

Minuteman Nashoba Health Group

Steering Committee Meeting

Monday, September 13, at 9:00 AM

By Remote Participation

Meeting Minutes

Committee Members Present:

Melisa Doig, Board Chair	Town of Groton
Kevin Johnston	Town of Ayer
Kerry Lafleur	Town of Concord
Marie Sobalvarro	Town of Harvard

Guests Present:

Arthur St John	Concord Fire
Bill Hickey	Harvard Pilgrim Health Care
Patrick Flattery	Fallon Health
Lisa Despres	Tufts Health Plan
Rae Felts	Tufts Health Plan
Fred Winer	Tufts Health Plan
Chris Collins	CanaRx
Patty Joyce	Abacus Health Solutions
Jeff Beane	My Telemedicine
Wayne Orchard	My Telemedicine
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, Board Vice Chair	Town of Ayer
Kerry Lafleur	Town of Concord
Marie Sobalvarro	Town of Harvard

Approval of the minutes of the June 14, 2021 and August 2, 2021 meeting:

Marie Sobalvarro moved to approve the June 14, 2021 and August 2, 2021 minutes as written.

Motion

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

Melisa Doig	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Marie Sobalvarro	yes

The motion passed by unanimous vote.

Treasurer’s Report:

Treasurer Ian Rhames was unable to attend the meeting. He will present his report at the Board meeting immediately following this meeting.

GBS Reports:

Funding Rate Analysis (FRA) report – Joseph Anderson reviewed the FY21 *FRA* with data through July 31, 2021. He said the expense-to-funding ratio on a paid claims basis was 109.7% with a deficit of funding to major expenses of \$646,791. Some of that is attributed to increased claims experience and some to runout of departed member units. It will be interesting to see if the trend continues through August.

Reinsurance reports – Karen Quinlivan reviewed reinsurance reports for the FY21 policy period with claims data through July. She said that there were 4 claimants with updated total paid claims of \$2,138,763. The amount exceeding the specific deductible of \$300,000 was \$938,763. Total reimbursements of \$597,325 left an outstanding reimbursement amount due of \$341,438. There were 28 claimants on the 50% Report with updated total paid claims of \$5,862,665. The same reports for the FY22 did not include any members in excess or at the 50% reporting level yet.

Fallon Health- exit updates and discussion:

Joseph Anderson said at the last MNHG Board meeting they approved moving forward with getting a commitment from Blue Cross to serve as the Fallon replacement. Fallon is currently the lowest cost carrier followed by Tufts and then Harvard Pilgrim as the highest. Blue Cross will come in as the Fallon replacement with their limited network as a replacement for the Fallon limited network. For this year, modeling was done to buffer the price differential and lessen the budgetary impact of the loss of Fallon. In theory, prior to rating, if Fallon rates are increased 3%, Tufts decreased 1% and Harvard Pilgrim remains the same it would decrease the rate differential would be squeezed closer together. The budgetary impact to the members units would only be at most 1%. Most will be less. That would accomplish replacing Fallon with a network to support all of Fallon’s utilization. The Fallon limited network would be replaced with another limited network that would accommodate a lower price point for lower paid employees. Over the next several years, the group can determine how to price going into the future. For planning certainty, Fallon members would be mapped into the Blue Cross broad network with the option to enroll in Tufts or Harvard Pilgrim. This allows for budget certainty. Direct Care members mapped to the Blue Cross broad network will have to search providers of the Blue Cross Select limited network to make sure that they do not lose their providers. The networks do not line up exactly.

Melisa Doig asked for clarification on the networks.

Joe Anderson said that the Fallon Direct network does not line up exactly with the Blue Cross Select Limited Network. Members may need education to make sure their doctors are in the Blue Cross limited network.

Kevin Johnston said that this seems to be a great plan and seems to be a great solution to something that was thrust upon the group just a few short months ago.

Jose Anderson said this is a reactive solution that accomplishes what is needed with a minimum of disruption.

Marie Sobalvarro asked if rates are going to be comparable.

Joe Anderson said that no rates have been generated yet but the underlying assumption is that the claims will approximate what they are currently. Ahead of pricing to accommodate the run rate of the claim, the price points of rates have been stratified with Blue Cross, Tufts and Harvard Pilgrim at 101% of claims. That will be the basis from which the group will do the renewal pricing scenario. This avoids Fallon members from getting a large shock and it is not a budgetary impact for the member units.

Marie Sobalvarro asked how the Tufts claims can be reduced when current claims experience shows that they are running in excess of funding.

Joe Anderson said that the group can price on overall funding requirements from a Trust Fund perspective. From a business perspective it's best to price on a model of low, medium and high carrier price points. Specific carrier experience will be unpredictable for the next several years until it's determined where everyone lands. The credibility of the experience will take several years to accumulate. Fallon claims right now have been running high so experience rating would mean a rate increase of over 10%, creating a shock to the member units. Because the trust fund is currently healthy, the group has more flexibility to price according to the model, not the experience.

Kerry Lafleur said her concern is that the Fallon experience has been subsidized for several years. At what point is it no longer fair to subsidize the Fallon users.

Joe Anderson said that when Tufts and Harvard Pilgrim have merged in two years, the experience will more closely resemble what it dictates for price. The group can't get to where it needs to be in one move. It would be a shock to the system, therefore the tightening of the bands now. He reiterated that this is being done because there is an immediate need thrust upon the group.

Marie Sobalvarro asked if the Blue Cross pricing will be within 2% for the Fallon Select and Direct current pricing.

Jose Anderson responded that the same decrement will be used between the broader and limited Blue Cross network which is about a 7 or 8% differential.

Kevin Johnston asked when Gallagher needs a decision to move forward with this.

Joe Anderson said the sooner the better would be good so that modeling can begin with relative price points established,

Melisa Doig reminded everyone that this year will be the change of plan years as well to July 1.

Kevin Johnston said that the recommendation today helps Gallagher get information to the group sooner rather than later.

Marie Sobalvarro said that this is predicated on structuring according to fund balance and she can't presuppose how folks will move.

Kerry Lafleur asked if Fallon membership has already been mapped to the Blue Cross broader network.

Joe Anderson responded yes. The Blue Cross limited network is named Select which may confuse those when thinking of the former Fallon Select and Direct networks.

Kevin Johnston motioned to move forward with the Blue Cross recommendation and price modeling for MNHG.

Motion

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

Melisa Doig	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Marie Sobalvarro	yes

The motion passed by unanimous vote.

Other Business:

There was no other business.

Kerry Lafleur motioned to adjourn the meeting.

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

Motion

Melisa Doig	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Marie Sobalvarro	yes

The motion passed by unanimous vote.

Chair, Melisa Doig, adjourned the meeting at 9:37 AM.

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