

**MAYFLOWER MUNICIPAL HEALTH GROUP
MINUTES OF GENERAL MEETING
April 9, 2015 9:00 A.M.
Halifax Country Club
100 Country Club Lane
Halifax, Massachusetts**

Attendees:

Rick LaFond, Town of Abington
Michael Levy, Chairman of General Board -Town of Bridgewater
Dianne Leroux, Bristol County
Reinald Ledoux, Jr., Brockton Area Transit Authority
Scott Alfonse, Greater New Bedford Regional Refuse Management District
Charlie Seelig, Town of Halifax
Troy B. G. Clarkson, Town of Hanover
Ronald San Angelo, Town of Hanson
Stacey Reed, Town of Hanson
Ted Alexiades, Town of Hingham
Eileen White, Town of Hull
Michael Buckley, Town of Hull
Robert Fennessy, Jr., Town of Kingston
Dan Matthews, Norfolk County
Michael Laliberte, North River Collaborative
Ellen Allen, Town of Norwell
Darleen Sullivan, Town of Norwell
Marcine Fernandes, Onset Fire District
Mary McCoy, Onset Fire District
Ed Thorne, Town of Pembroke
Kathleen McCarthy, Town of Pembroke
Sandra Wright, Plymouth County
Bill Farmer, Plymouth County Retirement Association
Colleen Thompson, Town of Plympton
Michael McCue, Town of Rochester
Allan Chiocca, Town of Rockland
Nancy Holt, Town of Scituate
John Tuffy, Silver Lake Regional School District
Rick Reino, South Shore Educational Collaborative
Maureen Shirkus, South Shore Regional Emergency Communication Center
Kristen Sniezek, Southeastern Regional Transit Authority
Thomas Hickey, South Shore Vocational Technical HS
Derek Sullivan, Town of Wareham
John Foster, Town of Wareham
Wendy Lemieux, Wareham Fire District
Richard England, Wareham Fire District
Daniel Callahan, Water Works
John Duggan, Town of West Bridgewater
Frank Lynam, Town of Whitman
Mary Beth Carter, Town of Whitman
Christine Suckow, Whitman- Hanson Regional School District
John Sciara, Professional Fire Fighters of Massachusetts
Kevin Powell, Plymouth County Retiree
Thomas J. O'Brien, MMHG Treasurer
Sheila Avery, MMHG
Kelly Morse Perez, MMHG

Jack Sharry, Group Benefits Strategies
Joseph McCarthy, Group Benefits Strategies
Frank Hegarty, Norfolk County
Laurie Croke, South Shore Regional Emergency Communication Center
Lindsey Nash, Town of Norwell
Tanya Chakmakian, Blue Cross Blue Shield of Massachusetts
Bryan Adams, Harvard Pilgrim Health Care

The Chairman called the meeting to order at 9:20 a.m. with a quorum present.

The Chairman spoke about the late Henry Burbine's service on the Steering Committee and to Mayflower Municipal Health Group. There was a moment of silence observed in recognition of Henry Burbine.

1. **Accept Meeting Minutes**

MOTION: Lynam made a motion to accept the September 4, 2014 meeting minutes.

SECOND: Farmer

VOTE: Unanimous, motion passed

2. **FY16 Rate Recommendation & Vote**

Sharry said he reviewed the renewals and the carriers are not increasing their fiscal year 2016 administration fees. He said we use different rates versus the insurance carrier's suggestions. He reminded everyone that for fiscal year 2015 we put \$6.5 million at risk. He stated we will receive \$4.1 million in outside revenue versus the projected \$3.4 million. He said the projected revenue shortfall for this fiscal year is \$1 million.

Sharry said the handout indicates his fiscal year 2016 recommendation of 2% increase on the Blue Cross active plans and 4% increase on the Harvard Pilgrim active plans. He said he is suggesting a 7.3% decrease in the Medex plan rate and a 4.3% decrease in the Harvard Pilgrim Health Care Medicare Enhance plan rate. He stated the estimated overall risk to the trust fund is \$12.3 million.

MOTION: Ron San Angelo made a motion to accept the rates as recommended on the GBS handout.

SECOND: Lynam

Discussion:

Holt asked what the difference is between the rate recommendation from February's Steering meeting and March's meeting. Sharry said that he discussed different options with the Steering Committee and he received another month of claims experience.

Holt asked why the Medicare supplement plans are being reduced at this time. The Chairman stated the Steering Committee firmly believes the subsidy should be used to reduce the plans that bring the money in.

Duggan asked Treasurer O'Brien to review the surplus.

Treasurer O'Brien stated that as of March 31, 2015, the MMHG has \$35,739,729.49 in reserves.

AMENDED MOTION: Seelig motioned to amend the original motion by substituting the rate structure he proposed in his handout “Town of Halifax proposed FY2016 Rates for Mayflower Municipal Health Group”

SECOND: Chiocca

Discussion:

Seelig said he believes the GBS suggested rates are an artificial construct and we have two years of data to review. Seelig reviewed his handout and stated the original proposed rates are artificially subsidizing other plans that aren’t performing well.

Vice Chairman Clarkson said he welcomes Seelig’s motion but disagrees with his conclusions. He stated that the reason why we exist is to pool our members to spread risk out among subscribers and dependents. He said this is the nature of any insurance carrier. He said the Steering Committee agreed and voted to put up to \$13 million in reserves at risk to achieve the rates in the original motion and wouldn’t be in favor of putting additional reserves at risk. He said part of their job is to maintain the financial stability and viability of the group.

Seelig said that the overall rates he is suggesting wouldn’t cost any additional money in reserves and disagrees with Clarkson.

Farmer said that the Steering Committee sent out the rate information prior to the meeting but this is the first time they are seeing Seelig’s proposal. He stated it should have been brought to the Steering Committee for discussion and sees the amended motion as mistimed.

AMENDED MOTION VOTE: MOTION FAILED 29 opposed, 4 in favor

TOWN OF ABINGTON=NO
TOWN OF BRIDGEWATER=NO
BRISTOL COUNTY=NO
BROCKTON AREA TRANSIT AUTHORITY=NO
GREATER NEW BEDFORD RRMD=NO
TOWN OF HALIFAX= YES
TOWN OF HANOVER=NO
TOWN OF HANSON=NO
TOWN OF HINGHAM=NO
TOWN OF HULL=NO
TOWN OF KINGSTON=NO
NORFOLK COUNTY=NO
NORTH RIVER COLLABORATIVE=NO
TOWN OF NORWELL=NO
ONSET FIRE DISTRICT=NO
TOWN OF PEMBROKE=NO
PLYMOUTH COUNTY=NO
PLYMOUTH COUNTY RETIREMENT ASSOCIATION=NO
TOWN OF PLYMPTON=NO
TOWN OF ROCHESTER=NO
TOWN OF ROCKLAND=YES
TOWN OF SCITUATE=NO
SILVER LAKE REGNL SCHOOL DIST=YES
SOUTH SHORE EDUCATIONAL COLLABORATIVE=NO
SOUTH SHORE EMERGENCY CC=NO

SOUTHEASTERN REGIONAL TRANSIT AUTHORITY=NO
SOUTH SHORE VO-TECH=NO
ABINGTON/ROCKLAND JOINT WATERWORKS=NO
TOWN OF WAREHAM=NO
WAREHAM FIRE DISTRICT=NO
TOWN OF WEST BRIDGEWATER=YES
TOWN OF WHITMAN=NO
WHITMAN-HANSON RGNL SCHOOL DIST=NO

Seelig asked why we are increasing the benchmark plans.

Sharry said that the fairest way to do it in a joint purchase group is to have a composite rate and that is how the insurance companies do it as well. He said he has been doing this for 27 years and only had one community not composite rate and it caused havoc so they switched back to composite the next year.

ORIGINAL MOTION VOTE: MOTION PASSED 31 in favor, 3 opposed

TOWN OF ABINGTON=YES
TOWN OF BRIDGEWATER=YES
BRISTOL COUNTY=YES
BROCKTON AREA TRANSIT AUTHORITY=YES
GREATER NEW BEDFORD RRMD=YES
TOWN OF HALIFAX=NO
TOWN OF HANOVER=YES
TOWN OF HANSON=YES
TOWN OF HINGHAM=YES
TOWN OF HULL=YES
TOWN OF KINGSTON=YES
NORFOLK COUNTY=YES
NORTH RIVER COLLABORATIVE=YES
TOWN OF NORWELL=YES
ONSET FIRE DISTRICT=YES
TOWN OF PEMBROKE=YES
PLYMOUTH COUNTY=YES
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SOUTH SHORE VO-TECH=YES
ABINGTON/ROCKLAND JOINT WATERWORKS=YES
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TOWN OF WEST BRIDGEWATER=YES
TOWN OF WHITMAN=YES
WHITMAN-HANSON RGNL SCHOOL DIST=YES

Holt said at the next General Board meeting she would like to see the differentials between the plans – so what we have them at with our rates versus what the carriers suggest. Chairman Levy said that information would be provided.

Holt would also like to know if the Managed Blue plan is being expanded and if it needs to be voted by the General Board. Levy said our attorney is looking at that question.

San Angelo motioned to adjourn at 9:50 a.m., seconded by Farmer and voted unanimously.

Respectfully submitted,

Sheila Avery

Reference documents for this meeting:

- 1) GBS MMHG FY15 and FY16 Rates & Funding Comparison dated March 31, 2015