

**MAYFLOWER MUNICIPAL HEALTH GROUP
MINUTES OF GENERAL MEETING
March 7, 2018 9:00 A.M.
Monponsett Inn
550 Monponsett Street
Halifax, Massachusetts**

Attendees:

Michael Levy, Chairman of General Board -Town of Bridgewater
Ray Ledoux, Brockton Area Transit
Scott Alfonse, Greater New Bedford RRMD
Jane Callahan, GATRA
Frank Gay, GATRA
Charlie Seelig, Town of Halifax
Anthony Marino, Town of Hanover
Lincoln Heineman, Town of Hanover
Michael McCue, Town of Hanson
Jeanne Sullivan, Town of Hanson
Michael Buckley, Town of Hull
Ken Stevens, Town of Kingston
Michael Maresco, Town of Marshfield
Frank Hegarty, Norfolk County
Ann Brown, Norfolk County
Michael Laliberte, North River Collaborative
Marcine Fernandes, Onset Fire District
Mary McCoy, Onset Fire District
Ed Thorne, Town of Pembroke
Kathleen McCarthy, Town of Pembroke
Jenn Grasso, Town of Pembroke
Tammy Correa, Plymouth County
Bill Farmer, Plymouth County Retirement Association
Cindy Mello, Town of Rochester
Suzanne Szyndlar, Town of Rochester
Christine Healy, Silver Lake Regional School
Rick Reino, South Shore Educational Collaborative
Erik Rousseau, Southeastern Regional Transit Authority
Thomas Hickey, South Shore Vocational Technical High School
Derek Sullivan, Town of Wareham
Richard England, Wareham Fire District
Wendy Lemieux, Wareham Fire District
Scott Golder, Town of West Bridgewater
Maureen Adams, Town of West Bridgewater
Frank Lynam, Town of Whitman
Mary Beth Carter, Town of Whitman
Christine Suckow, Whitman-Hanson Regional School District
Jennifer DeVasto, Town of Whitman
Joseph McCarthy, Charter Management
Kevin Powell, Plymouth County Retiree
Thomas J. O'Brien, MMHG Treasurer
Sheila Avery, MMHG
Kelly Morse Perez, MMHG
Kate Sharry, Group Benefits Strategies

Tanya Chakmakian, Blue Cross Blue Shield of Massachusetts
Stephanie Burke, Blue Cross Blue Shield of Massachusetts
Mark Nicholson, Harvard Pilgrim Health Care
John Sciara, Professional Fire Fighters of Massachusetts

The Chairman called the meeting to order at 9:25 a.m. with a quorum present.

1. **BCBS Qualified High Deductible Health plan (QHDHP) with Health Savings Account (HSA) presentation**

Burke stated she will be reviewing the high deductible plan with HSA that will hopefully be available to MMHG members on July 1, 2019.

Burke said back in 2002, the Internal Revenue Service voted in the concept of a HSA to be paired with a qualified high deductible health plan (QHDHP). She explained a QHDHP has a minimum deductible of \$1,350 individual and \$2,700 family. She said all out of pocket cost, except preventative care covered at 100%, contribute to the deductible. She said the premium rate is much lower and HSA allows for contributions that do not count as taxable income.

Burke stated the yearly contribution maximum is \$3,850 individual plan and \$6,850 for family plan. She said these funds continue to accumulate and the account belongs to the subscriber.

Burke said the plan MMHG is looking at has full coverage after the deductible with no out of pocket costs other than prescription drugs.

Burke said there will be many meetings to discuss and review the QHDHP with HSA.

Sullivan asked what the deductibles are for the QHDHP and Burke said MMHG plans would have \$2,000 individual plan deductible and \$4,000 family plan deductible.

Reino asked if the employer is required to contribute to the HSA and Sharry said she recommends employers fund at least 50%. Burke stated the employer decides how and when the funds are deposited.

Laliberte asked about historical data that shows if it hurts the other plans when offered as an additional plan option. Sharry said some of her other joint purchase groups have implemented these plans recently and she will have trend data later this year. She said she anticipates only 5%-7% of subscribers switching to this plan in year one so we don't run the risk of throwing off the other plans.

2. **Accept meeting minutes**

MOTION: Lynam made a motion to accept the May 31, 2017 meeting minutes.

SECOND: Ledoux

VOTE: Unanimous

3. **MMHG Wellness Review**

Avery reviewed fiscal year to date programs through February, 2018, including exercise, healthy challenges, regional workshops and seminars. She stated the quarterly wellness newsletter was mailed out this week to 7,800 subscribers. She reviewed upcoming wellness events.

Avery said financial wellness programs such as “Money 101” have been added to the list of wellness offerings and is in line with our goals for the program.

Avery said the health assessment incentive programs began on March 1, 2018.

Avery stated the importance of wellness in our group and how preventable chronic disease is an area of focus. She explained we have about 70% member unit participation through February and hope to have 100% participation by the end of the year. She said General Board members can continue to help by hosting worksite programs on the clock and set an example by participating in programs.

Avery stated the SmartShopper incentive program is very important so members realize the cost of services and the difference their choices can make.

Avery recognized Kelly Morse Perez and Wellness Committee Chairwoman Maureen Adams for all their hard work and leadership with the wellness programs.

4. **Treasurer’s report update**

Treasurer O’Brien referenced the FY17 audited financial statements included in the handouts. He said this is the third year in a row there has been no management letter and recognized his staff for their work.

Treasurer O’Brien stated the group used a little less than \$3 million and have \$10,773,329 in net assets after IBNR. He stated the group put up to \$3.6 million at risk for FY18 and it doesn’t look like we will need to use it based on the current financial data.

Treasurer O’Brien referenced the February 28, 2018 statement of net assets showing unreserved fund balance of \$12,229,296.18. He said monthly net asset statements are posted on our website and are also emailed to Board members.

Treasurer O’Brien stated in the packet you will find the proportion of net reserves by member unit as of June 30, 2017. He said he wanted to provide this information so everyone understands how they are invested in the MMHG.

5. **GBS Report**

Sharry reviewed the funding rate analysis handout with claims paid through January, 2018. She stated we have \$4.5 million in funding surplus, with active plans at 91.8% loss ratio, senior plans at 101.4% loss ratio. She said these reports are emailed to you on a monthly basis and feel free to contact her with any question.

Sharry said we receive the renewals from the insurance carriers every year and they are analyzed. She stated they look at the projected claims increases and the Blue Cross increase is 1.7% over last year’s recommended rate. She stated the Harvard Pilgrim projected increase of 7.6 % is below trend. She said Bristol County and Norwell claims experience is not included in the renewals.

Sharry reviewed the FY17 carrier projections versus actual performance and said we ended up under carrier projections at 95.8%. She stated this year through January 31, 2018, we are running at a 4.5 million surplus and 91.8% carrier projection.

Sharry stated she looks at carrier projections, and all other cost increases to determine her suggested premium increases. She reviewed her recommendations as stated on page 3 of the handout including closing enrollment to legacy plans by member unit, offering QHDHP with HSA, continuing to pursue growth opportunities, and Telemedicine/disease management programs.

Sharry explained she has a letter ready to go out to other communities to invite them to explore joining MMHG.

Sharry reviewed the Blue cross program called smart90 that is available for subscribers to receive a 90 day supply of prescription drugs at a CVS retail pharmacy location.

Sharry stated they are looking at a voluntary vision program and more information will be available soon.

Seelig said the legacy plans have not performed well previously but this year shows they are not being subsidized. He said he would like to see the legacy plans priced according to their costs individually and continue to be offered in the future. Sharry said her recommendation is to give member units the tools to control costs and each member unit has the option of eliminating the legacy plans if they want to.

Chairman Levy stated the Steering Committee voted to recommend FY19 premium increase as listed on the handout and below:

BCBS Blue Care Elect Legacy - 6.5%
BCBS Blue Care Elect Rate Saver - 4.5%
BCBS Blue Care Elect Benchmark - 4.5%
BCBS Network Blue Legacy - 6.5%
BCBS Network Blue Rate Saver - 4.5%
BCBS Network Blue Benchmark - 4.5%
HP Legacy - 6.9%
HP Rate Saver - 4.9%
HP Benchmark - 4.9%

MOTION: Lynam made a motion to accept the FY19 Steering Committee recommended rates as listed on the handout.

SECOND: Farmer

Laliberte said the estimated subsidy needed is \$1,775,718 and the GBS recommended subsidy is \$1,061,000. He stated based on this year's financial information we could decrease our assets next year and didn't agree with putting more than \$1,061,000 at risk. Treasurer O'Brien said this was discussed at length at the Steering Committee and this year's trend is positive and he feels comfortable putting the higher amount at risk.

Laliberte said the amount of the subsidy to be distributed by plan are not equal and he would like to see a more equal distribution.

Seelig said the Harvard Pilgrim plans performance are running a little worse versus Blue Cross plans.

Sharry said the carrier suggested rate increases are composite with all plans increasing the same. She verbally stated the individual plan specific percent increases according to the renewals. She stated some of the plans do not have enough members to be rated on their own. She also stated plan performance can vary greatly from year to year.

VOTE: motion passed: 24 in favor, 1 opposed (North River Collaborative)

MOTION: Lynam made a motion to explore offering the QHDHP with HSA beginning July 1, 2019.

SECOND: Farmer

VOTE: Unanimous

Sharry gave an update on the Group Insurance Commission plan rate increase and changes.

Chairman Levy stated the Medex 2 with Blue Medicare RX rates will change on January 1, 2019, and to make sure it is included in your budget.

Lynam motioned to adjourn at 10:40 a.m., seconded by Ledoux and voted unanimously.

Respectfully submitted,

Sheila Avery

Reference documents for this meeting:

- 1) MMHG Wellness FY18 review /FY19 Goals/newsletter
- 2) GBS Funding Analysis page one dated March 5, 2018
- 3) GBS FY19 renewal information sheet
- 4) Steering Committee FY19 recommended rates
- 5) Treasurer's FY18 Statement of Net Assets through January 31, 2018
- 6) Treasurer's proportionate share of net reserves by member unit as of June 30, 2017
- 7) MMHG Audited Financial Statements