

Massachusetts Municipal Reinsurance Arrangement (MMRA)

Board Meeting Minutes

July 22, 2020 at 1:00 PM

By WebEx Remote Participation

Primary and Alternate Board members present:

Marc Waldman, MMRA Chair	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:

Manjusha Sheobaran	Kismet Risk Management Assoc. (formerly GreyMatter Risk)
Kelly Donica	Kismet Risk Management Assoc. (formerly GreyMatter Risk)
Rusti Greis	OptiMed Health Partners
Mark VonVogt	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 1:05 PM.

Approval of the minutes of the June 17, 2020 MMRA Board meeting:

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

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

Motion

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

The motion passed by unanimous vote.

Re-visiting proposed reinsurance rates:

Marc Waldman summarized the issues that led to the reconsideration of reinsurance rates that had been previously approved. He said that the MMRA Board had voted to adopt the “Proactive” OptiMed specialty pharmacy program and therefore would be paying lower reinsurance rates by doing so because of anticipated claims savings. He said the health plans subsequently informed the MMRA that for contractual reasons they could not work with the OptiMed program as proposed.

Carol Cormier said that the three Joint Purchase Groups (JPGs) in the MMRA have Administrative Services Only (ASO) contracts with the health plans. She said the health plans explained that

under the ASO arrangement they are bound to the pharmacy contracts they each have with their Pharmacy Benefit Managers (PBMs). She said these contracts include exclusivity language prohibiting the health plans from bringing in other pharmacy providers. She said that with an ASO arrangement the health plan and the client are bound to the contracts held by the health plans. She said that a Third Party Administrative (TPA) service agreement is more flexible in such matters and is more of a plug-and-play arrangement that would allow a client to use another pharmacy provider.

Manjusha Sheobaran said that many clients she deals with have pharmacy carve-out arrangements and she was not aware of exclusivity clauses in the case of the MMRA JPGs and their health plans. She said that instead of the Pro-active OptiMed arrangement, the MMRA would have to work with the Re-active model of the OptiMed program.

Skip Finnell asked about the difference in terms of costs and savings between Pro-active and Re-active OptiMed program.

Ms. Sheobaran said that with the Re-active program they would wait on the monthly Rx reports and advise on eligibility on a case by case basis. She said the program may have to focus only on the claimants with \$300K and more in claims and she said adoption of the program would be voluntary on the part of these health plan members. She said if OptiMed were to get full Rx reporting from the health plans they may be able to expand the offering of the program beyond the high cost claimants.

Noreen Mavro-Flanders asked Ms. Sheobaran if Kismet received any money from OptiMed for placing the OptiMed program.

Ms. Sheobaran said Kismet does not receive money from OptiMed.

Skip Finnell said it will be important to get the detailed monthly Rx reporting.

Marc Waldman said that the MMRA was presented with two sets of FY21 reinsurance rates, one without OptiMed and lower rates with OptiMed. He asked Ms. Sheobaran how the adoption of the *Re-active* OptiMed program would impact the rates.

Ms. Sheobaran said that the adoption of the OptiMed Re-active program should be recognized in the pricing if the claims data indicates that. She said this could be taken to the underwriters after a few months of claims are in to see if there should be any impact on rates.

Marc Waldman said that MMRA is looking at a 44.7% reinsurance rate increase versus a 36.1% increase approved at the last MRMA meeting. He said that there are also new lasers, although conditional. He said it is a 44.7% increase on one expense item which represents about 2% of health plan expenses. He said that this should not materially impact the FY21 health plan funding rates that each JPG approved.

Manjusha Sheobaran said that for the 2018 policy year she expects about \$1.2 million to be returned to the JPGs.

Mr. Waldman asked for a motion to adopt the rates with the 44.7% increase.

Noreen Mavro-Flanders motioned to adopt the proposed FY21 MMRA rates representing a 44.7% increase over FY20 rates with the caveats described in writing in the contracts.

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 was approved by unanimous vote.

Other business:

There was no other business.

Noreen Mavro-Flanders moved to adjourn the meeting.

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 to adjourn was approved by unanimous vote.

Marc Waldman, Chair, adjourned the meeting at 1:48 PM.

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