

**Massachusetts Municipal Reinsurance Arrangement (MMRA)**

**Board Meeting Minutes**

**DRAFT**

**June 17, 2020 at 11:00 AM**

**By WebEx Remote Participation**

**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)
Melisa Doig	Minuteman Nashoba Health Group (MNHG)
Kevin Johnston	Minuteman Nashoba Health Group (MNHG)

**Guests present:**

Bill Fraher, CPA	Financial Auditor for CCMHG, MNHG, WSHG
Richard Bienvenue, CPA	CCMHG Treasurer
Ruth Hohenschau	WSHG Treasurer
Ian Rhames	MNHG Treasurer
Manjusha Sheobaran	Kismet Risk Management Assoc. (formerly GreyMatter Risk)
Kelly Donica	Kismet Risk Management Assoc. (formerly GreyMatter Risk)
Michael Madden	Artex Risk Solutions, Inc.
Deborah Caneco	Artex Risk Solutions, Inc.
Andy Reeves	OptiMed Health Partners
Rusti Greis	OptiMed Health Partners
Mark VonVogt	Gallagher Benefit Services, Inc (GBS)
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)

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

**Approval of the minutes of the December 5, 2019 MMRA Board meeting:**

Skip Finnell moved to approve the minutes of December 5, 2019 as written.

Motion

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

**Review of MMRA Financial Reports - Mike Madden and Deborah Caneco:**

Deborah Caneco reviewed the Fiscal Year 2020 Quarterly Management Report/Participant Statement (formerly referred to as the Treaty Year 2019 reports) through March 31, 2020. She said the Loss Fund amount was \$3,885,148 and paid claims to date were \$716,411.

Mike Madden said Artex did a reconciliation through March and used a “break-even” for the IBNR as of March, i.e. \$3,168,148.

Noreen Mavro-Flanders said she appreciated that Artex responded to the Board's request to use "Fiscal Year" as opposed to "Treaty Year" She said she would also like to see "date prepared" on each report and not just on the cover page.

Ms. Caneco and Mr. Madden reviewed the FY19 and FY18 Participant Statements. They said that FY18 was almost closed out and shows a deficit of \$1.7 million. They reviewed the Summaries of Losses for each fiscal year.

Marc Waldman asked Bill Fraher, CPA and financial auditor for the three MMRA joint purchase groups, if he was getting the information he needed.

Mr. Fraher said that he had problems with the number of reports and with the IBNR amount but said that he understands better now.

Mike Madden said he has a reconciliation for the March 31<sup>st</sup> report. He said he will do the same reporting package for May 31, 2020 for Minuteman Nashoba Health Group (MNHG) which has a June – May plan year.

Deborah Caneco reviewed the Balance Sheet that included all Treaty Years/Fiscal Years. She said the Equity is a \$25,000 letter of credit.

Ms. Caneco reviewed the Cumulative Income Statement and the 114 Trust Reconciliation.

There were no questions.

**FY21 Reinsurance Renewal:**

Manjusha Sheobaran, Kismet Risk Management Associates (KRMA), reviewed the FY21 MMRA Renewal Exhibits packet. She said that the FY21 rate increase will be 44.7%. She noted that the census is decreasing by about 1,000 based on the loss of participating governmental units in the Joint Purchase Groups (JPGs). She said that the hits to Retained Excess were high in the current year. Ms. Sheobaran spoke about specialty care management and said that KRMA has a Dialysis partner. She mentioned 6 Degrees Health which uses Medicare pricing as a base for transplant payments.

Mike Madden, Artex Risk Assoc., said that he has had success with OptiMed Health Partners and Consilium which negotiates out-of-network pricing.

Ms. Sheobaran reviewed the main features of high cost claims cases in each of the three MMRA joint purchase groups. In many cases specialty medications were driving costs.

Ms. Sheobaran said that she has presented an alternate FY21 Renewal option, specifically if the MMRA agrees to adopt the OptiMed specialty Rx carve-out program on a prospective basis, the rate increase will be 36.1% rather than 44.7%. She said this would be a savings to the MMRA of about \$700,000. She called attention to three large lasers for FY21, i.e. \$1.2 and \$1.3 million for WSHG and \$3 million for CCMHG. She said the lower reinsurance rates are contingent upon adoption and implementation of the prospective OptiMed program within 90 days of the renewal date.

Ms. Cormier noted that 25% increase had been used in the FY21 health plan rate projections and that this had been determined to be reasonable by KRMA back in January.

Rusti Greis, OptiMed, said that both reactive and proactive programs would be needed to reduce specialty Rx costs. She noted that only about 2% of members are on specialty meds that would qualify for the program.

Ms. Sheobaran said that the carriers will probably be reluctant to accept the OptiMed program because it will reduce their revenue streams.

Noreen Mavro-Flanders asked Ms. Greis if OptiMed currently has contracts for the prospective program or only for the reactive approach.

Ms. Greis said that they have both types of contracts but the majority are for the reactive model.

There was a lengthy discussion and questions answered by OptiMed.

Marc Waldman said that the Board seems amenable to moving forward with the OptiMed program.

Ms. Sheobaran reviewed the conditional lasers.

Rusti Greis reviewed member experiences under two scenarios. She said for self-administered/self-injected specialty meds there would be no disruption imposed by the Optimed program. She said that for specialty medications administered by a nurse or other medical practitioner there would be some disruption but perhaps with greater patient convenience. She said that a different nurse would administer the medication(s), and the site of care could be different and could be in the member's home or workplace. She said that OptiMed has a Live Care Team, and the member always speaks with the same person. Ms. Greis said that OptiMed provides the reports to the prescribing physician and sends a report each time they see a patient.

Carol Cormier asked about costs to the members using the OptiMed program, specifically in the case of the high deductible plans.

Ms. Greis said that the OptiMed costs would not be subject to the deductible. She said that there is always no cost to the member. She said that OptiMed needs a recurring monthly claims feed from each carrier to be sure things haven't fallen through the cracks in the early stages.

Marc Waldman said that to do what is being proposed the Board must assume adding the OptiMed program is not subject to collective bargaining.

Andy Powell said that there are no benefit changes with the OptiMed program and, in fact, member cost share is removed.

Mr. Waldman asked how a member who would be subject to the program would know it was legitimate.

Rusti Greis said that there will be live outreach plus mail from OptiMed to the member and that the Gallagher and KRMA teams would be notified upfront in each case.

Marc Waldman said that the MMRA Board has been discussing the OptiMed programs since early last fall. He asked for a motion.

Noreen Mavro-Flanders moved to add the OptiMed proactive and reactive programs and to adopt the lower of the two proposed FY21 reinsurance rate proposals from KRMA.

Motion

Melisa Doig seconded the motion. The roll call vote was unanimous.

Marc Waldman asked what OptiMed and KRMA need to make this happen.

Skip asked that the two companies respond to Mr. Waldman's request in writing.

**Cost Containment Strategies:**

Carol Cormier said that the Board has discussed the OptiMed cost containment. She said she and Mark VonVogt agreed to not present the Pinnacle Care information at this meeting and that it will be brought forward at a future meeting.

**Reinsurance coverage for COVID-19 related care and for employees furloughed because of COVID-19 governmental orders, etc.:**

Carol Cormier said that the three joint purchase groups have each voted to adopt the COVID-19 emergency orders of the Commonwealth and to follow what each of their health plans is doing for fully insured business for COVID-related issues.

Ms. Sheobaran confirmed that she has been informed of the above.

**Other business:**

There was no other business.

Skip Finnell moved to adjourn the meeting.

Motion

Kevin Mizikar seconded the motion. The motion was approved by unanimous vote.

Marc Waldman, Chair, adjourned the meeting at 1:43 PM.

*Prepared by Carol Cormier  
Gallagher Benefits Services, Inc.*