee are looking at a Weight Watchers program and utilizing phone vendors to promote wellness. She said that the alternative programs will help to address the issue of being able to promote programs across all of the MNHG units. Ms. Madden said that Marcy Morrison will give additional information at the next Board meeting.

GBS reports:

Funding Rate Analysis Report (FRA) - Carol Cormier reviewed the *FRA* FY17 report with data through August 31, 2016. She said the expense-to-funding ratio on a paid claims basis was 104.0% with a funding shortfall of \$408,594. She noted that the Tufts and Fallon EPO's and HPHC PPO plans were underfunded and that HPHC was doing well.

Ms. Cormier reviewed the FY17 *Level Monthly Deposit* report with data for July and August and said the expenses exceeded deposits by \$72,784.

Ms. Cormier noted that there were no updates to the stop loss reports since the September meeting.

Kerry Colburn-Dion joined the meeting.

Senior Plan Rates for CY17:

Carol Cormier said MNHG offers three fully insured plans to its Medicare eligible retirees. She said the increases were expected and are due to the rising cost of prescription drugs (Rx). Ms. Cormier asked each of the health plan representatives to present the renewals.

Tufts Senior Plans – Fred Winer said the Tufts Medicare Preferred Supplement PDP plan premium would be going from \$376 to \$397, a 5.6% increase. He said the Tufts Medicare Preferred HMO, a Medicare Advantage plan (Medicare Part C), plan would be going from \$267 to \$296, an 11% increase. Mr. Winer said the increases are attributable to a reduced funding by CMS to EGWP plans, and CMS waiving the Medicare Part C bidding requirement. He said this results in a \$19 increase per member per month. Mr. Winer said the other contributing factor is, as Ms. Cormier stated, increasing Rx trends over the past 3 years, which resulted in a \$10 increase per member per month. Mr. Winer noted that specialty drugs costs have increased by 60%.

Fallon Senior Plan – Bob Cannon reviewed the Fallon Senior Plan renewal and said the premium will be increasing from \$310 to \$338 per month, a 9% increase. He said the increases are due to the reasons explained by Mr. Winer. Mr. Cannon said Fallon Health increased some of the co-pays so that the rate increase would not be higher than 9%. He said the In-patient co-pay is increasing to \$250 per hospital stay, the Out-Patient surgery co-pay is increasing to \$125 and for days 1-10 in a Skilled Nursing Facility there will be a \$20 per day copay. Mr. Cannon said the Medicare Part D catastrophic limits increased as well, per CMS. He noted that by the year 2020, the donut hole will be eliminated and reimbursements to insurance companies are decreasing.

Carol Cormier said that Scantic Valley Regional Health Trust (SVRHT) has asked her to draft a letter to the legislators asking them to regulate the pricing of drugs and stop direct to consumer drug advertising. She said the SVRHT Board Chair is inviting other Joint Purchase Groups to add their names to the letter.

The Steering Committee agreed that MNHG should be added to the letter.

Tony Logalbo joined the meeting.

Treasurer's Report:

Treasurer Tony Logalbo said he will have the September report for the Board meeting. Regarding the FY16 audit, Mr. Logalbo said the final information has been provided to the auditor and he hopes to be able to schedule the exit interview towards the end of October.

Cost containment concepts for FY18:

Carol Cormier reviewed a proposed plan for managing health benefit costs for FY18 and beyond and noted the Steering Committee agreed at the last meeting to further pursue the options. Ms. Cormier said the first option, updating the MNHG plans to the current GIC benchmark plan design level, either for 6/1/17 or 6/1/18, will not provide a lot of savings. She said Fallon estimates a savings of about 3%, while Tufts is projecting a savings of 2.3%. Ms. Cormier noted she is expecting to receive the estimated savings from HPHC soon. She reviewed the expected claims decrements for each plan design change and said if MNHG wants to do this for June 1, 2017, it will need to take a vote this October.

Ms. Cormier said the second option is adding Health Savings Account (HSA)-qualified high deductible plans and allowing employers to decide if they want to offer just the benchmark plans, both types of plans, or only the HSA-qualified plans. Ms. Cormier said two other Joint Purchasing Groups are adding these plans as an option for July 1, 2017 and both groups are requiring a contribution by employers of 50% of the deductible into the employee's HRA account. She said the pricing is based on a 50%-of-deductible contribution to the account.

There was a discussion about the options and what changes, if any, the Committee would like to propose.

It was the consensus of the majority of the Steering Committee that they would prefer to wait until June 1, 2018 to take action on both options and to wait to see what direction or changes that the new GIC Executive Director implements.

Donna Madden noted that 3 units of MNHG were not represented at today's meeting.

After further discussion, Tony Logalbo made a motion to recommend to the Board to make no changes for FY17.

Motion

Melisa Doig seconded the motion. The motion passed by a majority vote, with one opposed.

Tony Logalbo made a motion to recommend to the Board to make plan design changes up to the level of the GIC plans and to add a High Deductible HSA-qualified plans with a mandatory employer contribution of 50% of the deductible to the employee's HSA plan on June 1, 2018.

Motion

Melisa Doig seconded the motion. The motion passed by a majority vote, with one abstention.

Carol Cormier said she thinks there is opportunity for savings with the Teladoc programs, but said there needs to be an incentive to increase utilization.

Bill Hickey said that education and marketing is needed to increase participation in telehealth programs like Doctor on Demand which HPHC offers. He said the incentive is a lower co-pay. He said that HPHC promotes the plan on its webpage and member materials are located there as well.

Jason Fortin said that Fallon Health has the flexibility to eliminate the Teladoc co-pay and once he has more information about the new program, he will bring it to the group. He said there is an administrative fee per subscriber.

Erin Hayes said that Tufts Health does not currently have a telehealth program, but said a commercial client has independent service with Tufts, who administers the claims. She said they have a \$0 co-pay and saw a utilization of 500%.

Bill Hickey explained how the telehealth programs work in general.

Carol Cormier said another item on the cost containment list is an independent enrollment audit. She said she is not suggesting that MNHG do another independent audit as a group, but said each employer could do one on its own now that MNHG has done the groupwide audit.

Donna Madden said she has been very strict with obtaining the proper eligibility documents since the audit, so she said she might opt out of another audit.

The Steering Committee agreed that a group audit is the way to go and said that April would be a good time of the year to do it.

Bob Cannon suggested adding Medicare eligible retirees under 65 on the active plans as part of the audit.

Donna Madden asked to add this item to the next agenda.

Health Plan reports:

Harvard Pilgrim – Bill Hickey said he did not have anything new to report.

Fallon Health – Jason Fortin said he did not have anything to add.

Tufts Senior plans - Fred Winer said that Tufts Health Plan did not reach an agreement with certain Steward physicians and the contracts expired. He said there are 11 MNHG members that will need to move from the Medicare HMO plan or switch physicians by January 1st. He said that Tufts will be contacting each member affected. He said this does not pertain to the Tufts Medicare Supplement plan, only to the Tufts Medicare Preferred HMO.

Other Business:

There was no other business.

Patrick McIntyre moved to adjourn the meeting.

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| Motion |
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Melisa Doig seconded the motion. The motion passed by unanimous vote.

Donna Madden adjourned the meeting at 2:20 PM.