

# MINUTEMAN NASHOBA HEALTH GROUP

## Steering Committee Meeting

Groton Town Hall  
Groton, Massachusetts

Meeting Minutes

Wednesday, December 18, 2008 at 2:00 p.m.

### Committee Members Present:

Gerald Martin, Chair  
Anthony Logalbo  
M. Larry Barton  
John Flaherty  
Valerie Jenkins  
Donna Madden  
Judy Belliveau

North Middlesex Regional School District  
Treasurer, MNHG  
Town of Carlisle  
Concord-Carlisle Regional School District  
Town of Groton  
Town of Bolton  
Lincoln-Sudbury Regional School District

### Guests Present:

Fred Winer  
James Delisle  
Carol Cormier  
Karen Carpenter

Tufts Health Plan (THP)  
Tufts Health Plan (THP)  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Chair Gerald Martin called the meeting to order at 2:06 p.m.

### Approval of the minutes of the September 23, 2008 meeting:

Larry Barton moved to approve the Steering Committee minutes of the September 23, 2008 meeting.

Donna Madden seconded the motion. The motion passed by unanimous approval.

Motion
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### Reinsurance Quotes for CY09:

Carol Cormier distributed spreadsheets displaying the quotes received in response to the Reinsurance Request for Proposals for CY09. She reviewed the ten quotes received. Ms. Cormier said that two quotes were received from American Stop Loss (ASL)/HCC Life Insurance and two from Cook & Company/Federal Insurance Co. and that they were firm quotes. Carol Cormier said six quotes were received from Stop Loss Insurance Brokers (SLIB)/Federal Insurance Co. and that they were contingent upon receipt of additional information on one of the claimants. Ms. Cormier noted that HCC Life Insurance Company manages its own underwriting and claims adjudication.

Larry Barton asked if any of the relationships between the brokers, insurance companies and underwriters cause issues with getting the claims adjudicated.

Carol Cormier said that she was not aware of any issues with any of the relationships. Ms. Cormier said that Jack Sharry has stated that Cook & Company, Federal Insurance and Greenwood International Services have done very well working with other GBS clients.

Carol Cormier said she asked the brokers to submit quotes with a \$225K deductible and a \$100 ASD and a policy term of 12/18 which is the same as the current MNHG reinsurance policy. Ms. Cormier said a number of the quotes received had higher ASD's and some claimants had been lasered, i.e. covered at a higher specific deductible than the policy's general specific deductible.

Judy Belliveau joined the meeting at this time.

Ms. Cormier reviewed the CY09 Reinsurance Exposure worksheet on the quotes received and said that the only costs that are known exposures are the annual premiums and the ASD's.

Ms. Cormier said that two quotes were submitted by ASL/HCC Life Insurance Co., one with no lasers and one quote with a straight laser of \$475K and a second \$450K contingency laser.

Ms Cormier said that Cook & Company/Federal Insurance Co. submitted two quotes and that one of the quotes had a \$275K laser. She said that the second quote was an interesting quote in that that Federal Insurance would pay the first \$300K in claims after the ASD and then MNHG would pay the next \$400K. Ms. Cormier said that Federal Insurance would then pay all claims after that.

Larry Barton asked if the diseases of a particular lasered claimant was known.

Carol Cormier said that it was known and said that the disease was rare and the onset of the illness was later in the life of the individual noting that the illness could go on.

Ms. Cormier said that she had discussions with Jack Sharry and Karen Carpenter about lasered claimants on other policies and said that they both found that often those lasered never materialized. Ms. Cormier said she could not say whether that would be the case with these quotes.

Ms. Cormier said that the quotes received by ASL and Cook & Company were firm quotes and said that the six quotes received by SLIB were contingent on obtaining additional information on the lasered claimant. Ms. Cormier also said that SLIB had revised their quotes several times. Ms. Cormier said that Quote #6 was the best quote out of the six quotes submitted by SLIB.

Carol Cormier said that out of the four firm quotes that Quotes #2 and #4 looked to have the lowest maximum exposure.

Tony Logalbo asked Carol Cormier to explain Quote #4 from Cook & Company again.

There was a discussion.

John Flaherty said that he thought Quote #2 would be the better of the quotes since the laser on Quote #2 would be specific to one individual that might not materialize and the \$400K on Quote #4 would be spread over all claimants and would be a definite exposure.

Tony Logalbo added that the premiums on Quote #2 with ASL were very modest and those would need to be built into the health plan rates. Mr. Logalbo asked Carol Cormier how the \$400K on Quote #4 would be built into the rates.

Ms. Cormier suggested adding at least half of the \$400K into the rates.

Larry Barton said he thought they should look at the rates with the full \$474K and then subsidize them.

Tony Logalbo said he was most comfortable with Quote #2 from ASL. The Committee agreed.

Judy Belliveau made a motion to accept Quote # 2 from ASL/HCC Insurance as proposed provided the quote was firm as quoted.

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

**Proposed changes to the Joint Purchase Agreement (JPA), Article 13.A:**

Carol Cormier reviewed the draft of the proposed language to the total participation requirement. Ms. Cormier said that the new language would require participating governmental units to offer to employees at least one Exclusive Provider Organization (EPO) from each health plan provider organization with which the Group contracts. Ms. Cormier said that with Fallon, it is agreed that both the Direct and Select plan would be offered.

Ms. Cormier said that the new language would allow each governmental unit to add one, all or none to the new Rate Saver health plan offerings.

Larry Barton asked if the language in the labor agreements could be written to allow periodic co-pay increases to the Rate Saver plans as necessary to align with the GIC plans.

Carol Cormier said she thought co-insurance percentages would work better but said that they are difficult for the health plans to administer.

Tony Logalbo asked what is going to be accomplished by adding Rate Saver plans if they would not keep up with the periodic changes that are made to the GIC plans?

Larry Barton said that the Rate Savers are similar to the GIC plans and would give employees another option. Mr. Barton said if the GIC changes their plan design and co-pays in the future that MNHG can look at modifying the Rate Saver plans but will have to bargain in those changes.

Carol Cormier said that the new language also allows each unit to add the Rate Saver plans in any year and does not require a set date. Ms. Cormier said that those units who are not ready to add the plans at this time will have the option to do so at a later date.

Tony Logalbo asked if the language in the labor agreements could read that these plans will only be offered as long as MNHG offers them.

Carol Cormier suggested asking a labor attorney to attend the next MNHG Steering Committee meeting.

There was a discussion about which labor attorney should be invited.

The Committee asked Carol Cormier to ask Joe Bartulis if he would attend the MNHG Steering Committee meeting of January 28, 2009.

Judy Belliveau said that she would send Mr. Bartulis's contact information to Carol Cormier.

The Committee asked Carol Cormier to resend the language for the standard agreement for bargaining to the Committee.

Valerie Jenkins made a motion to accept the proposed language changes to the JPA.

Motion

Donna Madden seconded the motion. The motion passed by unanimous approval.

Carol Cormier said that the Rate Saver comparison charts had been sent to and approved by the health plans.

Tony Logalbo made a motion to authorize the distribution of the Rate Saver comparison charts to begin talks with unions and the IAC.

Motion

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

Tony Logalbo asked that the estimated decrements to claims and the word "draft" on the comparison charts be removed prior to distribution.

**Wellness:**

Carol Cormier said that she thought Maggie Downey's presentation at the Board meeting was very informative with several good ideas on how MNHG could begin to get a Wellness Program started.

Larry Barton said that he met with Heidi Steinitz from The Abacus Group and about wellness programs and what Abacus could provide. Mr. Barton said the program that Heidi recommended would target diabetic MNHG members. Mr. Barton said that free diabetic supplies would be given as incentives when the member fulfilled the testing requirements during medical office visits.

Mr. Barton distributed the Abacus handout of the program to the Steering Committee. Mr. Barton said that he thinks Ms. Steinitz ultimate objective is acquiring additional business for the Abacus Group and said that the \$1.15 per subscriber cost seemed high to him.

Mr. Barton said he wasn't sure that the MNHG was large enough to support hiring a wellness coordinator.

Carol Cormier said that four or five employers in the Scantic Valley Regional Health Trust (SVRHT) have a state tobacco grant and that through that program had applied and received a Wellness grant which covers the cost of a wellness coordinator. Ms. Cormier said that MNHG could consider applying for a grant.

Larry Barton asked who could be designated to organize a grant program.

Carol Cormier said that she asked the health plans to provide utilization reports on members with diabetic-related admissions. Ms. Cormier said that Tufts has responded that they will be able to provide the report. Ms. Cormier said that Fallon will get back to her on their capability to provide this type of report. Ms. Cormier said that targeting members with chronic illness is probably the best place to start.

Judy Belliveau said that the Town of Sudbury is seriously looking at going with the GIC. Ms. Belliveau said that a wellness program is needed to help to lower claims costs.

Larry Barton said that the GIC does not currently offer any type of wellness programs.

Valerie Jenkins said that she had heard talk about a possible threat of withholding local aid if employers do not move to the GIC.

There was a discussion about Chapter 32B and contribution rates.

Valerie Jenkins said that Elizabeth Currier mentioned that she would be interested in joining a sub-committee for wellness. Ms. Jenkins said she thought it was time to take action to initiate some type of wellness program.

Donna Madden asked Carol Cormier to send her contact information for the SVRHT wellness coordinator.

Carol Cormier said she would send Ms. Madden the contact information

**Health Plan Reports:**

*Tufts Health Plan-*

James Delisle, Client Service Manager for Tufts Health Plan, said that the Centers for Medicare & Medicaid Services (CMS) will be requiring social security numbers for all enrollees and their spouses. Mr. Delisle said that Tufts may need to reach out to the employers for some of the information.

Larry Barton said that they will need to be sensitive when sending any social security information in order to be sure that the HIPAA guidelines are followed.

Fred Winer, Account Executive for Tufts Senior Plans said that Tufts Medicare Complement plan is working on changing the health plan ID numbers to a number other than the member's social security number.

**Other Business:**

There was no other business.

Larry Barton motioned to adjourn the meeting at 3:17 P.M.

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

*Prepared by Karen Carpenter  
Group Benefits Strategies*