

**Massachusetts Municipal Reinsurance Arrangement (MMRA)**

**Board Meeting Minutes**

**February 18, 2021 at 11:00 AM**

**By WebEx Remote Participation**

**Primary and Alternate Board members present:**

Marc Waldman, MMRA 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:**

Mike Madden	Artex Risk Solutions
Deborah Caneco	Artex Risk Solutions
Manjusha Sheobaran	Kismet Risk Management Assoc.
Kelly Donica	Kismet Risk Management Assoc.
Mark VonVogt	Gallagher Benefit Services, Inc (GBS)
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

The Chair, Marc Waldman, called the meeting to order at 11:00 AM.

**Approval of the minutes of the July 22, 2020 MMRA Board meeting:**

Noreen Mavro-Flanders moved to approve the minutes of June 17, 2020 as written.

Motion

Melisa Doig seconded the motion. There was a roll call vote on the motion.

Marc Waldman (WSHG)	Yes,
Noreen Mavro-Flanders (CCMHG)	Yes,
Melisa Doig (MNHG)	Yes.

The motion passed by unanimous vote.

**Quarterly Management Reports:**

Deb Caneco, Artex, reviewed the FY21 reports of the Quarter ending 12/31/2020. She said that there were no reported losses for FY21.

Skip Finnell asked how the \$4.5 million IBNR figure was determined.

Deb Caneco said that it was actuarially determined and is just an early estimate.

Mike Madden said he would send out the actuary’s report on determination of IBNR.

There was a discussion about where the money that is paid into the trust is held.

Mike Madden said that investment options are very restrictive with the #114 Trust. In response to a question he said that NY State and ANICO, parent company of Garden State Life Insurance, limit the investment options.

Deb Caneco said that in FY2020 claims hit the aggregate deductible, and there was a Participant Fund Balance deficit of \$2.6 million. Ms. Caneco said that the ending Fund Balance in FY2019 was \$3.7 million.

There was a discussion about whether to return the FY19 Fund Balance money to the Joint Purchase Groups (JPGs) or have MMRA retain and invest it.

Manjusha Sheobaran said that FY2019 was the first year in which the MMRA had a surplus in the captive layer.

Deb Caneco said that there were no changes to the FY2018 report since the last meeting. She reviewed the summary of losses for FY2020.

Ms. Caneco reviewed the Balance Sheet of December 31, 2020, noting again the \$4.5 million IBNR.

Noreen Mavro-Flanders asked who audits the MMRA financials. She said CCMHG's auditor found a \$500K error.

Mike Madden said that there was an amount somewhat less than \$500K in a report produced by Gallagher that did not reconcile with the MMRA Management reports. He said that this was primarily the result of timing issues.

Deb Caneco said MMRA is a licensed insurance company in State of Delaware and must be audited once per year. She said Brown Smith Wallace is the auditor.

Noreen Mavro-Flanders asked to see the audit report each year.

Mike Madden confirmed that the audit reports would be provided to the Board.

Marc Waldman asked about \$22,000 case reserves.

Ms. Sheobaran said that there's a reserve still on one of the CCMHG claimants and this is waiting to be finalized.

Deb Caneco said that the MMRA trust is reconciled monthly.

**Investment options:**

Mr. Madden discussed the \$3.7million surplus in the captive layer from FY2019 that will be released by ANICO. He said the MMRA Board will have to decide what to do with this money.

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He said again that currently investment options through the MMRA are restricted but that he can look into ways of easing the restrictions.

Marc Waldman suggested it might be preferable to return the \$3.7 million to the three JPGs proportionately and allow them to invest the money as they see fit. He asked if there is a downside to sending to the JPGs.

Mike Madden said that the downside is that additional collateral could be needed for FY22 if the \$3.7M is distributed to the JPGs.

Marc Waldman said he thinks it's simpler to have the money go to the JPGs rather than creating another structure within the MMRA.

Skip Finnell said he leans towards Mr. Waldman's suggestion even though it may mean distributing the money and then collecting it back for the new year's collateral.

The other Board members were in agreement with Mr. Waldman's suggestion.

**Discussion about MMRA marketing to other municipalities:**

Mike Madden reviewed his slide presentation about the MMRA. He started with a slide about the impact of Leveraged Trend. He talked about how the MMRA works, reasons for participating, reinsurance structure, and funding flow.

Mark VonVogt said that the success of the MMRA will be helped along by having new participants. He said that there are prospects, but that increasing participants won't happen overnight.

Joe Anderson said it's important to build a critical mass to create guardrails. He said there's safety in numbers.

Kevin Mizikar asked how a known high cost claim within a prospective member's enrollments is handled.

Mike Madden said the high cost claim could be lasered on the way in. He said new members would have to agree to at least three years of participation when they join.

**OptiMed:**

There was a brief discussion about the launch of OptiMed.

There was no other business.

Noreen Mavro-Flanders moved to adjourn the meeting.

Motion
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Melisa Doig seconded the motion.

There was a roll call vote on the motion as follows:

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Marc Waldman (WSHG)	Yes,
Noreen Mavro-Flanders (CCMHG)	Yes,
Melisa Doig (MNHG)	Yes.

The vote on the motion to adjourn was unanimous.

Chair, Marc Waldman adjourned the meeting at 1:31 PM.

*Prepared by Carol Cormier, MHA, LIA  
Gallagher Benefit Services, Inc.*