

**MAYFLOWER MUNICIPAL HEALTH GROUP
MINUTES OF GENERAL MEETING
June 16, 2016 9:00 A.M.
Halifax Country Club
100 Country Club Lane
Halifax, Massachusetts**

Attendees:

Rick LaFond, Town of Abington
Dori Jamieson, Town of Abington
Michael Levy, Chairman of General Board -Town of Bridgewater
Ray Ledoux, Brockton Area Transit
Charlie Seelig, Town of Halifax
Troy B. G. Clarkson, Town of Hanover
Jeanne Sullivan, Town of Hanson
Michael Buckley, Town of Hull
Robert Fennessy, Jr., Town of Kingston
Ken Stevens, Town of Kingston
Rocco Longo, Town of Marshfield
Ann Brown, Norfolk County
Frank Hegarty, Norfolk County
Michael Laliberte, North River Collaborative
Peter Morin, Town of Norwell
Marcine Fernandes, Onset Fire District
Mary McCoy, Onset Fire District
Ed Thorne, Town of Pembroke
Sandra Wright, Plymouth County
David Sullivan, Plymouth County Retirement Association
Colleen Thompson, Town of Plympton
Cindy Mello, Town of Rochester
Allan Chiocca, Town of Rockland
Nancy Holt, Town of Scituate
Christine Healy, Silver Lake Regional School District
Derek Sullivan, Town of Wareham
Wendy Lemiux, Wareham Fire District
Maureen Adams, Town of West Bridgewater
Paul Golder, Town of West Bridgewater
Frank Lynam, 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
Kate Sharry, Group Benefits Strategies
Joseph McCarthy, Group Benefits Strategies
Tanya Chakmakian, Blue Cross Blue Shield of Massachusetts
Bill Hickey, Harvard Pilgrim Health Care

The Chairman called the meeting to order at 9:30 a.m. with a quorum present.

1. **Accept Meeting Minutes**

MOTION: Lynam made a motion to accept the April 7, 2016 meeting minutes.

SECOND: Clarkson

VOTE: Unanimous, motion passed

2. **Wellness Report**

Avery stated that the Affordable Care Act has supported bringing a culture of wellness in the workplace. She reviewed the handout for the Wellness FY16 and stated we have a budget of \$36,000 plus money we receive from the insurance carriers. She stated that wellness email updates are sent to just under 6,000 members, 82% of member units participated in the FY16 walking challenges.

Avery said we receive feedback from employees and retirees stating they appreciate the programs offered and value these initiatives as part of the benefits they receive. She said that employees are an investment and we need to value and nurture this investment by improving their well-being. She thanked the member units that participate in the wellness program and encouraged the other member units to participate. She challenged every person in the room to go to one seminar or participate in one of the wellness events and promised it would have an impact on them. She stated that when Administrators and Managers are involved in the wellness programs it sends a message to the employees that they care. She reminded everyone that the participation letter will be sent out and asked everyone to sign and return.

Avery recognized Kelly Morse Perez for all her hard work on the Wellness program.

3. **GBS Report**

Sharry stated the Funding Rate Analysis, dated May, 2016, was sent to all members prior to the meeting and copies are available at the check in desk. She reviewed the document stating that claims are running high with 10 months of claims paid. She said the overall loss ratio for active plans is 113.4% and retiree medicare plans is 114.7%. She stated almost all of the paid claims are running higher than carriers' projections.

Sharry said the reason for our high loss ratio is medical/prescription trends are both increasing and we have some very high claims. She stated we can make some plan design changes and also continue to reinforce wellness initiatives. She said we will continue to monitor and look at all options to make sure we don't have another 15% increase for the group.

Sharry reviewed MMHG's stop loss policy and explained we have a \$300,000 specific deductible for each claimant and a \$500,000 overall aggregate deductible. She said we don't get reimbursements until one member satisfies the \$300,000 specific deductible and anything over that amount goes in the pool until the overall \$500,000 deductible is met. She said we received \$569,759 in FY16 in reimbursements and 27 members have claims over \$150,000. She stated in FY15 we received \$235,000 in reimbursement.

Sharry said we also receive retiree drug subsidy reimbursements as outlined on the last page of the handout.

Longo asked what our loss ratios are supposed to be and Sharry said anything at 100% is breaking even. She explained that under 100% would mean you are not taking reserve money out of the trust fund.

Wright asked if GBS has seen any drop in utilization costs due to the Wellness program. Sharry stated that it is a little hard to measure with Wellness initiatives but we will be able to over time and that we do receive analytics reports from the insurance carriers. Avery stated we receive phone calls from members stating that they had cancerous polyps removed so we know we potentially saved thousands in claims. Avery explained it is hard to measure but based on feedback received we know we are saving money by promoting wellness initiatives.

Seelig said one person receiving early treatment for cancer saved us more money than what we spend on our wellness program.

Seelig asked about medical inflation forecast for next year. Sharry said when we start the process we get the renewals from the carriers and the projected claims have the inflation built in. Seelig said we are assuming the medical inflation is built in the rates and Sharry agreed. Sharry explained that claims usually fluctuate and go in cycles.

Chairman Levy stated the Steering Committee is looking at several different options for next year; plan re-design, plan elimination, adding new insurance carrier, introducing new plans, sole source carrier, exploring Medex II option, universal prescription drug program. He also said they are looking at preferred providers such as Shields MRI, where the cost is much cheaper for an MRI. He said we are also looking at changing our Stop Loss policy. He stated there will be a presentation on composite rating in the fall.

Chairman Levy said to send any ideas to the Steering Committee or to Avery so the Steering Committee can discuss them. He said that we need to all work together.

4. **Treasurer's Report/Financial Update**

Morse-Perez passed out Treasurer O'Brien handouts.

Treasurer O'Brien said the operating statement handout is through May 31, 2016 with projections for June 30, 2016. He stated that the Town of Wareham joined our group and spread their interest payment over three years. He explained that they bought down the third year and this month gave us a check for \$595,000. He said he projects we will use \$13,356,094 in net assets for FY16. He said he anticipates we will have around \$14 million in unrestricted net assets at the end of FY16. He reminded the Board that we have a 15% increase and are expected to use up to \$8.6 million from net assets. He stated our other operating expenses are very low at about .6%.

Treasurer O'Brien said we don't make money on reinsurance and any reimbursements received are offset by what we pay in premium. He said it is a protection to the fund for catastrophic claims.

Treasurer O'Brien said we are offering quality health insurance at an affordable cost and are doing very well compare to other groups in the Commonwealth.

Treasurer O'Brien said the executive performance summary handout shows we have a very conservative investment portfolio with asset allocation of 30% equities and 70% fixed income. He said the goal is to ensure safety of our principle, have liquidity, and to produce a modest yield. He said the portfolio return has been approximately 4% since inception. He

stated the Finance Committee met recently and voted to keep the conservative investment portfolio. He recognized the current Finance Committee members Peter Morin, Jeanne Sullivan, Derek Sullivan. He stated that if anyone has any comments, suggestions or ideas to please let him or the Finance Committee know.

Treasurer O'Brien reviewed the Recent Market Conditions Commentary handout. He explained the markets have been volatile since July 1, 2015.

5. **Election Steering Committee & Finance Committee**

Chairman Levy asked if there was anyone else that was interested in serving on the Finance Committee. Hearing and seeing none he stated the candidates as follows:

Finance Committee:

Peter Morin, Norwell Town Administrator **Candidate for Re-Election**

Jeanne Sullivan, Hanson Town Treasurer/Collector **Candidate for Re-Election**

Derek Sullivan, Wareham Town Administrator **Candidate for Re-Election**

MOTION: Clarkson made a motion to elect the 3 candidates listed above for the Finance Committee.

SECOND: Lynam

VOTE: Unanimous

Chairman Levy asked if there was anyone else that was interested in serving on the Steering Committee. Hearing and seeing none he stated the candidates as follows:

Steering Committee:

Ted Alexiades, Hingham Town Administrator, **Candidate for Re-Election**

Troy Clarkson, Hanover Town Manager, **Candidate for Re-Election**

John Duggan, West Bridgewater Town Treasurer/Collector **Candidate for Re-Election**

William Farmer, Plymouth County Retirement Executive Director, **Candidate for Re-Election**

Michael Levy, Representative for the Town of Bridgewater, **Candidate for Re-Election**

Frank Lynam, Whitman Town Administrator, **Candidate for Re-Election**

MOTION: Clarkson made a motion to elect the 6 candidates listed above for the Steering Committee.

SECOND: Lynam

VOTE: Unanimous

6. **Election- Treasurer**

MOTION: Lynam made a motion to nominate Thomas J. O'Brien as the Treasurer of the Mayflower Municipal Health Group.

SECOND: Clarkson

VOTE: Unanimous

7. **Election-Chairman**

MOTION: Clarkson made a motion to appoint Michael Levy as Chairman of the Mayflower Municipal Health Group.

SECOND: Lynam

VOTE: Unanimous

Clarkson motioned to adjourn at 10:05 a.m., seconded by Lynam and voted unanimously.

Respectfully submitted,

Sheila Avery

Reference documents for this meeting:

- 1) FY16 YTD Operating Statement and Y/E projections, dated May 31, 2016
- 2) Treasurer O'Brien's Executive performance summary as of March 31, 2016
- 3) Treasurer O'Brien's Recent Market Conditions Commentary July 1, 2015 – May 31, 2016
- 4) MMHG Wellness FY16 review and FY17 Goals/Grant Table