

## **Minuteman Nashoba Health Group**

### **Board Meeting**

Wednesday, February 13, 2019 at 10:00 AM  
Groton Fire Station  
Groton, MA

### **Meeting Minutes**

#### **Board and Alternate Members Present:**

Melisa Doig, Chair	Town of Groton
Kevin Johnston	Town of Ayer
Ian Rhames, Treasurer	Concord Carlisle RSD
Kerry LaFleur	Town of Concord
Debbie Nutter	Town of Pepperell
Pam Landry	Town of Stow
Paul Redmond	Town of Boxborough
Sherry Kersey	Lincoln Sudbury RSD
Marie Sobalvarro	Town of Harvard
Amy Haley	Town of Harvard
Nancy Haines	No. Middlesex RSD
Anne Marie Tucciarone-Mahan	No. Middlesex RSD
Brigette Bell	Town of Tyngsborough
John Kittredge	Town of Clinton

#### **Guests Present:**

Marcy Morrison	Wellness Consultant to MNHG
Stephanie Oliver	Town of Concord
Jared Stanton	Town of Concord
Malyssa Simard	Town of Concord
Andrew McLean	Town of Pepperell
John Foley	CASE Collaborative
Barbara Tierney	Town of Ayer
Kate Stacy	Town of Ashby
Robert Hanson	Town of Ashby
Anthony Lively	Lively Insurance Brokerage
Linda Loiselle	Abacus Health Solutions
Patty Joyce	Abacus Health Solutions
Erin Hayes	Tufts Health Plan
Lisa Despres	Tufts Health Plan
Fred Winer	Tufts Health Plan
Julia LeBrun	Fallon Health
Patrick Flaherty	Fallon Health - Senior Products
Elaine Wilson	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies
Karen Carpenter	Group Benefits Strategies

The Chair, Melisa Doig, called the meeting to order at 10:05 AM. She called for introductions around the room.

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

Debbie Nutter moved approval of the Board minutes of December 10, 2018.

Motion
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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 since he last reported and said that the Fund Balance went up \$840K since October (unaudited figures). He said the Fund Balance on December 31<sup>st</sup> was \$3,390,320. Mr. Rhames said the Fund Balance Policy would place the target at \$6 million. He said the target is calculated as 1.5 times average monthly claims for the most recent twelve months. Mr. Rhames said that the auditor, Bill Fraher, thinks that the IBNR, which is an estimate of incurred but not reported 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.

**Election of Vice Chair:**

Melisa Doig said the election of a Vice Chair had been omitted from the last meeting. She said that Kevin Johnston has expressed his willingness to serve.

Debbie Nutter moved election of Kevin Johnston as MNHG Vice Chair.

Motion
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Ian Rhames seconded the motion.

Ms. Doig asked if there were other nominations. There were none.

The vote on Ms. Nutter's motion passed by unanimous vote.

**Town of Ashby:**

Carol Cormier introduced Robert Hanson, Ashby Town Administrator; Kate Stacy, Town Treasurer; and Anthony Lively, the Town's insurance broker. She said that she was contacted by Kate Stacy inquiring about the Town possibly joining the MNHG and that Ashby was prompted to contact her by No. Middlesex RSD.

Mr. Hanson said the Town of Ashby is looking for options for FY20. He explained the town's current health insurance arrangements with Fallon. He said the town has been contributing 90% of the cost of the HMO plan and that the rates have been rising. He said that the town is concerned that it might not get an offer or a viable offer. He said that the town does not insure retirees.

Carol Cormier referred to information in the Board packet. She said that if the MNHG and the town are both interested, she suggests that the Town come into the group as an affiliate member through a mini-joint purchase agreement with No. Middlesex RSD.

Anthony Lively said that the town is looking at various options. He said that the town would have to bargain over changes.

Carol Cormier said that since the MNHG plans are close to the GIC benchmark plan benefit design and are a bit more valuable actuarially than the GIC benchmark plan, the town could use the Ch. 32B, S. 21-22 expedited bargaining process.

Melisa Doig said that the Steering Committee recommends to the Board that it offer Town of Ashby membership in MNHG through an agreement with No. Middlesex RSD and requiring notification of a decision to join by March 31<sup>st</sup>.

Debbie Nutter moved to offer membership to the Town of Ashby through an agreement with North Middlesex RSD.

John Kittredge seconded the motion.

Motion

There was a discussion about the effective date of membership since the Town has its health plan anniversary date on July 1 and MNHG's anniversary date is June 1<sup>st</sup>.

Julia Lebrun, Fallon Health, said Fallon will require a 60-day prior notification.

Debbie Nutter amended her motion, now moving that MNHG offer Town of Ashby affiliate membership in MNHG through an agreement between the Town and the North Middlesex RSD and provided that the town notifies MNHG by March 31<sup>st</sup> of its intent to join.

Amended Motion

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

**Wellness Program report:**

Marcy Morrison, Wellness Consultant, reviewed current programs which she summarized on her handout to the Board. She said weight management programs have been started in Stow and Groton. She said she started a wellness program in Town of Groton and purchased scales and blood pressure cuffs for three locations in Groton for use with the monthly onsite wellness program. Ms. Morrison talked about Yoga and Fitness programs, WeightWatchers, Move Across America programs in several government units. She said a wellness program employee interest survey has been taking place in No. Middlesex RSD and, based on survey results, they are starting with a yoga program. She reminded the Board of the MNHG Wellness program Facebook page.

Representatives of Town of Ashby left the meeting at this time.

**Diabetes Rewards Program report: Linda Loiselle and Patty Joyce**

Linda Loiselle gave a brief overview of the program and the incentives for diabetic members to comply with the five guidelines of diabetic care. The incentive is to receive free diabetic medications and supplies, i.e. copays are waived.

Patty Joyce reviewed the Annual Report from December 1, 2017 through November 30, 2018 the statistics on participation and on compliance. She said 35% of diabetic members are enrolled and of those 59% are compliant. She said overall program adherence is 70%. She reviewed the data by relationship, i.e. Employee, Spouse, Adult Dependent, and Child. Ms. Joyce reviewed the

medications, copay waivers and medications costs. She said that the estimated savings to MNHG since 2012 is \$538,925.

Ms. Loiselle talked about program promotion activities. She said that Abacus has a new contract with OptumRx and will get better rebates for the clients. She said for MNHG, Abacus expects \$4,000 per quarter in rebates.

**GBS reports:**

*Funding Rate Analysis (FRA) report* - Carol Cormier reviewed the *FRA* with data through December 31, 2018. She said the expense-to-funding ratio on a paid claims basis is 93% with a surplus of funding of \$1.96 million. She said reinsurance reimbursements for claims of the prior year account for \$578K of the surplus. She said the Fallon plans are underfunding by about 2.1%.

*Reinsurance reports* -

Karen Carpenter reviewed the reinsurance report for the FY19 policy year based on claims paid through December 2018. She said that there was one claimant who exceeded the \$300,000 specific deductible with total claims of \$345,766. She said no reimbursements have been received to date. She said there was \$863,764 in paid claims for four claimants, each with total claims between \$150K and \$300K.

Ms. Carpenter reviewed the reinsurance report for the FY18 policy period. She said that there were six members whose claims exceeded the \$300K specific deductible. She said total claims for these members was \$2,493,145 and claims exceeding the deductible were \$693,145. She said that the MNHG has been reimbursed \$577,976 and that there is \$115,169 still due to the group. Ms. Carpenter reports that twenty members had claims between \$150K and \$300K, totalling \$4.13 million.

**FY20 Rates:**

Ian Rhames, Treasurer, said the Trust Fund Balance (TFB) Policy states that the FB should be targeted at 12.5% of the last 12 months of claims. He said the FB has been below that for the last two years. He said that the MNHG does not have sufficient reserves to put towards FY20 rate funding.

Carol Cormier explained how the rates were developed. She said each of the health plans project claims for FY20 for their plans and GBS makes independent claims projections. She said then the other expenses that go into the rates including expected claims for the Diabetes Rewards program and the CanaRx program, health plan administrative fees, reinsurance premiums, and GBS fees, are added to create full funding rates. She said the Steering Committee compared the rates based on the health plans' claims projections to the rates based on GBS projections. She said she presented the Steering Committee with a number of funding scenarios. Ms. Cormier said this year although some of the projected scenarios came out with 6% composite funding increases, the Committee favored scenarios with 7% composite increases because of the need to increase the TFB. Ms. Cormier said another issue besides the composite increase is the rate change for each plan. She said MNHG has typically used a *not more than x% and not less than y%* approach in determining each health plan's rate increase.

Ms. Cormier said that because the HSA-Qualified High Deductible Health Plans (HSAQs) have very low enrollments, the claims projections were made for the low deductible plans and then the

HSAQ rates are being set based on the actuarial value of the HSAQs compared to that of the low deductible plans.

Melisa Doig said that the Steering Committee is recommending FY20 Funding Scenario E-2. She said that this scenario puts the Fallon HMO increases at 9.5% and the Tufts and Harvard Pilgrim HMO plan increases at 5.5%.

Andrew MacLean said he would like to see more stabilization of the original scenarios' rates.

There was a discussion.

John Kittredge motioned to adopt FY20 Funding Scenario E-2 with a composite funding increase of 7% and 5.5% increase in rates for HPHC and Tufts HMOs, 9.5% rate increases for Fallon HMOs, and 0% increases for the Tufts POS and HPHC PPO.

Motion
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Kerry LaFleur seconded the motion. The motion passed by unanimous vote.

**MyTelemedicine update:**

Carol Cormier said that about a month ago Jeff Beane from MyTelemedicine asked if MyTelemedicine could email and/or call members to promote the program. She said she had discussed this with the Cape Cod Municipal Health Group Board, and the Board members said that they would prefer to have the department heads spread the information and requested that MyTelemedicine do another mailing to employees. Ms. Cormier said that MyTelemedicine will send mailers to members of the joint purchase groups that use MyTelemedicine. She said the same need for program promotion applies to the CanaRx program as well. Ms. Cormier said that Chris Collins from CanaRx and Jeff Beane will be available to attend health fairs or speak at meetings with employees.

**Health Plan reports:**

*Tufts Health Plan* - Erin Hayes said that there have been client reassignments at Tufts and she will no longer be working with MNHG. She introduced Lisa Despres and reviewed her experience at Tufts.

The Board thanked Ms. Hayes and wished her well.

Fred Winer, *Tufts Senior Products*, said that CMS is tightening regulations.

*Harvard Pilgrim* – Elaine Wilson said that HPHC will change its Pharmacy Benefits Manager from MedImpact to OptumRx effective January 1, 2020. She said OptumRx will provide better pricing.

*Fallon Health* – Patrick Flaherty said he is taking over as the Fallon Senior Plan account manager, replacing Bob Cannon who is retiring.

Sherry Kersey, Lincoln Sudbury RSD, said that the district will be looking at options for health insurance in early October. She asked if there was any flexibility about the requirement to notify

the Board by December 1st of intent to leave the group on the next anniversary date. She said even December 31<sup>st</sup> would be more helpful.

Carol Cormier said that the need to know early has to do with the rate-setting process.

Kevin Johnston asked that Ms. Kersey's concern be placed on an upcoming Steering Committee meeting agenda for review and possible recommendation to the Board.

Next meeting dates were set: Steering Committee on March 21 at 9:00 AM and Board on March 21 at 10:00 AM.

Kevin Johnston move to adjourn.

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

Chair, Melisa Doig, adjourned the meeting at 11:27 AM.

*Prepared by Carol Cormier,  
Gallagher Benefits Services*