

Minuteman Nashoba Health Group

Steering Committee Meeting

Wednesday, June 7, 2017 at 10:00 AM

Groton Center Fire Station
Groton, MA

Meeting Minutes

Committee and Alternate Members Present:

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| Donna Madden, Chair | Town of Bolton |
| Melisa Doig | Town of Groton |
| Beverly Beno | CASE Collaborative |
| Kevin Johnston | Town of Ayer |
| Kerry Colburn-Dion | Town of Carlisle |
| John Flaherty | Concord Carlisle RSD |
| Kerry LaFleur | Town of Concord |

Guests Present:

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| Chris Collins | CanaRx |
| Julia LeBrun | Fallon Heath |
| Joe Andersen | Fallon Health |
| Erin Hayes | 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 10:00 AM.

Approval of the minutes of May 4, 2017:

Kevin Johnston moved approval of the Steering Committee minutes of May 4, 2017 as written.

John Flaherty seconded the motion. The motion passed by a unanimous vote.

Motion

Treasurers report:

Carol Cormier reviewed the preliminary Financial report as of May 31, 2017 prepared by Tony Logalbo, Treasurer. She said the fund balance is below the target due to an increase in claims expense. Ms. Cormier noted that recently received reinsurance reimbursements of \$330K are not reflected on the report. She said the Fallon Health plans are underfunded.

Town of Concord stipend for Treasurer's services:

Donna Madden said the stipend for the Town of Concord's Treasurer's services for this year needs to be approved. She said there has been no request to increase the amount at this time, but said the work used to take about 5 to 10 hours of work per month and is now taking 5 to 10 hours

per week because of the ACA and other programs. Ms. Madden said the stipend should be reviewed next year for an adjustment.

John Flaherty made a motion to approve the stipend of \$10K for the Town of Concord's MNHG accounting duties.

Motion

Bev Beno seconded the motion. The motion passed by a unanimous vote.

GBS reports:

Funding Rate Analysis Report (FRA) - Carol Cormier reviewed the FY17 FRA report with data through April 30, 2017. She said the expense-to-funding ratio on a paid claims basis was 103% with a funding shortfall of \$1.12M. She said that Fallon and Harvard Pilgrim plans are underfunded. Ms. Cormier said that the HPHC PPO is over 300% underfunded but that there are only seven individuals on the plan so the impact in dollars is \$344K.

Reinsurance reports - Karen Carpenter reviewed the FY16 reinsurance reports with claims updated June 5, 2017. She said that there were 3 claimants, each with claims exceeding \$300K totaling \$1.69M and excess claims of \$790,994. She said that the MNHG was reimbursed \$786,216 to date.

Ms. Carpenter said that in FY16 there were 13 members with claims between 50% and 100% of the reinsurance deductible. She said their claims totaled about \$2.4 million.

Ms. Carpenter reported on the FY17 reinsurance policy and said that 4 members had exceeded the \$300K specific deductible with claims totaling \$1.54M. Ms. Carpenter said \$340,061 of claims reimbursement is due MNHG. She said 9 members had claims between 50% and 100% of the deductible, totaling \$1.959 million.

Kerry Colburn-Dion joined the meeting.

Presentation by Chris Collins, CanaRx, on services provided for the alternative prescription drug purchasing program:

Donna Madden introduced Chris Collins and said the Board recently heard from Abacus Health Solutions about the services they provide related to the CanaRx international Rx purchasing program. She said the MNHG members already receive their international prescriptions through CanaRx with the My Medication Advisor® (MMA) program.

Chris Collins said he used to work at the City of Springfield and contracted with physicians and providers for their health insurance. He said when he first looked at prescription alternatives, it took a year to develop the CanaRx program. He said he worked with lawyers to ensure there would be no issues with collective bargaining and worked on safety first. He said he stayed away from internet pharmacies and looked only at countries that had similar or better rules than the Federal Drug Administration (FDA). Mr. Collins said the countries that qualified, were designated as Tier 1 countries. He said CanaRx only deals with countries who package their medications in English and whose medications do not leave the original manufacturers packaging. He said the medications have to be licensed for sale in both the US and other countries. Mr. Collins said the distribution processes in Tier 1 countries are safer than in the US. He gave the example of Lipitor. He said the medication comes from Ireland, it then changes hands 9 times before going to a pharmacy for sale in the US. He said 95% of the brand name prescriptions are made overseas now. Mr. Collins said it is no longer re-importation, but is now importation. He

said the medications are inspected through CanaRx, the manufacturer and meet Customs regulations.

Carol Cormier said CanaRx is filling the MNHG prescriptions now and said that will not change if MNHG no longer contracts with Prescription Benefits Services and Abacus. She said the medication list produced by CanaRx is more extensive than the current lists members receive from Abacus. For example, she said that Epipen which is very expensive is listed on the CanaRx list, but excluded from the current list from Abacus. As an example she said BCBS, Harvard Pilgrim, and Fallon cover the Epipen under mail order, so it should also be available on the list of medications available through CanaRx. She said this would provide substantial savings to MNHG and to the members who use Epipen.

Mr. Collins reviewed the introductory materials that a new participant would receive and continued with his presentation. He said if the color or shape of a medication is different than the one available in the US, CanaRx will call the member to see if they still want to order it. He said it is the same medication, but may be a different shape or color. He said everyone receives at least 4 phone calls from CanaRx when signing up. He said only refills are eligible to be ordered, no new prescriptions. He said by doing this, if a member has an adverse effect from a drug, the doctor will have already worked that out.

Mr. Collins said MNHG is held harmless since the contract is between the member and CanaRx. He said CanaRx holds a \$2M per script liability insurance policy from Lloyds of London and noted that they are HIPAA compliant as well. He said that MNHG is a named insured on the policy.

Mr. Collins said it takes about 20 days for the first prescription fill to arrive, then in 60 days, CanaRx will call the member to let them know that the prescription will be running out and will ask if the member if he/she would like a refill.

Mr. Collins said CanaRx includes communication materials at no added cost, as well as targeted mailings to non-participants who are taking medications that are on the list. He said quarterly reports are provided to MNHG and the fee for all clients is the same. Mr. Collins said 27 US states use CanaRx for their international medication purchases.

There was a discussion.

Carol Cormier said if the Board makes the decision to change to CanaRx direct, the Alternative Savings Program (ASP) run by Abacus will go away. She said the participation in that program is low. Ms. Cormier said the Diabetes program will remain, however said there may be an increase in the fees for that program once the programs are no longer bundled. She said she is hoping that will not happen, but said there are other companies that offer risk reduction programs for diabetics.

Kerry Colburn-Dion made a motion to recommend to the Board to go direct with CanaRx and to terminate the current contract with PBS/Abacus effective October 1, 2017.

John Flaherty seconded the motion. The motion passed by a unanimous vote.

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| Motion |
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Other Business:

Carol Cormier spoke about the proposal from Consilium regarding re-negotiation of out-of-network claims charges. She said they have shown there is savings to be had and they work on a contingency fee basis.

Erin Hayes said Tufts already has a company that does this now. Julia LeBrun said that Fallon Health also provides this service.

Carol Cormier asked the health plans to provide out-of-network utilization and claims reports.

Bill Hickey reported HPHC will be moving its specialty medication vendor to CVS Caremark. He said their utilization management utilizes Novalogics, a medication based pharmacy, which is owned by CVS Caremark.

There was no other business.

Kevin Johnston motioned to adjourn.

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| Motion |
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Bev Beno seconded the motion. The motion passed by unanimous vote.

Chair, Donna Madden, adjourned the meeting at 11:20 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*