

# MINUTEMAN NASHOBA HEALTH GROUP

## Steering Committee Meeting

Clinton Town Hall  
Clinton, Massachusetts

Meeting Minutes

Monday, December 10, 2012 at 2:00 p.m.

### Steering Committee Members Present:

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

Town of Bolton  
Town of Groton  
Town of Concord  
Town of Clinton  
Town of Boxborough  
Town of Ayer  
Town of Harvard  
Town of Carlisle

### Guests Present:

Bill Hickey  
Fred Winer  
Erin Hayes  
Jim Delisle  
Rob Anderson  
Jason Fortin  
Joe Anderson  
Carol Cormier  
Karen Carpenter

Harvard Pilgrim Health Care (HPHC)  
Tufts Health Plan (THP)  
Tufts Health Plan (THP)  
Tufts Health Plan (THP)  
Fallon Community Health Plan (FCHP)  
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Group Benefits Strategies (GBS)  
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Chair, Donna Madden, called the meeting to order at 2:03 p.m. and asked everyone to introduce themselves.

Jim Delisle introduced Erin Hayes and said that she has been assigned as MNHG's Account Manager for the Tufts active plans.

### Approval of the minutes of the September 27, 2012 meeting:

Lorraine Leonard moved to approve the minutes of the September 27, 2012 meeting.

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

### GBS Reports:

Carol Cormier, GBS, reviewed the Funding Rate Analysis Report with data through October, 2012 for fiscal year 2013. She said the expense-to-funding ratio through May was 93.1%. Ms. Cormier reviewed the HPHC Level Monthly Deposit reconciliation and said that the data mistake on the last report has been corrected. She said that beginning December 1, 2012, the new HPHC deposit is \$1.026M, down from \$1.28M.

Rob Anderson, FCHP Account Executive, asked if MNHG would prefer to pay a level monthly deposit for FCHP.

Carol Cormier said that she will ask Tony Logalbo, the MNHG Treasurer, when he arrives.

Stop Loss Reports- Karen Carpenter reviewed the Stop Loss reports for CY11. She said that there were 3 claimants exceeding the \$250K stop loss deductible with total excess claims of \$265,461. She said there were no reimbursements due to MNHG because the \$400K Aggregating Specific Deductible had not been met. Ms.

Carpenter said that there was one claimant with claims exceeding the CY12 Stop Loss Specific Deductible of \$275K with a total paid claims of \$660,634. She said that the \$450K Aggregating Specific Deductible has not yet been met.

**Reinsurance proposals for CY13:**

Carol Cormier said that due to the lack of responses from reinsurance carriers to quote on municipal business, the Board voted to seek quotes from Gallagher Insurance Benefits Services and from the incumbent broker only. She said that the Board requested quotes for a policy with the same specifications as the CY12 policy as well as requesting alternative quotes.

Ms. Cormier reviewed the quotes received and said that the quote received from Berkley Life was 15.9% higher overall than the current rates, whereas Gallagher secured rates from Medical Excess on behalf of National Fire Insurance that are 2.08% higher than the current rates. Ms. Cormier noted the brokers commission differences. Ms. Cormier said that GBS has had good experience dealing with National Union Fire.

Tony Logalbo joined the meeting.

The Committee discussed the differences between the reinsurance quotes.

Valerie Jenkins made a motion to accept Quote #1 from Gallagher Ins. Benefits Services and National Union Fire with rates of \$6.76 for individual contracts and \$21.29 for family contracts, keeping the same specifications as last year.

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

**Update on Dependent Eligibility Audit:**

Carol Cormier said that Enrollment Audit solutions (EAS) continued to process documents received through December 7<sup>th</sup> and said that the final report should be ready at the next Board meeting. She said that 3,299 dependents were found to be eligible, 140 had status changes, 12 were found ineligible, subscribers voluntarily requested removal of 46 dependents, 13 were found “at risk”, and 48 family plan subscribers have not responded.

Ms. Cormier said that the employers will be receiving a final report of those dependents found ineligible soon.

**Treasurer’s Report:**

Treasurer Tony Logalbo reviewed the financial statements of November 30, 2012 (unaudited figures). He reported a fund balance of \$7,743,248 and surplus over the fund balance target of \$2.7M at the end of November 2012. Mr. Logalbo said that he expects the target to level off or to rise slightly.

**Health Plan Reports:**

*Harvard Pilgrim Health Care (HPHC)* - Bill Hickey said that HPHC is continuing to implement new processes to accommodate the changes brought about by the Affordable Care Act and new Mass. legislation.

*Tufts Health Plan (THP)* – Jim Delisle said that THP is actively focused on limited and tiered network product development. He said that UMass Hospital has dropped down from the third to the second network tier.

Fred Winer, Account Executive for the Tufts senior plans said that he did not have anything new to report

*Fallon Community Health Plan (FCHP)* - Rob Anderson said that FCHP is continuing its focus on high cost providers. He said to let him know if the Board would like the Fallon Medical Director to speak at one of the next meetings. Mr. Anderson said that FCHP continues to promote its Steward Limited Network Plan and said that he

would like to submit a proposal in January for the Board to consider for FY14. He said that the rates for the Steward network plan are 20% below the SelectCare rates and have the same benefits.

**Other Business:**

There was a discussion about the FY14 rate projections and when the health plans would have the projections available.

Valerie Jenkins said that an employee with the Town of Groton has a dependent that was diagnosed with Autism. She said that the MNHG Board voted not to add the state mandate to expand the autism benefits because it was thought that the schools would provide this benefit. Ms. Jenkins said that the health plan has denied coverage because the treatments are developmental and not medical. Ms. Jenkins said that she recommended to the employee to contact the school system.

Donna Madden said that there is a Town of Bolton retiree on the Fallon Senior Plan that says he is being charged for Part D. She said the retiree was told by Medicare that they need to be reimbursed by Fallon.

Fred Winer said that he believes the retiree is being probably charged the high income federal tax on Part D coverage.

The next MNHG Steering Committee Meeting was scheduled for January 25, 2013, and the next Board Meeting was scheduled for January 31, 2013, both to be held at the Bolton Public Library at 10:00 AM.

Donna Madden said that she and Tony Logalbo attended the GBS Reinsurance Workshop and said that the workshop included a suggestion to create a reinsurance pooling arrangement across joint purchase groups. She said that GBS is working with Gallagher Insurance Benefits Services, who presented the information. Ms. Madden said that the meeting was very interesting and said that the arrangement is complex and would require fund management.

Carol Cormier said that Gallagher Insurance Benefits Services would be happy to do a presentation for MNHG.

There was no further business.

Patrick McIntyre moved to adjourn the meeting.

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

Chair Donna Madden adjourned the meeting at 3:05 PM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*