

**Massachusetts Municipal Reinsurance Arrangement (MMRA)**

**Board Meeting Minutes  
December 5, 2019 at 11:00 AM**

Arthur J. Gallagher & Co. Offices  
1900 Crown Colony Drive, Ste. 308,  
Quincy, MA

**Primary and Alternate Board members present:**

Marc Waldman, Chair	West Suburban Health Group (WSHG)
Kevin Mizikar	West Suburban Health Group (WSHG)
Noreen Mavro-Flanders	Cape Cod Municipal Health Group (CCMHG)
Francis “Skip” Finnell	Cape Cod Municipal Health Group (CCMHG)
Kevin Johnston	Minuteman Nashoba Health Group (MNHG)

**Guests present:**

Manjusha Sheobaran	Kismet Risk Management (formerly GreyMatter Risk)
Michael Madden ( <i>by conference call</i> )	Artex Risk Solutions, Inc.
Deborah Caneco ( <i>by conference call</i> )	Artex Risk Solutions, Inc.
Rusti Greis	OptiMed Health Partners
Andy Reeves	OptiMed Health Partners
Mark VonVogt	Gallagher Benefit Services, Inc. (GBS)
Kate Sharry	Gallagher Benefit Services, Inc.
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Christopher Nunnally	Gallagher Benefits Services, Inc. (GBS)

The Chair, Marc Waldman, called the meeting to order at 11:05 AM.

**Approval of the minutes of the September 25, 2019 MMRA Board meeting:**

Noreen Mavro-Flanders moved to approve the minutes as written.

Motion

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

**Review of MMRA Financial Reports** *by conference call with Mike Madden and Deborah Caneco:*

Mike Madden reminded the Board that Yvonne Michelle left Artex at the end of September. He explained that Artex has moved the financial reporting functions to the Burlington, Vermont office. He introduced Deborah Caneco who will be doing the reporting, taking over from Ms. Michelle.

Mike Madden referred to changes to the financial reports that had been requested at the last MMRA meeting. He said because of the staff changes in reporting, they were not able to implement all of the changes but said the changes will be made.

Mr. Madden reviewed the Treaty Year (TY) 2019 Quarterly Management Report through September 30, 2019. In response to a question by Marc Waldman he explained how the IBNR

was calculated. He said as claims get paid during the year the IBNR gets reduced. He said the actuary will review and update the IBNR at the end of December.

Deborah Caneco said she carried forward the IBNR from the prior year. The IBNR carried forward from the prior year was consistent and within the actuarial loss pick of 150% for the treaty year. Actual loss development was more favorable.

Regarding the TY2018 report, Marc Waldman asked about the non-premium funding (collateral) of \$2.8 million.

Mike Madden said the \$2.8 million was the amount actually collected from the three joint purchase groups near the beginning of the Treaty Year.

Manjusha Sheobaran said she expects that all of the premium and some of the collateral will get used.

Deborah Caneco said that the claims for TY18 were \$4.7 million through October 31, 2019, which is \$1.8 million higher than the claims shown in the September 30 report. She said the ability to agree the numbers on the TY18 report to the Trust Reconciliation for September 2019 was not possible since the Trust Reconciliation was presented on a calendar year basis not a Treaty/Fiscal year basis. She said that it was noted that Artex would change the Trust exhibit going forward so that the numbers are presented on the same basis and would agree. The new Trust report is in use.

Mike Madden reviewed the TY2017 quarterly report through September 30, 2019.

Noreen Mavro-Flanders said she disagreed with numbers on the TY18 report and referred to the 114 Trust reconciliation. She said that it appears that there is a \$400K discrepancy. She requested cover sheets on the Participant Statements to include the “prepared date”.

Ms. Sheobaran and Mr. Madden reviewed the Summaries of Reported losses for TY18 and TY17. There was a brief discussion about the \$1.5 million lasered claimant.

**Discussion items:**

*Reinsurance expected rate increases for TY2020* - Manjusha Sheobaran said that high cost claim dollar amounts are increasing mainly because of longer inpatient stays and higher prescription drug costs – specifically specialty medications. She said they are now seeing some \$2 million individual claims. She suggested putting a discussion about the deductible level for TY20 on the next agenda and attracting new participants to the MMRA.

In response to a question, Ms. Sheobaran suggested using a 25% reinsurance rate increase in the health plan funding rate calculations for next year.

**OptiMed Health Partners follow-up presentation:**

Mike Madden said that he brought OptiMed into several clients and thinks they do a great job.

*Mike Madden and Deborah Caneco left the meeting at this time.*

Rusti Greis and Andy Reeves, OptiMed, presented a PowerPoint presentation showing members they had identified as high dollar Rx claimants whose Rx costs OptiMed could have an impact on. They and the Board discussed prospective vs. retrospective claims reviews and outlined a rough idea of how Kismet Risk (KRMA) and Optimed would notify the Joint Purchase Groups (JPGs) of any members they might identify in their reviews as candidates for the program. All three JPGs requested that OptiMed reach out to the JPGs on a case by case basis for their approval to proceed with physician and/or member engagement.

It was agreed that OptiMed would propose initial cases based on data from the carriers and that each JPG would enter into an agreement with OptiMed to move forward.

Kevin Mizikar motioned to endorse OptiMed Health Partners to the three MMRA-participating Joint Purchase Groups.

Motion

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

There was no other business.

Skip Finnell motioned to adjourn the meeting.

Motion

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

Chair Marc Waldman adjourned the meeting at 2:17 PM.

Prepared by Carol Cormier  
Gallagher Benefit Services, Inc.