

Minuteman Nashoba Health Group

Board Meeting

Thursday, February 15, 2018 at 10:00 AM
Groton Fire Station
Groton, MA

Meeting Minutes

Board and Alternate Members Present:

Donna Madden, Chair	Town of Bolton
Patrick McIntyre, Vice Chair	Town of Boxborough
John Flaherty	Concord-Carlisle RSD
Ian Rhames, Treasurer	Concord-Carlisle RSD
Kristen Noel	Town of Bolton
Bev Beno	CASE Collaborative
Kevin Johnston	Town of Ayer
Kerry Colburn-Dion	Town of Carlisle
Kerry LaFleur	Town of Concord
Melisa Doig	Town of Groton
Cheryl Gariepy	Town of Lancaster
Brandi Mahlert	Lincoln-Sudbury RSD
Nancy Haines	North Middlesex RSD
Debbie Nutter	Town of Pepperell
Brigette Bell	Town of Tyngsborough
Marie Sobalvarro	Town of Harvard
John Kittredge	Town of Clinton
Pam Landry	Town of Stow

Guests Present:

Linda Loiselle	Abacus Health Solutions
Stephanie Oliver	Town of Concord
Cindy Martineau	North Middlesex RSD
Sherry Kersey	Lincoln-Sudbury RSD
Arthur St. John	Town of Concord Firefighter
Matt Hanson	Town of Tyngsborough
Marcy Morrison	MNHG Wellness Consultant
Julia Lebrun	Fallon Health
Joe Anderson	Fallon Health
Fred Winer	Tufts Health Plan
Erin Hayes	Tufts Health Plan
Bill Hickey	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Chair Donna Madden called the meeting to order at 10:00 AM.

Approval of the minutes of November 14, 2017:

John Flaherty moved approval of the Board minutes of November 14, 2017.

Motion

Kerry Colburn-Dion seconded the motion. The motion passed by a unanimous vote.

Treasurer’s Report:

Treasurer Ian Rhames said the financial audit is complete and noted there were no significant findings. He said the auditor is recommending a reinsurance process of reporting information to them. Mr. Rhames said the auditor was happy to see an accounting system was implemented.

Mr. Rhames reviewed the financial reports of January 31, 2018 (unaudited figures) and said there was an \$857K increase to revenue as of January 31st but said that claims experience has been driving the fund balance down. He said this is turning around now. He said the financials show an Uncommitted Fund Balance of \$3,979,550.

Donna Madden said the Steering Committee is discussing going out to bid for a auditing services for FY18. She said it is good business practice to do this every five years or so.

Abacus reports – Enhancements to the Diabetes Care Rewards Program:

Linda Loiselle said she and Ed Aberger spoke at the October meeting about the proposed enhancements to the current MNHG Diabetes Program. She said the program enhancements include a new Bluetooth-enabled blood glucose monitor, Accu-Chek®-Guide, which would electronically monitor the participants’ blood glucose levels. Ms. Loiselle said the monitor can transmit the numbers to the Abacus Diabetes Care nurse educator and to the member’s computer. She also said the members can bring the record of the readings to their physicians. Ms. Loiselle said an analysis of the readings can identify where a member may be having issues that could be addressed. She said a clinical pharmacist was hired by Abacus as well. Ms. Loiselle said that the Accu-Chek-Guide meters will be free to the member as will test strips for as long as the member participates in the program.

Ms. Loiselle said there is no added cost to add the enhancements to the current program and that Abacus would be paying for the new meters. She said Abacus has also negotiated a lower cost of the test strips, which would save money for MNHG. Ms. Loiselle said a launch date in March is possible. She said those already enrolled will receive a different letter notifying them of the enhancements than those that are eligible but not yet enrolled.

Ms. Loiselle said future improvements to the way diabetics can take their blood level readings include a patch rather than a meter that requires a finger prick. She said she will keep the Board up to date on the progress of this and any other developments.

Donna Madden said the Steering Committee approved adding the enhancements to the program at no additional cost to MNHG.

Linda Loiselle said she will send a promotional email to the employers to distribute following the launch of the program.

Wellness Report – Marcy Morrison, MNHG Wellness Consultant:

Marcy Morrison reviewed the wellness report on the current and upcoming programs. She said the *Move Across America* activity program is going well. Ms. Morrison said the *Maintain, Don’t Gain* program has completed its third year, and 45 people participated. She said the *Croc Pot*

luncheons have been very well received and encourage healthy eating. Ms. Morrison said the *Move it and Lose it* weight loss program is going well and noted 58 employees are participating.

Donna Madden noted that half of the Weight Watchers® program cost of \$78 is being paid by the MNHG Wellness budget.

GBS reports:

Funding Rate Analysis Report (FRA) - Carol Cormier reviewed the FY18 FRA report with data through December 2017. She said the expense-to-funding ratio on a paid claims basis was 89.3% with a funding surplus of \$2,817,441. She said all of the plans are experiencing good claims experience.

GBS Contract Renewal – Carol Cormier said she misspoke at the last meeting about the GBS fee history. She said the Steering Committee reviewed the GBS proposal again and voted on it again. She said when asked a question at the last meeting she thought GBS held the fees in recent years, but history of the GBS fees since CY11 showed GBS held the fees from CY13 to CY15. Ms. Cormier said there were modest increases for CY16 and CY17.

High Performance Health Plan –

Carol Cormier said GBS will have the pricing and expected savings of the analysis of the prescription drug Carve-out, Telemedicine, Cancer care and other programs soon.

Stop Loss Reports - Karen Carpenter reviewed the stop loss reports for the *FY17 policy period* with data updated through December 2017. She said that there were 8 claimants with claims exceeding the specific deductible of \$300,000. She said the claims totaled \$3,336,335, and the excess amount was \$936,335. She said MNHG has been reimbursed \$936,149 to date.

Ms. Carpenter said that in the *FY18 policy period* as of December 2017 there was 1 member with claims exceeding the \$300K specific deductible. She said the claims totaled \$300,428, and the excess amount was \$428. She said that there were 3 members who had claims between 50% and 100% of the deductible with total claims of \$574,055.

FY19 Rate recommendations – VOTE:

Prior to discussing the FY19 Rate recommendations, Debbie Nutter, Town of Pepperell, asked the Board to consider rescinding the motion to add the HSA Qualified Health Plans for June 1, 2018.

Donna Madden said she will consider Ms. Nutter’s request after she makes a statement. She said it was unfortunate that an email containing mis-information was sent out to members of the Board. Ms. Madden said once the misconceptions were corrected in a subsequent email, it did not seem to be heard. She said the HSA Qualified plans are being offered as an option to towns and districts who want to offer them. Ms. Madden said if a town or district does not want to offer these plans, there is no requirement to do so. She said the Steering Committee and Board have discussed the plan designs at several meetings for over a year. Ms. Madden said the motion will be acknowledged, but said she believes it to be inappropriate at this time. She said all of the educational meetings are available to all municipalities. Ms. Madden acknowledged that only a few employees may enroll in the HSA Qualified plans at first and said it may take a while to build enrollments.

Marie Sobalvarro said the plan design changes to the current plans are requiring negotiations for a small return. She said while she understands looking to the future and keeping up with the trends,

the GIC has now lowered its deductibles. Ms. Sobalvarro asked how many municipalities have sat down with their unions.

Donna Madden said the Steering Committee Meetings are open meetings and all can attend. She said all of the MNHG Board members are concerned about the best plans for our members at the best cost.

Kerry Lafleur said she thinks there are 2 separate items that are being discussed. She said one is the plan design changes to the current deductible plans and the other is the addition of the HSA Qualified Health plans.

Debbie Nutter said she discussed the changes with her town administrator, who does not think the changes are feasible.

Carol Cormier said the plan design changes to the current plans are modest and will result in about 2% in savings; however, she said MNHG has been offering the same plans with on plan design changes since 2012. Ms. Cormier said that is a long period of time with no changes. She said municipalities using Ch. 32B, S. 21-22 to bargaining the changes must share 25% of the first year total gross savings with the members. Ms. Cormier also noted that the Board has been discussing making these changes for 2 years.

Ms. Cormier said the decision to offer the HSA Qualified Health plans was made to help the members become better purchasers of health services and to introduce members to HSAs which are highly tax advantaged savings accounts that belong to the employees She reiterated that the HSAQs are offered as an option, not a requirement. Ms. Cormier spoke about the demographics of those that have enrolled in these plans in other groups. She said so far, there 47% of the enrollees have been over age 50 and 67% over age 40.

Marie Sobalvarro reiterated that the work involved to make the changes to the current plans is not worth the return.

Bev Beno said MNHG is making small incremental plan design changes to the current plan and also offering a bigger change as an option.

Carol Cormier said when looking at the FY19 rates, that 2% savings may be welcomed.

John Flaherty said all of the municipalities have budget timing issues. He said he believes the Steering Committee and Board has been very sensitive to the timing and to the needs of each municipality.

John Flaherty suggested addressing each concern separately.

Marie Sobalvarro made a motion to reconsider the motion to make the plan design changes to the current deductible plans until each municipality has calculated the expected savings.

Motion

Donna Madden noted that if that motion is passed, all of the FY19 rate calculations will need to be re-done.

Debbie Nutter seconded the motion with further discussion.

Carol Cormier said a positive vote on this motion will result in GBS re-doing the rate calculations for each health plan rate.

A vote was taken on the motion and failed by a majority opposed, and one in favor and one abstention.

Donna Madden said she would entertain the motion from Debbie Nutter.

Debbie Nutter made a motion to not add the HSA Qualified Health plans for June 1, 2018

Motion

Marie Sobalvarro seconded the motion.

A vote on the motion failed by a majority opposed, and 2 in favor.

FY19 Rate Recommendations - Carol Cormier said the rate projections for the active employee plans were presented to the Steering Committee, and she referred to Rating Scenario D-2. She said the Committee is recommending this scenario, which is an alternative scenario combining scenarios C-1 and C-2. Ms. Cormier said the overall composite increase is 7.5%, and the total annual funding is \$48,374,568. She said that is a \$3.3 million increase over the current funding. She noted that the rates include the carrier and GBS fees, the expected reinsurance increase and the Diabetes Rewards and CanaRx programs.

John Kittredge made a motion to approve the FY19 Deductible rates as proposed on scenario D-2.

Motion

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

Carol Cormier reviewed the HSA Qualified Health Plan rates and said the HPHC actuarial value was rated at 23% below that of the low deductible plans, but said she used 21%. Ms. Cormier said the other plans expect a reduction of somewhere between 18% and 22%.

There was a discussion about what the rate percentage spread between the Deductible and HSA Qualified Health Plans should be.

John Flaherty made a motion to approve the HSA Qualified Health plan rates as presented on the exhibit.

Motion

Bev Beno seconded the motion with further discussion.

Bill Hickey said the carriers look at the value of the current plans in place versus adding the new plans, with expected utilization and enrollment.

Joe Anderson said Fallon Health tends to be more conservative in its funding recommendations.

A vote on the motion was taken and failed.

Kerry Colburn-Dion made a motion to leave the HPHC at 21% and up the other health plan spreads from 15% to 18% each.

Motion

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

Carol Cormier said she will send out the template to use to calculate the Annual Total Gross Savings resulting from the plan design changes.

Educational Sessions to explain the HSAQs:

Carol Cormier said each of the health plans will send out forms to each employer that will be adding the HSAQ plans to get up to date with Health Equity, the HAS administrator for Tufts, Fallon, and Harvard Pilgrim.

Donna Madden asked the Board members to let GBS know what dates will work for the educational sessions. She suggested holding regional meetings. She said the Town of Boxborough has set up a meeting for employees and will send out the specifics to the Board.

The Boxborough meeting about HSAQs was subsequently cancelled and other regional meetings were set up at Lincoln Sudbury RHS and No. Middlesex RSD.

Bill Hickey said when enrolling with the carrier, Health Equity is set up separately.

Health Plan Reports:

Tufts Health Plan – Fred Winer said there was a breach of information due to the window envelopes recently used by Tufts. He said only two MNHG members were affected and they were notified. Mr. Winer said Medicare will be sending out new ID cards replacing the Social Security numbers with a generic number. He said the transition will begin in April and is expected to take up to 18 months to complete.

Other Business:

Donna Madden said the Steering Committee is looking at the possibility of moving MNHG’s fiscal year to July 1st. She said the carriers are looking into the ramifications to the health plan deductibles and out-of-pocket maximums if that is done. She said more information will be forthcoming.

Ms. Madden said she is sad to hear that John Flaherty will be retiring in June. She said he and his input on the Steering Committee and Board will be missed.

Mr. Flaherty said the MNHG Board and Committee has been an appropriate and congenial atmosphere with compassion that rules its decisions. He said he will miss working with everyone.

The Board wished Mr. Flaherty well.

The next Board meeting was scheduled for April 10, 2018 at 10:00 AM at the Groton Fire Station. The next Steering Committee meeting was scheduled for March 20, 2018, to be held at 10:00 AM at the Groton Central Fire Station.

The Steering Committee Meeting was subsequently cancelled and rescheduled for April 4 at 10 AM at Groton Central Fire Station

There was no other business.

Kevin Johnston moved to adjourn the meeting.

Motion

Melisa Doig seconded the motion.

Chair, Donna Madden adjourned the meeting at 12:00 noon.

*Prepared by Karen Carpenter
Group Benefits Strategies*