

Minuteman Nashoba Health Group

Steering Committee Meeting

Monday, October 18, 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:

Ian Rhames, MNHG Treasurer	Concord Carlisle RSD
Arthur St John	Concord Fire
Brad Brightman	Town of Stow
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
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

Melisa Doig, MNHG Chair, called the meeting to order at 9:01 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 September 13, 2021 meeting:

Marie Sobalvarro moved to approve the September 13, 2021 as written.

Motion

Kevin Johnston 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 reviewed the MNHG's financial status as of August 31, 2021 (unaudited figures). Member premiums were down for the year by \$1.3M due to member units leaving the group. Total claims expenses were up \$1.9M. Net revenue as of August 31 was \$-584,412. Total assets were \$11.8M. Mr. Rhames said the Fund Balance (equity) was \$8.1M, which is still above target of \$5.4M.

GBS Reports:

Funding Rate Analysis (FRA) report – Joseph Anderson reviewed the FY21 FRA with data through August 31, 2021. He said the expense-to-funding ratio on a paid claims basis was 110.5% with a deficit of funding to major expenses of \$1,047,373. 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 September. Increased activity was a common trend across other groups as well.

Reinsurance reports – Karen Quinlivan reviewed reinsurance reports for the FY21 policy period with claims data through August. She said that there were 4 claimants with updated total paid claims of \$2,147,912. The amount exceeding the specific deductible of \$300,000 was \$947,912. Total reimbursements of \$597,325 left an outstanding reimbursement amount due of \$350,588. There were 29 claimants on the 50% Report with updated total paid claims of \$6,080,586. The same reports for the FY22 did not include any members in excess or at the 50% reporting level yet.

CY22 senior Rate proposals:

Joe Anderson said that all of the MNHG Senior Plans are fully insured. Rate illustrations for CY22 show the Tufts Medicare Preferred Supplement with PDP Plus with a 3.2% increase to \$451.00. Tufts Medicare Preferred HMO has a 4.4% increase to \$356.00. Fallon Medicare Plus Premier increases 4.8% to \$328.00 and the Premier Central plan increases 6.6% to \$243.00.

This year, Fred Winer had Tufts underwriting look at what it would mean to self-insure the medical portion of the benefit for the Tufts Medicare Preferred Supplement with PDP Plus. That is what is typical across the board for most groups. A projected rate with that scenario would be \$420.12, meaning a total annual savings to the MNHG and the retirees impacted of \$367,595.52. This is based on a track record of savings under this model.

Fred Winer said that under this model everything is transparent. GBS and Tufts Admin fees will be displayed. Admin fees are small. There will be new group numbers for the change but it will be handled behind the scenes for the changeover. Members will notice no change in benefit whatsoever.

Kevin Johnston moved to accept the rates as presented with the Tufts Medicare Preferred Supplement with PDP Plus self- insured medical rate of \$420.

Motion

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

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

The motioned passed by unanimous vote.

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, the group needs to adjust on paper the pre FY23 renewal price base by carrier/plan to have neutral funding consequences to MNHG. Fallon will be replaced by introducing Blue Cross as the lowest price carrier alongside Tufts and HPHC. The Fallon limited network would be replaced with BCBS Select limited network that would accommodate a lower price point for lower paid employees. Modeled options will provide each carrier's pre FY23 renewal base from which the FY23 increase will be applied as part of the regular annual renewal price setting process. Two modelling options were presented. Option 1 would increase the Fallon premium by 3% and decrease the Tufts slightly and leave HPHC alone. Funding for this option would bring total finding to 101.05%. No unit would be impacted more than .88%. Option 2 would increase Fallon 2% with the same spread mix. Total funding would be 100.6% with the highest unit impact of .62%. A preliminary renewal calculation will be received from Fallon on November 15. The renewal can probably be done in December this year as opposed to later.

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 responded that there is a disconnect which needs to be balanced between the actuarial science and the business decision needed to support the stability of MNHG at the joint purchase level. The same exercise is being done in WSHG.

Kerry LaFleur asked why Blue Cross agreed to become the lowest cost carrier and are they giving up something.

Joe Anderson said that when they analyze a group of this size, to make it financially viable they need to get a material percentage of the membership.

Melisa Doig asked if Fallon members have a choice to go on other plans at open enrollment.

Joe Anderson said that everyone, including Fallon members will have a choice

Kerry Lafleur motioned to move forward with the Blue Cross recommendation and option 1 price modeling for MNHG.

Motion

Marie Sobalvarro 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:

Kerry Lafleur asked if when moving towards renewal that a high deductible PPO option be explored for early retirees that are living out of state.

GBS will add that as a future agenda item for discussion.

There was no other business.

Marie Sobalvarro 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 9:45 AM.

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