

Massachusetts Municipal Reinsurance Arrangement (MMRA)

Board Meeting Minutes

March 22, 2017 at 11:00 AM

Arthur J. Gallagher & Co. Offices
1900 Crowne Colony Drive, Ste. 308,
Quincy, MA

Primary and Alternate Board members present:

Marc Waldman, Chair	West Suburban Health Group (WSHG)
Dan Morgado	West Suburban Health Group (WSHG)
Noreen Mavro-Flanders	Cape Cod Municipal Health Group (CCMHG)
Francis “Skip” Finnell	Cape Cod Municipal Health Group (CCMHG)
Donna Madden	Minuteman Nashoba Health Group (MNHG)
Anthony Logalbo	Minuteman Nashoba Health Group (MNHG)

Guests present:

Tracey May	Arthur J. Gallagher & Co. (AJG)
Michael Madden (<i>by conference call</i>)	Artex Risk Solutions, Inc.
Manjusha Sheobaran	GreyMatter Risk Management
Michael Boule	Symetra
Donald Canfield	Symetra
David Williams	Consilium Solution
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Chair Marc Waldman called the meeting to order at 11:05 AM.

Approval of the minutes of the November 3, 2016 MMRA Board meeting:

Donna Madden moved to approve the minutes as written.

Motion

Skip Finnell seconded the motion. The motion passed by unanimous vote.

Symetra Financial Life and Disability pooling:

Michael Boule and Donald Caufield reviewed their presentation pertaining to a pooling arrangement for life and disability insurance across multiple municipalities. They discussed Symetra’s unique credit formula which provides opportunities for waived premiums. They said that the program starts off with an initial 3-year rate guarantee and that each municipality can retain its current benefits and is insured by its own policy.

Tracey May said that the Symetra pricing is aggressive and fully insured.

There was a discussion. The consensus of the Board was that this would not happen for at least the next year and that if it were to be pursued, data would have to be collected from the municipalities on their current Life and Disability policies and what they are paying.

Marc Waldman thanked Michael Boule and Donald Caufield. They left the meeting at this time.

Consilium Solution:

David Williams, Regional Vice President of Sales of Consilium, reviewed the work of Consilium which had been presented at the November 3, 2016 meeting. He said that Consilium works behind the scenes with the carriers to decrease Out-of-Network (OON) claims costs. He said the average discount achieved is 40% on claims. Mr. Williams said that there is no cost to the groups since payment to Consilium is through a 15% of savings arrangement. He said providers must agree to no balance billing to the member.

Carol Cormier said that there are very few OON claims in MNHG and WSHG since almost all subscribers are on HMOs. She said that only about 6% of CCMHG's PPO claims are OON and that CCMHG also has a large HMO population with very few OON claims.

After discussion it was the concensus of the group that the member Joint Purchase Groups should try the program for a year in a good faith effort.

Skip Finnell moved to accept the Consilium proposal for a year.

Motion

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

Mr. Williams left the meeting at this time.

Review of MMRA Financial Reports:

Mike Madden, Artex Risk Solutions and the MMRA's captive manager, agreed that going forward quarterly reports will be generated and provided 45 days after each quarter ends. He said he would send the reports to GBS for distribution to the Board.

Mr. Madden reviewed the reports for Treaty Years 2016, 2015, and 2014 as of December 31, 2016.

Noreen Mavro-Flanders asked why no investment income was recorded for TY2016.

Mr. Madden said he would find out why this was delayed.

Ms. Mavro-Flanders also requested detailed cash reports.

Mike Madden said he received the signed participants' letters to move the non-premium funding (collateral).

After a meeting of the three joint purchase groups with a representative from CanaRx, the MMRA meeting continued. The meeting with CanaRX was not part of the MMRA meeting agenda.

FY18 Renewal:

Manjusha Sheobaran, Sales Director of GreyMatter Risk Management, discussed the approach to the renewal. She said that they are seeking quotes for the MMRA from several companies since the current carrier, Transamerica, is leaving the reinsurance market as of 4/1/18. She said one goal will be to move a larger percent of premium to the captive layer and to keep the increase below a given percent.

Marc Waldman said he would like to set the parameters for the renewal now.

After discussion, Skip Finnell moved that if GreyMatter Risk can bring in a renewal with less than an 8.5% rate increase from an A-rated carrier and with putting more into the captive layer, that would be acceptable, but if these could not be achieved, the Board would meet again on May 9th to review the status of the renewal.

Motion

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

The instructions provided in Mr. Finnell’s motion were given to Ms. Sheobaran.

Growing the MMRA:

Tracey May said that the current arrangement in which the three joint purchase groups pool risk and allocate expenses based on premiums written, i.e. a one-for-all and all-for-one arrangement, works for the original three MMRA participants, but he said he thinks new members to the MMRA should be evaluated and rated based on their own claims experience. Mr. May said that in looking at possible new participants, the MMRA Board should want like-minded entities that understand the long-term value of the arrangement.

Ms. Cormier said that some municipalities will not want a \$300K specific deductible.

Mr. May said that new entities could set their own deductible level and be rated accordingly.

It was agreed that this item, *Growing the MMRA*, would be placed on the next agenda for further discussion.

Other Business:

Chair Marc Waldman set the next MMRA Board meeting for May 9, 2017 at 11:30 AM and said the meeting would be held only if the parameters of the renewal were not met. Otherwise, he said the group could meet again in the Fall on a date to be determined.

Motion

Carol Cormier said that GBS was trying to set up another meeting with the Lt. Governor but that since the GIC was doing its procurement late in the summer, it was decided to wait to see what the GIC will be looking to do before setting up the meeting.

Dan Morgado said he knows the Lt. Governor and that proposals will have to be practical such as adjustments to Ch. 32B, S.19 and S. 21-23. He suggested working with legal counsel to come up with adjustments.

Ms. Cormier said she would communicate the suggestion to Kate Sharry.

The Board thanked Dan Morgado for his service and wished him well in retirement.

Noreen Mavro-Flanders moved to adjourn.

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

Mr. Waldman adjourned the meeting at approximately 3:10 PM.

*Minutes prepared by Carol Cormier
Group Benefits Strategies*