

**Massachusetts Municipal Reinsurance Arrangement (MMRA)**

**Board Meeting**

**December 2, 2014 at 11:30 AM**

**Davio's Restaurant  
Patriot Place, Foxborough, MA**

**Primary and Alternate Board members present:**

Francis "Skip" Finnell	Cape Cod Municipal Health Group (CCMHG)
Donna Madden	Minuteman Nashoba Health Group (MNHG)
Anthony Logalbo	Minuteman Nashoba Health Group (MNHG)
Marc Waldman	West Suburban Health Group (WSHG)
Daniel Morgado	West Suburban Health Group (WSHG)

**Guests present:**

Tracey May	Arthur J. Gallagher & Co. (AJG)
John Scholl	Arthur J. Gallagher & Co. (AJG)
Dr. Michael Stone ( <i>by conference call</i> )	Arthur J. Gallagher & Co. (AJG)
Michael Madden	Artex Risk Solutions, Inc.
Yvonne Michelle	Artex Risk Solutions, Inc.
Manjusha Sheobaran ( <i>by conference call</i> )	Berkley Insurance Company
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

The Mass. Municipal Reinsurance Arrangement, The MMRA Series of Sentinel Indemnity, LLC, ("the MMRA") became operational on July 1, 2014. This was the first meeting of the Board comprised of representatives of the three participating Mass. municipal joint purchase groups: Cape Cod Municipal Health Group (CCMHG), Minuteman Nashoba Health Group (MNHG), and West Suburban Health Group (WSHG). The meeting was opened at 11:45 AM.

**1. Review of reporting format and of data through September 2014:**

Tracey May, AJG, said that Yvonne Michelle would review the first MMRA Program Statement.

Ms. Michelle reviewed data through September 30, 2014 for the MMRA in aggregate and for each municipal Joint Purchase Group, i.e. CCMHG, MNHG, and WSHG. She reviewed the terms and said that there were no claims that exceeded the specific deductible.

Michael Madden and Ms. Michelle responded to questions from the Board.

## **2. Assessment of reinsurance market for CY15 and impact on claims cost of new high cost prescription drugs**

John Scholl and Tracey May said that the reinsurance market is still in a hard market phase.

Dr. Michael Stone, Pharmacy Director for Arthur J. Gallagher & Co., joined the meeting by conference call and reviewed his presentation, "High Cost of Prescription Medication". He focused on the Specialty drugs and trend. He said the specialty drug growth trend is projected at 20-25% per year which would result in per member per year (PMPY) specialty drug spend of more than \$200 in two years. He said that specialty drug costs are estimated to be 50% of all clients drug costs by 2018 or sooner. Dr. Stone talked about expected cost increases in traditional drugs and compounded drugs. He reviewed what the FDA is doing to control costs and what some employers are doing.

## **3. Rules for conducting MMRA Board meetings**

The Board members agreed that since the MMRA is comprised of municipal joint purchase groups, it should follow the Mass. Open Meeting Law. All meetings will be posted as required, and minutes will be taken and posted on the websites of each joint purchase group once approved by the Board.

## **4. Transplant Insurance**

Tracey May said that this topic was discussed previously before the MMRA became operational and asked if the Board was interested in getting more information on this topic.

It was agreed that the Board would be provided with information about transplant insurance at the next Board meeting.

## **6. Next meeting date**

The next meeting was set for May 21, 2015 at 11:30 AM, location to be determined.

## **5. Other Business**

It was agreed that Berkley and Artex would provide Group Benefits Strategies with projected reinsurance rates to use in the development of the self-funded health benefits rates for FY16.

Ms. Cormier asked for this guidance by early January 2015.

There was no other business.

The meeting was adjourned at 3:30 PM.

*Minutes prepared by Carol Cormier  
Group Benefits Strategies*