

Minuteman Nashoba Health Group

Steering Committee Meeting

Thursday, December 7, 2020 at 9:00 AM

By Remote Participation – WebEx

<https://collaborate.ajg.com/orion/joinmeeting.do?MTID=dc5df36b5878073d0ce1c2eb04e42f7a>

Meeting No. 989 430 196
Audio Connection: +1 630 285 5999
No password required

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
Bill Hickey	Harvard Pilgrim Health Care
Patrick Flattery	Fallon Health
Katelyn Glennon	Fallon Health
Lisa Despres	Tufts Health Plan
Fred Winer	Tufts Health Plan – Senior Products
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 9:04 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	Town of Ayer
Kerry Lafleur	Town of Concord
Debbie Nutter	Town of Pepperell

Approval of the minutes of the August 24, 2020 meeting:

Kevin Johnston moved to approve the August 24, 2020 minutes as written.

Motion

Kerry Lafleur seconded the motion. A roll call vote was taken.

Melisa Doig, Board Chair	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 October 31, 2020 (unaudited figures). He said Fund Balance has stabilized over the last few months. Mr. Rhames said the Fund Balance (equity) was almost \$10.5 M, which is well above target of \$5.4M.

GBS Proposed 3-Year agreement with MNHG:

Carol Cormier said that the GBS 3-Year agreement with MNHG has not changed much from prior agreements. She said changes have been highlighted on the document. She said GBS proposes a 0% increase to fees for the first year, 2% for the second, and 2% for the third year. Exhibit A has changed a bit because they are now standardized across joint purchase groups. She said the proposed agreement is the same as the agreement just signed by the Cape Cod Municipal Health Group (CCMHG). Reports are the same as in the past. The agreement runs from 01/01/21 through 12/31/2023.

Kerry Lafleur moved to approve the proposed GBS 3-Year Agreement between MNHG and GBS.

Motion

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

Melisa Doig, Board Chair	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Debbie Nutter	yes

The motion passed by unanimous vote.

Fund Balance Discussion:

Ian Rhames said that since the last meeting two groups have decided to leave MNHG. Heading towards rate setting the Fund Balance is double the target amount as set by the Fund Balance Policy. He said there needs to be a forward-looking strategy developed for members.

Carol Cormier said there would be a factor built into rate calculations to take into account and expectation of catch-up claims. Many non-essential services have not been delivered and utilization is down due to Covid-19, but there is the anticipation that claims will rebound once the pandemic has come under control. There is also the issue of two more member groups leaving so within two years there will have been an exit of four member units. She said she does not want the MNHG to worry that numbers are so low that they are in trouble. There are groups that are considerably smaller. Lincoln Sudbury Reg. High School and Town of Carlisle amounted to a total of 280 contracts. There will still be more than 2,000 active employee plan subscribers.

Kevin Johnston said that language was placed in the Fund Balance Policy a few years back when the MNHG was below target that talked about what to do when the group goes above the Fund Balance target. He said his concern is that applying up to 50% of uncommitted fund balance in

excess of target could artificially decrease rates and then set up rate spikes in the next year or two. He would like to hear other opinions on the subject.

Carol Cormier agreed that caution should be used in these uncertain times.

Kevin Johnston said that he would like to see language drafted before the next meeting that would outline a more conservative position regarding the Fund Balance and rate setting.

Carol Cormier said that she was not concerned with the language in the current policy, but if more direction could be added that would be very good.

Ian Rhames said that a month or two ago, a premium holiday might have looked like a good thing to propose, but with two groups leaving since, that would probably not be a wise move.

Kerry Lafleur asked if any of the departing groups had any claim to the Fund Balance.

Carol Cormier said that they are not entitled to any fund balance. She said that this is stated the Joint Purchase Agreement.

Melisa Doig said that she agreed with everyone's opinions.

MMRA and OptiMed Program:

Carol Cormier said that the Mass. Municipal Reinsurance Arrangement (MMRA) is going to have a meeting on December 14, 2020 to discuss the loss of the two member groups within MNHG and how that will affect rates. There will probably be discussion on the specific deductible and whether \$300,000 is the right amount. The other item is the OptiMed program. Most of the employers have sent out the information to employees. They are not getting the level of participation that they would hope yet.

Kevin Johnston asked if the change in specific deductible would be to raise it or lower it.

Carol Cormier responded that it would be to keep the specific deductible the same. The other groups might be interested in raising it but that would not be appropriate for MNHG. In all probability, it will end up staying the same.

Looking to the future of MNHG:

Carol Cormier said that the inclination is to add towns or districts to the MNHG provided that they are units with good claims experience. It might be a difficult time to do this, i.e. market the Group, given the pandemic. Not only does the group need to add member units but also they have to have enough members and claims data to make it worthwhile. It is difficult to get claims data for small groups. Ms. Cormier is not currently concerned about numbers of members, but it is something that can and should be worked on.

Melisa Doig asked if it would make sense to investigate joining WSHG or is MNHG large enough to stay on their own.

Carol Cormier said that she had investigated it several years ago. The problem is that MNHG has better rates mainly because members are living in a lower cost health care delivery system area. WSHG is closer to the Boston area. MNHG could possibly be separately rated within another joint purchase group, so it would be something to investigate.

Kerry Lafleur said she would be hesitant to join a larger group.

Other Business:

The next Steering Committee meeting was scheduled for Monday, February 8, 2021 at 9:00 A.M. The Committee will review preliminary FY22 rate projections at this meeting.

The next Board Meeting was scheduled for Friday, February 12, 2021 at 10:00 A.M. FY22 rates will be voted on at this meeting.

There was no other business.

Kevin Johnston motioned to adjourn the meeting.

Motion

Kerry Lafleur seconded the motion. There was a roll call vote.

Melisa Doig, Board Chair	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Debbie Nutter	yes

The motion passed by unanimous vote.

Melisa Doig adjourned the meeting at 9:47 AM.

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