

Minuteman Nashoba Health Group

Steering Committee Meeting

Wednesday, January 19, at 11:00 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
Ann Marie Tucciarone-Mahan	North Middlesex RSD

Guests Present:

Ian Rhames, MNHG Treasurer	Concord Carlisle RSD
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
Jim Riley	CanRx
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

Melisa Doig, MNHG Chair, called the meeting to order at 11:05 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
Ann Marie Tucciarone-Mahan	North Middlesex RSD

Approval of the minutes of the December 13, 2021 meeting:

Ann Marie Tucciarone-Mahan moved to approve the December 13, 2021 as written.

Marie Sobalvarro seconded the motion. A roll call vote was taken.

Melisa Doig	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Marie Sobalvarro	yes
Ann Marie Tucciarone-Mahan	yes

The motion passed by unanimous vote.

Treasurer’s Report:

Treasurer Ian Rhames reviewed the MNHG’s financial status as of December 31, 2021 (unaudited figures). He said member premiums are down because of the departure of Lincoln Sudbury and Carlisle. Claims expense has increased significantly so far this year. Net Revenue shows that last year the group was up \$2.2M but this year the group is down \$2.6M. Fund Balance has decreased since July and is right at target of \$5.4M. The target will actually creep up because that last few months have been heavy claims months. Reinsurance will help to offset claims so that’s something to look forward to and so far, January doesn’t appear to be as heavy.

GBS Reports:

Funding Rate Analysis (FRA) report – Joseph Anderson reviewed the FY21 *FRA* with data through November, 2021. He said the expense-to-funding ratio on a paid claims basis was 108.0% with a deficit of funding to major expenses of \$1,600,233. It will be interesting to see if the trend continues. December looks more in line with a normal month. November was an all timer. Large claims appear to be increasing. It will be interesting to see if it is a trend or an anomaly.

Reinsurance reports – Karen Quinlivan reviewed reinsurance reports for the FY21 policy period with claims data through November. She said that there were 4 claimants with updated total paid claims of \$2,172,038. The amount exceeding the specific deductible of \$300,000 was \$972,038. Total reimbursements of \$933,734 left an outstanding reimbursement amount due of \$38,304. There were 29 claimants on the 50% Report with updated total paid claims of \$6,103,080. The same reports for the FY22 showed 4 claimants on the 50% report with total updated claims of \$1,098,373.

FY23 Renewal Pricing – Calculation and Discussion:

Joseph Anderson said that when the group last met it was looking to get an early calculation for December. When it became apparent how the year was starting out financially, the group felt it was prudent to have additional financial data in order to set rates for the upcoming fiscal year. The current calculation factors in all financial data through the end of December in terms of paid claims. When the carriers calculated renewals, they did so with data through the end of August or September. Aggregate claims trend that they used was about 7.39% with Fallon on the low end and Tufts on the high end. Having more claims trend provides more certainty on projecting but there remains a good deal of uncertainty on the future impact of Covid. As part of the exercise, there was a pre-renewal adjustment for Blue Cross coming in as the lowest priced option to replace Fallon at Fallon’s rates adjusted up 3%.

The FY23 required funding calculation applied a 5% Covid factor and a 7.5% trend factor. The reinsurance specific deductible rose from \$300,000 to \$400,000 so there is added claims risk retention for the group. Anticipated annualized claims come to \$40,718,087.19. Required funding for CanaRx, carrier admin fees and Stop Loss then brings required funding to \$44,818,762.23. Compared to current funding, the calculated required increase would be 10.74%. Three rating scenarios were then displayed showing 7%, 8% and 9% composite rates increases and the resulting impact to Fund Balance.

There was discussion regarding rate options to present to the Board for approval.

Ann Marie Tucciarone-Mahan motioned that the rate options to present to the Board for vote would be 8.25%, 8.5% and 9%,

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

Melisa Doig	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Marie Sobalvarro	yes
Ann Marie Tucciarone-Mahan	yes

The motion passed by unanimous vote.

The Steering Committee then decided to vote on their recommendation

Ann Marie Tucciarone-Mahan motioned that the rate option recommendation by the Steering Committee would be 8.5%.

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

Melisa Doig	yes
Kevin Johnston	yes
Kerry Lafleur	yes
Marie Sobalvarro	Abstain
Ann Marie Tucciarone-Mahan	yes

The motion passed by majority vote.

BCBS Implementation:

Joe Anderson said that Blue Cross does not at this point have the limited network on the qualified high deductible plan. There are 22 limited network high deductible plan enrollments across all of MNHG. BCBS has stated that it will not be ready for a 7/1/22 implementation and projects a January of 2023 go live date. The limited network high deductible can be offered on a special open enrollment if there is interest for existing employees. The plan will be available for new employees at the go live date.

Other business:

The next MNHG Board meeting is scheduled for Monday January 31, 2022 at 10:00 AM.

There was no other business.

Kevin Johnston motioned to adjourn the meeting.

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



Melisa Doig	yes
Kevin Johnston	yes
Kerry Lafleur	no response
Marie Sobalvarro	yes
Ann Marie Tucciarone-Mahan	yes

The motion passed by majority vote.

Chair, Melisa Doig, adjourned the meeting at 12:09 PM.

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