

Minuteman Nashoba Health Group

Steering Committee Meeting

Monday, December 13, at 1:00 PM

By Remote Participation

Meeting Minutes

Committee Members Present:

Melisa Doig, Board Chair	Town of Groton
Kevin Johnston	Town of Ayer
Ann Marie Tucciarone-Mahan	North Middlesex RSD

Guests Present:

Ian Rhames, MNHG Treasurer	Concord Carlisle RSD
Bill Hickey	Harvard Pilgrim Health Care
Paul Lazar	Harvard Pilgrim Health Care
Patrick Flattery	Fallon Health
Lisa Despres	Tufts Health Plan
Rae Felts	Tufts Health Plan
Fred Winer	Tufts Health Plan
Jim Riley	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 1:00 PM.

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
Ann Marie Tucciarone-Mahan	North Middlesex RSD

Approval of the minutes of the November 15, 2021 meeting:

Ann Marie Tucciarone-Mahan moved to approve the November 15, 2021 as written.

Motion

Kevin Johnston seconded the motion. A roll call vote was taken.

Melisa Doig	yes
Kevin Johnston	yes

Ann Marie Tucciarone-Mahan

Abstain

The motion passed by majority vote.

Treasurer’s Report:

Treasurer Ian Rhames reviewed the MNHG’s financial status as of October 31, 2021 (unaudited figures). He said member premiums are down \$2M because of the departure of Lincoln Sudbury and Carlisle. Claims expense has increased by \$2.3M this year. Net Revenue shows that last year the group was up \$2.2M but this year the group is down \$1.6M. Fund Balance has decreased since July but is still above target of \$5.4M.

Marie Sobalvarro, a voting member, joined the meeting at this time.

GBS Reports:

Funding Rate Analysis (FRA) report – Joseph Anderson reviewed the FY21 FRA with data through October 31, 2021. He said the expense-to-funding ratio on a paid claims basis was 104.4 with a deficit of funding to major expenses of \$726,562. It will be interesting to see if the trend continues. .

Reinsurance reports – Karen Quinlivan reviewed reinsurance reports for the FY21 policy period with claims data through October. She said that there were 4 claimants with updated total paid claims of \$2,150,135. The amount exceeding the specific deductible of \$300,000 was \$950,135. Total reimbursements of \$933,734 left an outstanding reimbursement amount due of \$16,401. There were 29 claimants on the 50% Report with updated total paid claims of \$6,078,650. The same reports for the FY22 showed 1 claimant on the 50% report with total updated claims of \$264,092.

FY23 Renewal Pricing – Timing and Discussion:

Joseph Anderson reviewed the Minuteman Nashoba Health Group Fund Balance Policy. The Trust Fund Balance previously was below target for a good measure of time. There was an effort to codify the Fund Balance Policy as a part of the renewal process. During Covid there was an increase in Fund Balance due to decreased claims activity. At this time the Fund Balance is in excess of target, but looking forward to pricing for FY23, the group needs to understand all the moving parts associated with pricing whether risk or policy. At the time that this meeting was set there was a desire to have the pricing exercise done early with a certain level of certainty early on. Some of those moving parts were established prior, when the trust was robust. When the Treasurers report through October was produced and the Net Revenue has declined \$1.6M since the beginning of the fiscal year, it does not seem to be prudent at this time to make a long range pricing decision without a few more months claims experience detail. Delaying pricing until January will allow the group to consider experience data through the month of December. Previous calculations that GBS performed were with data through October. The carrier calculations were with data through September. Every month of missing data represents pricing risk in a time of volatility.

Kevin Johnston said that he agreed with Mr. Anderson. Several more month of claims data may be beneficial to get a clearer picture setting the rates. Mr. Johnston asked Ian Rhames if it was

time to look at the Fund Balance Policy if it is in fact conservative. Given the change in the group's size over the last several years, it may be time to revisit.

Melisa Doig said that perhaps it would be best to do it after the FY23 rate setting process.

Mr. Johnston said that Fund balance has been used in the past to help subsidize and keep rates in the single digits.

Joe Anderson said that the fund balance target is at over 12%. There may be some wiggle room in these extraordinary times. He asked Ian Rhames about the IBNR calculation and if that is conservative as well.

Ian Rhames said that it is. It is the prior 4 months average claims costs multiplied by 1.5. It fluctuates with claims. That may be an easier item to change. Mr. Rhames said he could speak to the auditor.

Other Business:

The next Steering Committee meeting was set for Wednesday, January 19, at 11:00 AM.

There was no other business.

Kevin Johnston motioned to adjourn the meeting.

Ann Marie Tucciarone-Mahan seconded the motion. There was a roll call vote.

Motion

Melisa Doig	yes
Kevin Johnston	yes
Ann Marie Tucciarone-Mahan	yes

The motion passed by unanimous vote.

Chair, Melisa Doig, adjourned the meeting at 1:29 PM.

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