

Minuteman Nashoba Health Group

Steering Committee Meeting

Monday, August 2, at 9:00 AM

By Remote Participation

Meeting Minutes

Committee Members Present:

Melisa Doig, Board Chair
Kerry Lafleur

Town of Groton
Town of Concord

Guests Present:

Ian Rhames, MNHG Treasurer
Arthur St John
Bill Hickey
Julia Lebrun
Patrick Flattery
Lisa Despres
Fred Winer
Chris Collins
Carol Cormier
Joseph Anderson
Karen Quinlivan

Concord Carlisle RSD
Concord Fire
Harvard Pilgrim Health Care
Fallon Health
Fallon Health
Tufts Health Plan
Tufts Health Plan
CanaRx
Gallagher Benefit Services Inc. (GBS)
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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
Kerry Lafleur

Town of Groton
Town of Concord

There was no quorum for the meeting, therefore no items were voted on and the meeting will be informational only.

Approval of the minutes of the June 14, 2021 meeting:

Minutes will have to be approved at the next Steering Committee meeting as there was no quorum.

Treasurer’s Report:

Treasurer Ian Rhames reviewed the MNHG’s financial status as of May 31, 2021 (unaudited figures). Member premiums were down for the year by \$7M due to Lancaster and Tyngsborough leaving the group. Total claims expense was down \$1.3M. Net revenue for the year was \$342,748. That will be adjusted in the audit. Total assets were at \$13.3M. Mr. Rhames said the Fund Balance (equity) was \$8.6M, which is well above target of \$5.4M.

Fred Winer asked a question regarding funds owed to Tufts from departed groups and how they should be contacted.

Mr. Rhames responded that direct contact with the respective towns would be the best way to proceed.

GBS Reports:

Funding Rate Analysis (FRA) report – Joseph Anderson reviewed the FY21 *FRA* with data through May 31, 2021. He said the expense-to-funding ratio on a paid claims basis was 94.4% with a surplus of funding over major expenses of over \$2.47M. 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 both May and June. She said that both reports had 6 claimants with updated total paid claims of \$2,816,061. 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. The same reports for the FY21 policy period had 2 claimants in excess for May with total updated paid claims of \$1,298,417. The amount exceeding the specific deductible was \$698,417. Reimbursements of \$597,325 were received and the outstanding reimbursement amount due was \$101,092. For the month of June, there were 3 claimants in excess with total updated paid claims of \$1,724,970. The amount in excess of the specific deductible was \$762,205. Total reimbursements of \$ 597,325 left an outstanding reimbursement total of \$227,645. There were 25 claimants on the 50% Report with updated total paid claims of \$5,175,082.

GBS Invoice and Roster and Website Agreement:

Karen Quinlivan reviewed the GBS Roster and Invoice Download Agreement. It is a contract to distribute monthly invoices and rosters through a secure web portal for each member unit. The contract fee is unchanged from the previous contract year at \$162 per member unit. The total charge for 13 member units would be \$2,206 for the contract period of 10/01/2021 through 09/30/2022. The Website Maintenance Agreement provides contracted services to maintain information as requested by the MNHG on its website. The fee again is unchanged from the prior year at \$1,839. The contract period will run from 09/01/2021 through 08/31/2022. The contract amount will be paid in two (2) installments of \$919.50 each on November 1, 2021 and May 1, 2022. Both contracts will have to be voted on by the Board or wait until the next Steering Committee meeting.

Fallon Health- exit updates and discussion:

Joseph Anderson said that 24 months of Fallon claims data were sent to the other carriers in June for the creation of disruption reports for their networks. The carriers included were incumbents BCBSs, Harvard Pilgrim and Tufts as well as HPI, the third party administrator associated with Harvard Pilgrim and Always HMO Network. The networks are very similar in the Massachusetts region and the in-network services across the board were in the high 90% range. Disruption will be negligible. Fallon uses Beacon Health for its Behavioral Health Network, one of the largest in the country. Harvard Pilgrim uses Optum which is owned by United Healthcare. Blue Cross and Tufts have their own networks that they have built out. That is an area that may present a possible area of friction but disruption reporting cannot be done. That component of the transition may require education and support to support the Fallon members going forward.

Kerry Lafleur asked what the percentages were for the Select and Focus Networks.

Mr. Anderson responded that the Select and Focus Networks were Fallon and Harvard Pilgrim limited networks. They have tighter provider networks that eliminate leakage to more expensive providers and can keep prices down. Fallon Direct Care was the first limited network in the state since 2002. These are not as well established in the marketplace as Fallon was so comparison for the next stage will want to take a look at these limited networks offered by other carriers as a replacement for Fallon Direct Care. Market Share for that is about 5.1%. Fallon percentage of total funding is about 46% with Harvard Pilgrim and Tufts splitting it up fairly evenly after that. The Qualified High Deductible is about 7.92% of spend with Benchmark the rest. If average premium is looked at for the Benchmark plans, Fallon is below average and Tufts and Harvard Pilgrim are above average. If the claims are the claims, it stands to reason that Tufts and Harvard Pilgrim premium would come down based on claims experience after the Fallon departure. Future analysis for carriers going forward is whether the carrier supports municipals and do they have a track record in the space. Always does not have a dedicated municipal unit. They have one fully insured client, some in Boston and the GIC. HPI is a TPA and to adopt a new business model would create a large amount of disruption and uncertainty to implement. It would take a longer time frame due to the many moving parts. Tufts and Harvard Pilgrim will be Point 32 Health in several years. Blue Cross is strong and has the dominant market share in the state for municipals. Many of the other joint purchase groups have them as carrier offerings. The question is whether there is an appetite for them to be offered within MNHG. It may be an opportunity to stabilize the carrier offerings going forward.

Melisa Doig said that there has been interest in the town of Groton to bring on Blue Cross.

Kerry Lafleur asked about United Health Care.

Joe Anderson responded that they don't have a presence in the municipal space. They are a large national entity that specializes in the senior space. Unicare is offered in the GIC, however they do not have a presence in the municipal space. Massachusetts is a niche sector and carriers need to be able to provide the current level of service expected.

Kerry Lafleur asked if Blue Cross would provide a competitive bid.

Mr. Anderson said the next step would be a pricing exercise. The total funding rate would need to be determined and then how the plans should be priced with a buffer in terms of their exposure to Fallon. The price gradient will probably be tighter. If the trust fund remains strong, that can also help mitigate risk.

Kerry Lafleur asked if the Blue Cross Network would be similar to other carriers in terms of coverage area.

Mr. Anderson said that the coverage area appears to be very similar to the other carriers.

Melisa Doig asked if the Board could take a vote on this at the next meeting or if this needs to be a Steering recommendation since there is not a quorum.

A Board Vote is binding so they can vote.

Other Business:

There was no other business.

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

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