

Kevin Johnston	yes
Marie Sobalvarro	yes
Debbie Nutter	yes

The motion passed by unanimous vote.

Treasurer’s Report:

Treasurer Ian Rhames reviewed the MNHG’s financial status as of April 30, 2021 (unaudited figures). Fund Balance has stabilized over the last few months with a slight increase in April. Mr. Rhames said the Fund Balance (equity) was \$8.6M, which is well above target of \$5.4M.

GBS Reports:

Funding Rate Analysis (FRA) report – Joseph Anderson reviewed the FY21 *FRA* with data through April 30, 2021. He said the expense-to-funding ratio on a paid claims basis was 94% with a surplus of funding over major expenses of over \$2.4M. 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 April. She said that there were 6 claimants with updated total paid claims of \$2,816,060. The amount exceeding the specific deductible of \$300,000 was \$1,016,061. Total reimbursements of \$1,015,969 left an outstanding reimbursement amount due of \$91.85. Ms. Quinlivan said that the 50% Report for the same period had 10 claimants with updated total paid claims of \$2,069,122. The same reports for the FY21 policy period had 2 claimants in excess with total updated paid claims of \$1,197,325. The amount exceeding the specific deductible was \$597,325. No reimbursements have been received to date, and the outstanding reimbursement amount due is \$597,325. There were 16 claimants on the 50% Report with updated total paid claims of \$3,190,241.

MMRA Update:

Joe Anderson provided an update on the status of the MMRA. The FY22 renewal was presented at a recent MMRA meeting showing a rate increase of 28.4% if no changes were made from the current arrangement. When the MMRA was started the retention layer was appropriate but has not been changed in 6+ years. The specific deductible was \$300,000 with an \$800,000 cap before going to traditional stop loss insurance. Different retention levels were illustrated for renewal purposes. The option that was adopted and approved was the \$400,000 specific deductible and \$1,000,000 captive excess limit. There was discussion by the Board whether each individual member of the group could set their own deductible and retention levels. It was decided that all groups’ levels would remain the same as each other. Net MMRA premium went down by 3.9% whereas each group is absorbing an additional \$100,000 in claims for each member prior to excess. The annualized trend over the past 5 years for Stop Loss has been about 20% so the adjusted amounts are much more in line with the marketplace.

Marie Sobalvarro asked if the PMPM for FY22 went up approximately 40%.

Joe Anderson said that when Carol Cormier was projecting rates for FY22 she tended to be conservative and estimated what premium increases would be for reinsurance. It might not be the actual amount. The approved rates for FY22 are \$30.61 for individual and \$96.74 for family.

Melisa Doig asked if the fact that MNHG does not have many high cost claims is benefiting the group.

Joe Anderson responded that in times of low claims activity, the group would be supporting other groups. That may be the reverse if claims go up. It is the nature of the pooled captive arrangement. He also explained that there are lasers in place on some of the other groups' members that require those groups to pay the first \$1,000,000+ in claims on some high cost claimants.

Marie Sobalvarro asked if the lower rate than anticipated on reinsurance would allow for an adjustment of FY22 claims overall.

Mr. Anderson explained that the group has to take into consideration the additional exposure for the claims between \$300,000 and \$400,000. There are two sides of the equation to consider.

Planning for future changes to health insurance marketplace including the loss of Fallon Health and merger of Harvard Pilgrim and Tufts:

Joseph Anderson said that there was only 20 migrations out of Fallon over the entire JPG. This avoided budgetary concerns that many would be moving to the higher cost plans. Fallon is providing a listing of 24 months of claims with listed providers that were used by MNHG members. That information will be sent out to other existing and potential carriers to provide disruption reports for their networks. In Massachusetts most HMO carriers have similar networks, but a determination will be made by late July on the impact. Some carriers may not currently be offered by MNHG and the MNHG Board may want to bring them in for an interview. If an RFP is desired, September would probably be the logical timeframe

Ian Rhames asked if it would be possible to provide a listing of doctors in the Fallon network that will not be covered elsewhere.

Joe Anderson said that could be provided.

Melisa Doig asked who would interview carriers for a potential RFP.

Joe Anderson suggested that at least the Steering Committee and perhaps the full Board should interview. Pricing exercises can also be done to see where carriers would come in on price based on claims.

Marie Sobalvarro asked if one of the criteria for the RFP would be the inclusion of adult dental.

Joe Anderson said that the dental coverage from Fallon was not a comprehensive dental plan. The cost benefit analysis might not be attractive or might not resemble Fallon's offering. It can be explored.

Kevin Johnston asked if the group could look at an alternative dental plan that could be offered as well.

Joe Anderson said it could be looked at. Some employer groups already offer dental outside of the JPG. The challenge for a new carriers pricing projections would be to forecast the adoption rate would be if they were to be offered alongside existing well established carriers.

Other Business:

Melisa Doig asked about the possibility of resuming in-person meetings for the fall.

Joe Anderson said GBS has allowed with in-person meetings at this time.

Fred Winer said that Tufts and Harvard Pilgrim is allowing in-person meetings as well.

Debbie Nutter announced that she will be retiring as of August 1st and this will be her last meeting and a new Steering Committee member will have to be recruited.

Melisa Doig wished Debbie well in her retirement and thanked her for her years of service to the group.

Kevin Johnston motioned to adjourn the meeting.

Marie Sobalvarro seconded the motion. There was a roll call vote.

Motion

Melisa Doig	yes
Kevin Johnston	yes
Marie Sobalvarro	yes
Debbie Nutter	yes

The motion passed by unanimous vote.

Chair, Melisa Doig, adjourned the meeting at 9:44 AM.

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