

MAYFLOWER MUNICIPAL HEALTH GROUP STEERING COMMITTEE
MINUTES OF MEETING
June 18, 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 (joined at 12:55p.m.)
Frank Lynam, Town of Whitman (joined at 11.48a.m.)
Michael Maresco, Town of Marshfield
Jason Leto, Mass Teachers Association
Thomas O'Brien, Treasurer MMHG
Sheila Avery, Insurance Group Administrator MMHG
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
Kelly Morse Perez, MMHG
Kevin Feeley, MMHG Legal Counsel
David Comisky, Gallagher
Denise Doyle, Stop Loss Insurance Brokers
Frank Basler, Plymouth County
Kathleen McCarthy, Town of Pembroke

Chairman Levy called the meeting to order at 11:19 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. **MMHG Wellness update**

Avery said we currently have insurance carrier wellness money that is unused for FY20 and the carriers have both agreed to carry it over to FY21. She stated this unused carry over balance has already been allocated to the FY21 program with all of it spent.

Harvard Pilgrim awarded us \$10,000 towards our FY21 MMHG Wellness program and is an increase of \$2500 over FY20. She stated we are waiting on the Blue Cross Blue Shield FY21 amount as there are still items pending approval.

Avery stated we are proceeding with the Savory Living program and are using \$5,000 of the allotted Harvard Pilgrim wellness money as well as \$5,000 of the our MMHG yearly wellness budget allowance.

Avery said she will give a full report at the General Board meeting.

2. **Treasurer's Update**

Treasurer O'Brien said the FY20 draft Operating Statement and Net Assets as of May 31, 2020 was emailed to all members and is on the presentation screen. He said the Operating Statement shows we have net revenue of \$4,492,615.36. He said the Statement of Net Assets shows MMHG has \$28,140,259.04 in fund balance. He stated the increase is primarily due to our claims expense reduction as a result of the pandemic.

MOTION: Maresco made a motion to accept the Treasurer's May 31, 2020 Operating Statement and May 31, 2020 Statement of Net Assets.

SECOND: Ledoux

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

Motion passed unanimously.

3. **Gallagher Updates**

Sharry said the Funding analysis with claims through May was emailed to all members and is on the presentation screen. She said the overall loss ratio for the active plans is 89.9%. She stated the Medex II plan is running at 92.6% loss ratio. She said the surplus increase is due to the reduction in claims expense for routine services and elected procedures.

Sharry reviewed the plans individually, pointing out the numbers in yellow highlight as actual claims versus carrier projections and the blue highlight showing cost versus funding.

Sharry reviewed page 10 FY20 stop loss data and said we have 3 claimants reaching the \$300,000 deductible and 34 claimants at 50% of the deductible.

Sharry stated we did receive additional RDS reimbursements of around \$180,000 as a result of the audits for the last two plan years.

4. **FY21 Stop loss insurance quotes**

Sharry reviewed her presentation as shown on screen and emailed to all members. Sharry stated they sent out request for quotes to eight brokers/carriers. She reviewed the historical loss ratios for MMHG and noted FY20 data represents claims paid through April 30, 2020.

Sharry reviewed our current FY20 policy with the specific laser of \$425,000 and indicated a \$2.1 million cost/risk.

Frank Lynam joined the meeting at 11:48 a.m. and stated he had problems with the meeting link provided.

Sharry reviewed the quotes received for FY21 and important notes.

Powell asked Denise Doyle what her experience has been with HCC.

Doyle stated HCC has provided stop loss insurance for MMHG in the past. She stated they have written 5 cases with HCC in the past three years and they do have a local office. She said they have very good experience with them and they are one of the largest stop loss insurance carriers.

Ledoux asked Sharry if it is beneficial to not have a laser. Sharry stated it is up to the carrier to set the laser and we do take on additional risk with a laser.

MOTION: Powell made a motion to accept the FY21 stop loss quote from Stop loss insurance brokers and HCC as carrier with a 1.4% increase over FY20, \$300,000 deductible, no lasers.

SECOND: Maresco

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

Motion passed unanimously.

Ledoux thanked Sharry for the quotes and all the work on the stop loss.

5. **MMHG Financial Audit contract**

Avery stated we are at the end of a three-year contract for our financial auditing services. She stated we requested quotes from three auditing firms and only received a quote from our current auditor. She said she spoke with one of the auditors that decline to quote and they stated they are a small firm and didn't have time in their schedule to take on the additional work.

Avery stated the quote received from Lynch, Marini and Associates indicates a \$1,000 per year increase for the next three fiscal years FY20= \$18,500, FY21=\$19,500 and FY22=\$20,500.

MOTION: Ledoux made a motion to award the financial auditing contract to Lynch, Marini and Associates with cost for FY20= \$18,500, FY21=\$19,500 and FY22=\$20,500.

SECOND: Lynam

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

Motion passed unanimously.

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

Chakmakian said they are analyzing the covid data/diagnosis codes and are expecting an increase. She said MMHG is seeing a decrease in general claims that is expected to continue at this time. She said it will bounce back and may take a few years to fully return to normal. She stated we have 64 confirmed covid cases and 352 suspected cases. She stated antibody testing is not considered medically necessary but is covered if ordered by a doctor. She said if it is mandated to have the test in order to return to work it would not be covered.

Lynam motioned to recess the meeting 12:01 p.m., seconded by Maresco and voted unanimously.

Chairman Levy called the meeting back to order at 12:55 p.m.

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

MOTION: Maresco made a motion to nominate Michael Levy as Steering Committee Chairman.

SECOND: Lynam

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

7. **Any other business**

Steering Committee meeting scheduled August 19, 2020, at 9:00 a.m.

8. **Adjourn**

Ledoux motioned to adjourn the meeting at 1:07 p.m., seconded by Maresco and voted unanimously.

Respectfully submitted,
Sheila Avery

Reference Documents for this Meeting:

Treasurer's Operating Statement and Statement of Net Assets, May 31, 2020

MMHG Gallagher Funding Analysis-claims paid through May, 2020

Gallagher's FY21 Stop loss insurance summary of quotes