

MAYFLOWER MUNICIPAL HEALTH GROUP STEERING COMMITTEE
MINUTES OF MEETING
May 28, 2020
Mayflower Municipal Health Group
VIRTUAL ONLINE MEETING

Attendees: Michael Levy, Chairman, Town of Bridgewater
Ray Ledoux, Brockton Area Transit
John Sciara, Professional Fire Fighters of Massachusetts
Kevin Powell, Retiree
Derek Sullivan, Town of Wareham
Frank Lynam, Town of Whitman
Michael Maresco, Town of Marshfield
Jason Leto, Mass Teachers Association
Thomas O'Brien, Treasurer MMHG
Sheila Avery, Insurance Group Administrator MMHG
Bill Hickey, Harvard Pilgrim Health Care
Diane Laflash, Gallagher Benefit Insurance Services
Kate Sharry, Gallagher Benefit Insurance Services
Chris Nunnally, Gallagher Benefit Insurance Services
Tanya Chakmakian, Blue Cross Blue Shield of Massachusetts
Bill Chenard, Town of Pembroke
Michelle Labadini, Norfolk County
Kevin Feeley, MMHG Legal Counsel
Joe McCarthy, Charter Management
Rick Reino, South Shore Educational Collaborative
Scott Alfonse, Greater New Bedford RRMD

Chairman Levy called the meeting to order at 9:06 a.m. He announced the meeting will be recorded and asked if there were any objections. Hearing and seeing none. He asked all participants to state their name before speaking and making motions for meeting minute purposes.

Avery completed a roll call of Steering Committee members.
Sharry asked all guests to state their name and affiliation.

1. **Accept Meeting Minutes**

MOTION: Maresco made a motion to accept the February 27, 2020 meeting minutes.

SECOND: Lynam

ROLL CALL VOTE: Michael Levy- yes, Ray Ledoux- yes, John Sciara -yes,
Kevin Powell-yes, Derek Sullivan-yes, Frank Lynam-yes, Michael Maresco-yes,
Jason Leto-yes. Motion passed unanimously.

MOTION: Maresco made a motion to accept the March 11, 2020 meeting minutes.

SECOND: Lynam

ROLL CALL VOTE: Michael Levy- yes, Ray Ledoux- yes, John Sciara -yes,
Kevin Powell-yes, Derek Sullivan-yes, Frank Lynam-yes, Michael Maresco-yes,

Jason Leto-yes. Motion passed unanimously.

2. **Treasurer's Update**

Treasurer O'Brien said the FY20 draft Operating Statement and Net Assets as of April 30, 2020 were emailed to all members and is on the presentation screen. He said the Operating Statement shows we have net revenue of \$3,414,476.66. He said MMHG had unrealized losses as shown on the operating statement and it will be continually monitored in this economic climate. He said the Statement of Net Assets shows MMHG has \$27,062,120.34 in fund balance.

MOTION: Lynam made a motion to accept the Treasurer's April 30, 2020 Operating Statement and April 30, 2020 Statement of Net Assets.

SECOND: Maresco

ROLL CALL VOTE: Michael Levy- yes, Ray Ledoux- yes, John Sciara -yes, Kevin Powell-yes, Derek Sullivan-yes, Frank Lynam-yes, Michael Maresco-yes, Jason Leto-yes.

Motion passed unanimously.

3. **Gallagher Updates**

Sharry said the Funding analysis with claims through April was emailed to all members and is on the presentation screen. She said the overall loss ratio for the active plans is 91.6%. She stated the Medex II plan is running at 95.4% loss ratio.

Sharry reviewed page 10 stop loss data and said we have 2 claimants reaching the \$300,000 deductible and 28 claimants at 50% of the deductible.

Sharry stated we did receive additional RDS reimbursements as a result of the audits for the last two plan years.

4. **Delta Dental premium update**

Avery said Delta Dental is a nonprofit dental plan and our plan is fully insured. She explained due to emergency dental visits only with the pandemic, Delta Dental is giving a credit back equal to 30% of April and May premiums, estimated at \$84,000. She said MMHG Delta Dental member units will see the credits on their July invoices.

5. **FY21 Wellness Budget**

Avery stated we've had a tough 4th quarter for FY20 wellness as most of our member unit grants are usually used at this time. She said MMHG and the insurance carriers have been working on many online programs to offer our members including meditation and exercise classes.

Avery stated Harvard Pilgrim is offering a new food is medicine program called Savory Living (SL). She stated the SL program has a unique approach with focus on reducing inflammation, healthy cooking and lifestyle changes. She stated Harvard Pilgrim is allowing us to use wellness

dollars on the program which costs \$198 for six months. She said the SL presentation will be emailed to all Steering Committee members.

Avery said FY21 wellness includes online programs/challenges and requested \$45,000 to fund the wellness program. She stated this is an increase of \$5,000 over FY20 Wellness funding.

Ledoux asked about how a member can access the SL program.

Avery stated it is an online self-paced 12 session program. She said the suggested time frame to complete the program is 6 months but can last longer depending on the member. She stated the program is personalized to each member and includes a nutrition/wellness coach. She said the nutrition/wellness coach will get back to the member within 24 hours.

MOTION: Lynam made a motion to support the appropriation of \$45,000 for the FY21 MMHG wellness program.

SECOND: Ledoux

ROLL CALL VOTE: Michael Levy- yes, Ray Ledoux- yes, John Sciara -yes, Kevin Powell-yes, Derek Sullivan-yes, Frank Lynam-yes, Michael Maresco-yes, Jason Leto-yes.

Motion passed unanimously.

6. **Covid-19 update- insurance carriers**

Chakmakian said MMHG currently has low numbers for covid 19 with 9 confirmed cases and 60 suspected cases. She said her data is through April and these numbers are expected to go up as it only covers 45 days of information.

Hickey said MMHG has 8 confirmed Covid 19 cases, 15 potential cases, and 73 negative tests. He said the data is for claims incurred through May 26th. He stated the numbers include active plan populations only and not any Medicare/Medicaid members.

7. **FY21 Stop loss InsuranceFY21 Renewal Discussion**

Sharry said Gallagher has been looking at block pricing and introduced Chris Nunnally to review.

Nunnally reviewed his presentation that was emailed to members and displayed on the presentation screen. He said the goals of program include, creating a risk pool that allows for greater pricing predictability, partnering with an "A" rated carrier, no new lasers, matching current contract, concierge solutions/health advisory, and 50% rate cap on renewal.

Nunnally reviewed MMHG FY20 stop loss existing coverage and the block pricing FY21 proposal. He said the FY21 rates would be the same as FY20 but MMHG would also receive added Pinnacle Care program for members. Nunnally reviewed the Pinnacle Care program support for members.

Ledoux asked about Pinnacle Care covid 19 support and if it includes return to work help. Nunnally said he will ask and get the answer to the Committee.

Nunnally said Gallagher will be tracking the claims, supplying reports, tracking reimbursements, and confirming eligibility.

Powell said he has a problem with this coming up now as we haven't gone out to bid for stop loss insurance but there is an assumed 35% increase. Nunnally said they also looked at historical increases specific to MMHG. Nunnally said it has taken some time to get these numbers for their clients and said the stop loss is usually completed at this same time every year.

Powell said Gallagher had plenty of time to go out to bid but it hasn't happened. Nunnally said we couldn't go out to bid and secure the block pricing. Nunnally said the block pricing is based on claims through December 31, 2019 and if we go out to bid the claims will be up through the most recent date available. Nunnally said Gallagher is prepared to go out to bid for the stop loss insurance if the Committee doesn't want to move forward with the block pricing.

Nunnally said the block pricing will save money this year and we are putting ourselves in the best financial terms for next year.

Powell said he is concerned with the broker of record being Gallagher and also having Gallagher as our consultant. Nunnally said Gallagher is a large company and will be handled by different departments. Nunnally said all fees will be disclosed up front which will avoid any issues.

Sharry said this is just an option and if the Committee wants to go out to bid it can be done.

Sciara asked Feeley to opine on if we need to go out to bid. Feeley said the group is not obligated to bid.

Ledoux asked about releasing all the financial disclosures for the block pricing and the timing of this offer. Nunnally said we started giving presentations to boards 3 weeks ago when they received final firm offers. Nunnally said the broker fee to Gallagher is 5% of the total premium. Sharry confirmed that all fees will be disclosed up front.

Ledoux said it doesn't seem fair for the Steering Committee to have to decide today. Nunnally said the block price proposal is straight forward and when we do go out to bid it is around this same time of year. Sharry said the decision has to be made today so we have enough time to bid.

Lynam said the last three months have not indicated an increase in large claims so why would we be cautious of carriers looking at the additional months of claims. Sharry said the carriers ask for more information on the claims and we most likely will not get a rate cap.

MOTION: Sciara made a motion to table this.

SECOND: Powell

Chairman Levy said the pdf file presentation was sent out last week to all Committee members and everyone should have a copy for review.

Chairman Levy asked Feeley about having to change our contract with Gallagher for consulting services. Feeley said if the Steering Committee is interested in moving forward with block pricing the consulting contract would have to be modified as it specifically prohibits this kind of broker arrangement.

Maresco asked how long will the bid process take. Sharry said we can send it out to bid quickly and can have it done by July 1st.

MOTION: Sciara removed his prior motion.

SECOND: Powell removed his prior second

Lynam asked if we go out to bid do we still have option of the block pricing. Nunnally said the carrier will want up to date claims information and will most likely change the offer.

MOTION: Sciara made a motion to go out to bid for FY21 stop loss insurance.

SECOND: Powell

ROLL CALL VOTE: Michael Levy- yes, Ray Ledoux- yes, John Sciara -yes, Kevin Powell-yes, Derek Sullivan-yes, Frank Lynam-yes, Michael Maresco-yes, Jason Leto-yes.

Motion passed unanimously.

8. **FY21 Consultant Contract extension**

Chairman Levy said we are in the 3rd year of the consultant's contract and Gallagher has agreed to extend the contract for one fiscal year at the same current per subscriber price and in accordance with the contract terms.

MOTION: Ledoux made a motion to extend the consultant contract for a one-year term at the same per subscriber price as FY20.

SECOND: Lynam

ROLL CALL VOTE: Michael Levy- yes, Ray Ledoux- yes, John Sciara -yes, Kevin Powell-yes, Derek Sullivan-yes, Frank Lynam-yes, Michael Maresco-yes, Jason Leto-yes. Motion passed unanimously.

Sharry thanked the Steering Committee for their continued partnership.

9. **Town of Pembroke letter request**

Chairman Levy said we received a letter from the Town of Pembroke requesting a rate holiday. He said the letter was emailed to all members and is displayed on the presentation screen.

Ledoux asked if this letter is generated by our statement of net assets and our reserve being in excess of 15% and should this be part of the discussion.

Treasurer O'Brien said the Town of Pembroke has sent similar letters asking for financial relief due to the financial strains of the pandemic.

Lynam said we do not have a clear picture of what our balance sheet is going to look like in the future and is less inclined to support a rate holiday in this environment. He said he understands our current financial position but that could change very quickly.

Maresco concurred with Lynam and stated we don't know what the climate is going to be out there with maybe a second wave of covid 19.

MOTION: Lynam made a motion to not support a rate holiday at this time.

SECOND: Maresco

ROLL CALL VOTE: Michael Levy- yes, Ray Ledoux- yes, John Sciara -yes, Kevin Powell- yes, Derek Sullivan-yes, Frank Lynam-yes, Michael Maresco-yes, Jason Leto-yes.

Motion passed unanimously.

Leto asked if we will be responding to the letter with the Committee's decision and Chairman Levy said yes we will respond in writing.

10. **Schedule next Steering and General Board Meetings:**

Steering Committee virtual meeting:

June 18, 2020, 11:15 a.m.

General Board virtual meeting:

June 18, 2020, 12:00 p.m.

11. **Any other business**

Chairman Levy asked if there is any other business. Hearing and seeing none.

12. **Adjourn**

Lynam motioned to adjourn the meeting at 11:00 a.m., seconded by Ledoux and voted unanimously.

Respectfully submitted,
Sheila Avery

Reference Documents for this Meeting:

Treasurer's Operating Statement and Statement of Net Assets, April 30, 2020

MMHG Gallagher Funding Analysis-claims paid through April, 2020-

Stop loss insurance block pricing proposal- Gallagher

Correspondence Letter- Town of Pembroke