

DRAFT

Minuteman Nashoba Health Group

Steering Committee Meeting

Thursday, February 7, 2019 at 10:00 AM

Groton Town Hall
Groton, MA

Meeting Minutes

Committee Members Present:

Melisa Doig	Town of Groton
Kerry Lafleur	Town of Concord
Kevin Johnston	Town of Ayer
Debbie Nutter	Town of Pepperell
Donna Bouchard	Narragansett RSD

Guests Present:

Ian Rhames, MNHG Treasurer	Concord Carlisle RSD
Paul Redmond	Town of Boxborough
Stephanie Oliver	Town of Concord
John Foley	CASE Collaborative
Arthur St. John	Concord Firefighters
Erin Hayes	Tufts Health Plan
Jessica Clain	Tufts Health Plan
Fred Winer	Tufts Health Plan, Senior Products
Joe Anderson	Fallon Health
William Hickey	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

Melisa Doig, MNHG Chair, called the meeting to order at 10:00 AM.

Approval of the minutes of the December 10, 2018 meeting:

Kerry Lafleur moved to approve the December 10, 2018 minutes.

Motion

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

Treasurer's report:

Treasurer Ian Rhames said that there has been some improvement in the financials and that the Fund Balance went up \$840K since October. He said the fund balance on December 31st was \$3,390,320. He said the Fund Balance target is \$6 million. Mr. Rhames said the target is calculated as 1.5 times average monthly claims for the most recent four months. Mr. Rhames said that the auditor, Bill Fraher, thinks that the IBNR, which is an estimate of incurred but not report claims, is high and that the calculation of the fund balance target is conservative. Mr. Rhames said he would contact Bill Fraher about a date for the FY18 audit exit interview.

GBS reports:

Funding Rate Analysis - Carol Cormier reviewed the Funding Rate Analysis with claims paid from June through December 2018. She said the expense-to-funding ratio across all plans was 93%, with a funding surplus of \$1.96 million. She said the Fallon plans were underfunded by 2.1%; whereas, Tufts and Harvard Pilgrim HMOs had funding surpluses. She said that there has been migration into the Fallon plans over the last several years. She said the funding surplus includes \$577K in reinsurance reimbursements from claims incurred in FY18.

Reinsurance reports – Karen Carpenter reviewed the FY19 excess claims report. She said one member had claims over the \$300K specific deductible with total claims of \$345,766. She said MNHG is owed \$45,766 which has not been reimbursed yet.

Ms. Carpenter reviewed the FY18 reinsurance report. She said six members had claims over \$300K totalling \$2,493,145. She said of that amount, \$693,145 was in excess of the \$300K specific deductible and \$577,977 has been reimbursed to date.

Town of Ashby:

Carol Cormier said she was contacted by the Treasurer from Town of Ashby seeking information about the town possibly joining MNHG. She said the town has about 24 health plan members, all on Fallon plans. She said she also had a call from the town’s insurance broker. Ms. Cormier said that because the town has so few health plan members, the health plans will not release claims data. She said if there is interest on the part of both parties, she would suggest that since the town is so small it should come into the group as an “affiliate member” through the membership of a current MNHG participating employer such as No. Middlesex RSD. She said in this example the district would represent the town on the Board.

The Steering Committee members suggested inviting representatives of Town of Ashby to the February 13th MNHG Board meeting.

FY20 Rate projections:

Carol Cormier explained how the health plans each projected claims for FY20 and GBS did independent projections for each plan. She said the rates are composed of expected claims, estimated reinsurance premiums, health plan administrative fees, and GBS central benefits administration/consulting fees. She said Tufts and Harvard Pilgrim agreed to hold their administrative fees for FY20 at the current levels (0% increases). She said that MNHG is in the second year of a two-year administrative fee guarantee with Fallon (2% increase). Carol Cormier asked Joe Anderson, Fallon Health, if Fallon would agree to a 0% increase for FY20.

Mr. Anderson said he would take the request back to the underwriters.

Carol Cormier reviewed the claims projection calculations and the rates based on the projections. She presented four funding scenarios: (A) GBS projections with composite funding increase of 6.2%, (B) health plan projections with composite funding increase of 5.6%, (C) an alternative scenario with a 6.0% composite funding increase and some homogenizing of rate increases across plans, and (D) an alternative scenario with a 6.0% composite funding increase and a greater difference between Fallon and Tufts and Harvard Pilgrim rate increases.

Kevin Johnston talked about the fund balance target and its implications for rate setting.

Melisa Doig said she favored Scenario C.

Carol Cormier suggested that she prepare a 7% composite increase scenario and that the Steering Committee meet before the Board meeting to review and take a vote on its recommendation.

The Steering Committee asked that in the new scenario the Fallon rate increase not exceed 9.5%.

Questions about the HSAQ plans' Out-of-Pocket (OOP) maximum:

Stephanie Oliver, Town of Concord, asked about the level of the OOP Maximum on the HSAQ plans wondering if that was a deterrant to joining the the HSAQs.

Bill Hickey talked about the federal guidelines limits on plan design for plans that qualify for HSAs.

There was a discussion.

Carol Cormier said that the important message to employees about the HSAQs is that after they meeting the deductible, everything is covered in full except for prescriptions which which then take co-pays.

It was the consensus of the Committee not to change the OOP maximum at this time.

Health Plan reports:

Bill Hickey, *Harvard Pilgrim Health Care (HPHC)*, said that HPHC will change its Pharmacy Benefits Manager (PBM) on January 1, 2020 from MedImpact to OptumRx. He said HPHC will determine the rules and formularies and will issue new ID cards to members. He said HPHC expects to see savings.

Erin Hayes, *Tufts Health Plan*, talked about the new online Tufts provider look-up tools. She said members can go online and get estimates of the charges for procedures and visits.

Joe Anderson, *Fallon Health*, he said that there will be more information in the near future about coverage for autism.

Other Business:

Carol Cormier reviewed list of items for the February 13, 2019 Board agenda. She said that she hopes that there will be a discussion about ways to promote *CanaRx* and the *MyTelemedicine* telehealth program.

Kerry LaFleur moved to adjourn.

Motion

Debbie Nutter seconded the motion. The motion passed by unanimous vote.

Chair Melisa Doig adjourned the meeting at 11:19 AM.