

Minuteman Nashoba Health Group

Steering Committee Meeting

Monday, February 8, 2021 at 9:00 AM

By Remote Participation

Meeting Minutes

Committee Members Present:

Melisa Doig, Board Chair	Town of Groton
Kevin Johnston	Town of Ayer
Kerry Lafleur	Town of Concord
Debbie Nutter	Town of Pepperell

Guests Present:

Ian Rhames, MNHG Treasurer	Concord Carlisle RSD
Marie Sobalvarro	Town of Harvard
Kaylin Carpenter	Narragansett RSD
Marcy Morrison	MNHG Wellness Coordinator
Bill Hickey	Harvard Pilgrim Health Care
Katelyn Glennon	Fallon Health
Julia Lebrun	Fallon Health
Lisa Despres	Tufts Health Plan
Rae Felts	Tufts Health Plan
Chris Collins	CanaRx
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

Melisa Doig, MNHG Chair, called the meeting to order at 9:03 AM.

Ms. Doig reminded those present that the meeting was being recorded and asked if there were any objections. There were none. Roll call was taken with voting attendees listed as:

Melisa Doig, Board Chair	Town of Groton
Kevin Johnston, Board Vice Chair	Town of Ayer
Kerry Lafleur	Town of Concord
Debbie Nutter	Town of Pepperell

Approval of the minutes of the December 7, 2020 meeting:

Kevin Johnston moved to approve the December 7, 2020 minutes as written.

Motion

Debbie Nutter seconded the motion. A roll call vote was taken.

Melisa Doig	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Debbie Nutter	yes

The motion passed by unanimous vote.

Treasurer’s Update:

Treasurer Ian Rhames reviewed the MNHG’s financial status as of December 31, 2020 (unaudited figures). He said Fund Balance has stabilized over the last few months. Net revenue YTD is just under \$1M. Mr. Rhames said the Fund Balance (equity) was \$9.2 M, which is well above target of \$5.4M. He said claims have been picking up in the last several months

GBS Reports:

Funding Rate Analysis (FRA) report – Carol Cormier reviewed the FY21 *FRA* with data through December 31, 2020. She said the composite expense-to-funding ratio on a paid claims basis was 88.0% with a surplus of funding over major expenses of over \$2.8M. Some of that is from reinsurance reimbursements received from claims from the prior policy year.

Reinsurance reports – Karen Quinlivan reviewed reinsurance reports for the FY20 policy period with claims data through December. She said that there were 6 claimants with updated total paid claims of \$2,825,191. The amount exceeding the specific deductible of \$300,000 was \$1,025,191. Total reimbursements of \$949,432 left an outstanding reimbursement amount due of \$75,759. Ms. Quinlivan said that the 50% Report for the same period had 10 claimants with updated total paid claims of \$2,063,087. The report of excess claims for the FY21 policy period had 1 claimant with updated total paid claims of \$362,381. The amount exceeding the specific deductible of \$300,000 was \$62,381. There were no reimbursements, which left an outstanding reimbursement amount due of \$62,381. Ms. Quinlivan said that the 50% Report for the same period had 5 claimants with updated total paid claims of \$1,061,815.

Fund Balance and Rate Stabilization Discussion:

Ian Rhames said that language was placed in the Fund Balance Policy regarding what to do when the Fund Balance goes above the Fund Balance target. A best estimate of the available uncommitted fund balance in excess of the target would be established by using a 12-month lookback window while considering what is likely to occur through the end of the current year. He said that up to, but no more than, 50% of any projected uncommitted fund balance in excess of the target balance may be used to reduce rates.

Kerry Lafleur asked what the current target is.

Ian Rhames responded that the current target is \$5.4 M.

Carol Cormier said that based on the financial reports as of 12/31, the Fund Balance is \$3.7M above the target. Current policy would state that about \$1.5M could be used for rate stabilization.

FY22 Rate projections for active employee plans:

Carol Cormier reviewed the FY22 Rate Projections packet. She said that MNHG is in a good financial position but would suggest that the group proceed with a degree of caution given the current pandemic environment. It is anticipated that claims will come back after Covid-19

subsidies, but it is unknown to what degree. Another unknown is that there are two governmental units leaving as of 06/01/2021. They represent 12.7% of enrollment and 11.9% of rate revenue. Their claims experience is better than the group experience as a whole. Claims were pulled out of the rate projection calculations, but runout claims will need to be paid by the MNHG.

As in years past, the health plans make claims projections and GBS makes independent projections from historical claims and trend factors. She said that by far the largest component of the rates is health plan claims. She said claims factors for the Diabetes Rewards program and CanaRx are also included in the projected rates and that the fixed costs included in the rates are health plan administrative fees, reinsurance premiums, and GBS fees.

Ms. Cormier reviewed the rate projections calculations and FY22 funding scenarios versus the current funding scenario. She said currently based on December enrollments the annualized funding from rates is \$43,849,248. She said using the lower of two projections for each health plan, the composite increase in annual funding for FY22 is 4.6%. She said that Scenario A shows this with the lower projected claims and that there is variation in the amount of rate increase across carriers. She said the Tufts increase is 2.5%, HPHC is 0.7% and Fallon is at 8.4%. The increase over current annual funding would be \$2,036,641. She said Scenario B has a composite increase of 5.5% but with Tufts at 3.3%, HPHC at 4.67%, and Fallon at 10.2%. Ms. Cormier said the annual funding from Scenario B would increase by \$2,392,803. Scenario C was an alternative scenario taking into account the use of Fund Balance. The composite increase of 3.1% would increase Tufts 1.5%, HPHC 1.0% and Fallon 5.5%. This scenario would use \$1,374,200 over current funding plus an additional \$662,441 out of Fund Balance. Scenario D holds Tufts and HPHC at the current rates and increases Fallon 1.1%. This would increase funding over current by \$482,731 and use an additional \$1,553,910 in Fund Balance. Finally, Scenario E has a composite increase of 2.5% with Tufts increasing 1.5%, HPHC increasing 1.0% and Fallon increasing 4.0%. This would increase funding by \$1,084,314 over current with \$952,327 in additional Fund Balance used.

There was discussion. Consensus was that Scenario C was the most popular option.

Kevin Johnston said that perhaps going forward, language could be added to the Fund Balance policy to speak towards using the audited fund balance when considering rate stabilization.

Marie Sobalvarro said that with Town of Carlisle and Lincoln Sudbury RHS leaving on 5/31/21, the amount over current funding would be closer to \$1.2M with more coming from Fund Balance.

Kerry Lafleur made a motion to adopt FY22 Funding Scenario C rounding to the nearest whole dollar.

Motion

Kevin Johnston seconded the motion. There was a roll call vote.

Melisa Doig	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Debbie Nutter	yes

The motion passed by unanimous vote.

Planning Activities for FY22 Open enrollment:

Marcy Morrison, MNHG Wellness Consultant, asked if there were any plans for remote Open Enrollment activities. Carol Cormier said that the health plans are available for any supplies, zoom meetings, etc. It is suggested that each governmental unit contact carriers and vendors to coordinate based on their open enrollment needs and timelines.

Marcy Morrison suggested the carriers provide FAQ sheets to distribute to employees. This would help remote employees who do not access email often.

Establishing and ad hoc committee to build the MNHG:

There will be an ad hoc committee established to meet and discuss ways to possibly grow participation in the MNHG. So far, interested members are Melisa Doig, Kerry Lafleur, Marie Sobalvarro, Kevin Johnston and Ian Rhames.

Health Plan Reports:

Harvard Pilgrim- Bill Hickey said that the merger between Harvard Pilgrim and Tufts has been announced and is in place. The organizations will be run so that the heritage plans remain in place while business processes are merged to bring the organizations together. There will be no changes to the user experience for several years. He also said that units should contact him for any Open Enrollment needs. E-kits can be sent out, and support can be provided for virtual benefits fairs.

Fallon- Katelyn Glennon said that Fallon is there for support as well for Open Enrollment needs and can provide E-Kits, hard copy information or pre-recorded info for benefit needs.

Tufts- Lisa Despres said that Tufts is available for or Open Enrollment needs. She also wanted to call attention to two benefits. Insulin pumps will be moved from the Durable Medical Equipment (DME) benefit to Medical on fully insured plans, and it can be done for self-insured plans. MNHG would need a decision as to whether to move it. Tufts also now offers Acupuncture and it can be added at renewal at the same cost share as Chiropractic if the group wants to add it.

CanaRx- Chris Collins said that CanaRx can put together a FAQ sheet as suggested and will be available for any Open Enrollment needs.

Other Business:

Marie Sobalvarro has expressed interest in joining the MNHG Steering Committee. A vote to elect a new Steering Committee member will occur at the upcoming Board meeting.

The MNHG Board Meeting is scheduled for Friday, February 12, 2021 at 10:00 A.M.

There was no other business.

Kevin Johnston motioned to adjourn the meeting.

Motion

Debbie Nutter seconded the motion. There was a roll call vote.

Melisa Doig	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Debbie Nutter	yes

The motion passed by unanimous vote.

Chair, Melisa Doig, adjourned the meeting at 10:19 AM.

*Prepared by Karen Quinlivan
Gallagher Benefit Services, Inc.*