

Minuteman Nashoba Health Group

Steering Committee Meeting

Tuesday, February 13, 2018 at 10:00 AM

Groton Center Fire Station
Groton, MA

Meeting Minutes

Committee Members Present:

Donna Madden, Chair	Town of Bolton
Patrick McIntyre	Town of Boxborough
Melisa Doig	Town of Groton
Kerry Colburn-Dion	Town of Carlisle
Kevin Johnston	Town of Ayer
Bev Beno	CASE Collaborative

Guests Present:

Ian Rhames, MNHG Treasurer	Concord Carlisle RSD
Brandi Mahlert	Lincoln Sudbury RHS
Kerry LaFleur	Town of Concord
Julia LeBrun	Fallon Heath
Erin Hayes	Tufts Health Plan
Fred Winer	Tufts Health Plan – Senior Plans
Bill Hickey	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Donna Madden, MNHG Chair, called the meeting to order at 10:07 AM.

Approval of the minutes of December 20, 2017:

Patrick McIntyre moved approval of the Steering Committee minutes of December 20, 2017 as written.

Melisa Doig seconded the motion. The motion passed by a unanimous vote.

Motion

Treasurers report:

Treasurer Ian Rhames said claims have been favorable over the past few months through December. He reported a total fund balance through January of \$3.9M, up \$857K for the fiscal year.

FY17 Financial Audit report – Carol Cormier said she emailed the draft FY17 audit report to the Board. Ms. Cormier said there was a delay in presenting the audit due to the one month difference between the MNHG and MMRA fiscal years. She said the auditor requested special reports and conference calls with GBS, the MNHG Treasurer, and Gallagher Insurance. Ms.

Cormier said the Steering Committee will be meeting with the auditor prior to the February 15th Board meeting.

Donna Madden suggested looking at changing the MNHG fiscal year from June 1st to May 31st, to a fiscal year beginning July 1st to June 31st. She said the Board may also want to look at proposals for auditing services for FY18.

Ian Rhames agreed with Ms. Madden and said it is good business practice to look at auditing proposals every 5 years or so.

GBS reports:

Funding Rate Analysis Report (FRA) - Carol Cormier reviewed the FY18 FRA report with data through December 31, 2017. She said the expense-to-funding ratio *on a paid claims basis* was 89.4% with a funding surplus of about \$2.8M. She said about \$1M of the funding surplus is attributed to reinsurance reimbursements received.

Stop Loss Reports - Karen Carpenter reviewed the *FY17 policy period* as of December and said there were 8 members with claims exceeding the \$300K specific deductible. She said the claims totaled \$3,336,335, and the excess amount was \$936,335. Ms. Carpenter said reimbursements totaling \$936,149 policy year have been received. She said that there were 15 members who had claims between 50% and 100% of the deductible with total claims of \$3.26 million.

Ms. Carpenter reviewed the *FY18 policy period* report as of December and said there was 1 member with claims exceeding the \$300K specific deductible. She said the claims totaled \$300,428, and the excess amount was \$428.17. Ms. Carpenter said there were 3 members who had claims between 50% and 100% of the deductible with total claims of \$574,055.

GBS proposed contract for 2018 through 2020 – Carol Cormier said she misspoke at the last meeting about the GBS fee history. Ms. Cormier said she wants the Steering Committee to review the GBS proposal again and vote on it again. She said when asked a question at the last meeting she thought GBS held the fees in recent years. She referred to an exhibit in the packet showing the history of the GBS fees since CY11. She said GBS held the fees from CY13 to CY15. Ms. Cormier said there were modest increases for CY16 and CY17. She said GBS proposes fees to increase by 2.5% each of the next 3 years.

Patrick McIntyre made a motion to approve the GBS contract as written.

Motion

Melisa Doig seconded the motion. The motion passed by a unanimous vote.

High Performance Health Plan programs - Carol Cormier said GBS sent claims data to PBIRx to complete an analysis of the potential savings to the group that would come from carving out prescription drugs. She said there is usually considerable savings, but noted that the carriers may increase their administrative fees to make up for losing prescription rebates.

Ms. Cormier said GBS is also looking at RN Cancer Guides and other care management programs. She said Chris Nunnally will be putting together a spreadsheet to show the expected savings of each of the programs. She said PBIRx has said they have the ability to identify a member on a medication offered by CanaRx and will direct those members to CanaRx.

Review of FY19 active employee health plan rate proposals:

Prior to the rate review, Donna Madden asked if HSA Qualified Health Plan educational meetings for the employees could be coordinated in the Lancaster area.

Bill Hickey said there also needs to be educational sessions for the employers to be able to administer the plans and answer questions. He also suggested asking the employers to view the Health Equity webinar available on their website portal.

Carol Cormier said she will send an email to the units to ask which ones will be offering the HSA Qualified Health Plans.

Donna Madden said there will be three Steering Committee vacancies soon. She said there is a vacancy for Tony Logalbo and said she and John Flaherty will leave vacancies when they retire.

Review of the FY19 proposed rates – Carol Cormier said she will review both the carrier and GBS rate projections. She said she included the trend factors carrier administrative fees, reinsurance premiums, GBS fees and the CanaRx and Diabetes program claims into the rates.

Ms. Cormier reviewed the carrier's fees and said Tufts is proposing an increase of 2%, with a rate guarantee through 2020. She said HPHC is proposing a fee increase of 2%. Ms. Cormier said Fallon Health originally proposed a 4% increase to be held for 2 years, but said she asked them to see if they could lower their fees. Ms. Cormier said their second proposal is for a 2% increase for each of the next 2 years. Ms. Cormier explained how the GBS claims projections were calculated.

Ms. Cormier reviewed the current funding scenario and said the total annual funding, based on December 2017 enrollments was \$45,002,256. She reviewed the following scenarios:

Scenario A – the GBS projections - a composite increase of 8.8% and annual funding of \$48,959,081.

Scenario B – Health Plan projections – a 7.5% composite increase and annual funding of \$48,364,907

Scenario C-1 – an alternative scenario – a 7.0% composite increase and annual funding of \$48,155,403 and 10% increases to the Fallon Health and the HPHC PPO plans.

Scenario C-2 – same as Scenario C-1, but with rates rounded.

Scenario D-1 – an alternative scenario – a composite increase of 7.5% and annual funding of \$48,368,269. 9.5% increases to the Fallon plans, 8.0% increases to the HPHC and Tufts POS plans, and a 5.0% increase to the Tufts EPO plan.

Scenario D-2 – same as Scenario D-1, but with rates rounded.

There was a discussion.

Patrick McIntyre made a motion to recommend Scenario C-2 to the Board, but changing the HPHC EPO increase to 8%, and the Fallon Health plans to 9.5%.

Motion

Kevin Johnston seconded the motion. The motion passed by a unanimous vote.

MNHG possible change of fiscal year – There was a discussion, and the health plan carriers said they will look into the impact on the plan deductibles, out-of-pocket maximums and to their data systems. The carriers said they will also look into a 13 month policy for the first year transition.

Carol Cormier asked the health plan representatives to send her the impacts in writing.

Donna Madden suggested holding a March Steering Committee meeting to look into the implications of changing the fiscal year.

Health Plan Reports:

Fallon Health - Julia LeBrun gave a brief discussion about the GIC hearings. She said there were 10 hearings in all, and the decision was made to reinstate HPHC, Fallon and Tufts plans. Ms. LeBrun said the decision was 8 in favor and 4 against. She said they will still be carving out the prescription drugs and moving to self-funding for all plans except for a few senior plans. Ms. LeBrun also said the Fallon Select Care, HPHC Independence and Tufts Navigator plans that had enrollments frozen in FY18 are going to be re-opened to members.

Tufts Health Plan – Erin Hayes asked the employers to let the carriers know sooner than later about their open enrollment health fairs. She said it is going to be a busy spring with all of the fairs and educational meetings.

HPHC – Bill Hickey said he is working with GBS on the information necessary to process the Health Equity information.

Other Business:

The next meeting was set for March 20, 2018 at 10:00 AM at the Groton Fire Station, Groton, MA.

There was no other business.

Patrick McIntyre motioned to adjourn.

Motion

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

Chair, Donna Madden, adjourned the meeting at 11:45 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*