

**MAYFLOWER MUNICIPAL HEALTH GROUP STEERING COMMITTEE  
MINUTES OF MEETING  
June 9, 2021  
Mayflower Municipal Health Group  
VIRTUAL ONLINE MEETING**

**Attendance Roll Call Steering Committee members:**

Michael Levy, Town of Bridgewater  
Ray Ledoux, Brockton Area Transit  
Michael Buckley, Town of Hull  
Michael Maresco, Town of Marshfield  
John Sciara, Professional Fire Fighters of Massachusetts  
Kevin Powell, Retiree

**Guests:**

Thomas O'Brien, Treasurer MMHG  
Sheila Avery, Insurance Group Administrator, MMHG  
Kate Sharry, Gallagher Benefit Insurance Services  
Diane Laflash, Gallagher Benefit Insurance Services  
Tanya Chakmakian, Blue Cross Blue Shield of Massachusetts  
Bill Hickey, Harvard Pilgrim Health Care  
Kelly Morse Perez, MMHG  
Frank Basler, Plymouth County  
Kevin Feeley, MMHG Attorney  
Chris Nunally, Gallagher Benefit Insurance Services  
Denise Doyle, Stop Loss Insurance Brokers  
Jennifer Grasso, Town of Pembroke  
Lisa Green, Town of Hanson  
Lincoln Heineman, Town of Whitman

Chairman Levy called the meeting to order at 9:10 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 and guests.

1. **Accept meeting minutes**

MOTION: Maresco made a motion to approve the March 4, 2021 meeting minutes.

SECOND: Ledoux

Roll call vote: Levy=yes, Ledoux=yes, Buckley=yes, Maresco=yes, Powell=yes, Sciara=yes, motion passed unanimously

## 2. **MMHG FY22 Wellness program funding**

Avery reviewed the wellness for FY21. She said it has been tough with only being able to offer online programs but our members have adjusted well. She said the Steering Committee voted to allocate \$45,000 for FY21 wellness. She stated Blue Cross gave us \$25,000 and Harvard Pilgrim gave us \$10,000 for a total FY21 budget of \$80,000. She said we have a little bit of money left in regional programs and expect to spend it by the end of June. She said we provided over 94 wellness webinars, 17 cooking demos, over 63 virtual exercise classes, 300 calm subscriptions, 50 Savory living programs, and much more. She said she will give a more detailed overview at the General Board meeting.

Avery said we expect to receive the same funding from the insurance carriers for FY22. She stated we would like to see a \$5,000 increase in the amount allocated for wellness from the Steering Committee bringing the total to \$50,000. She stated the insurance carriers are anticipating returning to in person programs in the fall and we will continue to monitor this as it gets closer. She said MMHG is going to focus on food as medicine, stress management, exercise, and mental health in FY22 and would like to bring back in person programs. She stated the increase amount will help with rising costs in programming.

Treasurer O'Brien stated we do have the money to support the increase and wellness is an important part of MMHG.

MOTION: Maresco made a motion to approve \$50,000 for FY22 Wellness program.

SECOND: Ledoux

Roll call vote: Levy=yes, Ledoux=yes, Buckley=yes, Maresco=yes, Powell=yes, Sciara=yes, motion passed unanimously

## 3. **Treasurer's Report**

Treasurer O'Brien reviewed his operating statement and statement of net assets, dated April 30, 2021, showing on the presentation screen. He stated investment income is over \$2.6 million and is performing very well. He said we have a conservative portfolio protecting our assets. He said our net revenue is just over \$5 million and he expects it will be close to this amount at year end.

Treasurer O'Brien said the claim expenses are exceeding our claim revenues at this time as we are seeing an increase in claims.

Treasurer O'Brien stated the IBNR (incurred but not reported claims) is there so we account for any outstanding claims. He said the IBNR is a certified number confirmed with our auditor. He stated our fund balance is \$39,789,500.

MOTION: Maresco made a motion to approve the Treasurer's financial reports, dated April 30, 2021.

SECOND: Ledoux

Roll call vote: Levy=yes, Ledoux=yes, Buckley=yes, Maresco=yes, Powell=yes, Sciara=yes, motion passed unanimously

4. **Gallagher's MMHG Funding Analysis- Claims paid through March, 2021**

Sharry reviewed the funding analysis with claims paid through April, 2021 showing on the screen. She said the overall loss ratio for the active plans is 98.7% with a funding surplus of \$975,560. She said last year at this time we had a \$6 million surplus and FY22 warranted a 6.5% increase putting \$4 million at risk. She said three active plans are running a deficit over carrier projections. She said the Medex II plan is running at 100.1% loss ratio with a small funding deficit.

Sharry reviewed the FY21 stop loss page stating five members have exceeded the stop loss deductible of \$300,000. She said we currently have 31 members hitting 50% of the deductible.

Sharry said the FY20 stop loss has 8 members exceeding the stop loss deductible and 37 members at 50% of the deductible.

5. **FY22 Stop loss insurance bid summary**

Laflash stated we annually request quotes for stop loss insurance. She said we sent request for quotes out to 8 different vendors and 3 responded. She reviewed her handout showing on the presentation screen listing the loss ratios for the past ten years.

Laflash said the specific deductibles that were requested are \$275,000, \$300,000, \$325,000, \$350,000. She reviewed the quotes based on the different deductible levels. She said Blue Cross, Stop Loss Insurance Brokers, and Gallagher submitted quotes for FY22. Blue Cross submitted their quote with a discount on their administration fee and it equates to about \$60,000 in savings.

Laflash stated they received the best and final quotes with \$300,000 deductible and reviewed them on the presentation screen. She explained the quotes with lasers and a new option called an experience refund rider. Doyle stated the experience refund rider would only apply if MMHG renewed with HCC in FY23.

Nunally stated the Gallagher quotes have a 50% rate cap.

Ledoux asked about assigning a broker. Laflash said because we offer BCBS and HP we would need to assign a broker to track the claims if we choose the BCBS quote. Ledoux asked if the commission is included and Laflash said it is included.

MOTION: Powell made a motion to accept the Blue Cross Blue Shield's best and final offer number one as listed on the handout with \$2,372,903 total estimated cost/risk.

SECOND: Maresco

Ledoux asked Avery for her thoughts on BCBS option 1. Avery stated this is a good option without the laser and is reasonable.

Nunally said it might be good to look at BCBS option 2 with the laser. He also stated Gallagher's quote includes no lasers and would make financial sense in his opinion.

Treasurer O'Brien said he didn't think the laser was an issue and it might make sense to have BCBS option 2 as it has a lower cost.

Nunally said if MMHG goes with the Gallagher block option it would be no new lasers and a 50% renewal rate cap and only cost \$1,700 more for the year.

Avery said she agrees with BCBS option 2 taking the risk at 9% if we are willing to have the laser. She said there is apprehension with the Gallagher quote as Gallagher is also our consultant.

Powell said he would agree with BCBS option 2 best and final option. He said he is always of the opinion we can afford more risk but didn't like our past experience with lasers. He said he supports BCBS option 2 best and final with Stop Loss Insurance Brokers as the broker.

Maresco agreed.

Amended motion: Powell made a motion to accept Blue Cross Blue Shield's best and final offer number two as listed on the handout with \$2,294,551 total estimated cost/risk and Stop Loss Insurance Brokers as the broker.

SECOND: Maresco

Roll call vote: Levy=yes, Ledoux=yes, Buckley=yes, Maresco=yes, Powell=yes, Sciara=yes, motion passed unanimously

6. **Any other business**

Chairman Levy asked if there was any other business and there was none.

7. **Adjourn**

Maresco motioned to adjourn the meeting at 1:50 p.m., seconded by Ledoux and voted unanimously by roll call vote.

Roll call vote: Levy=yes, Ledoux=yes, Buckley=yes, Maresco=yes, Powell=yes, Sciara=yes, motion passed unanimously

Respectfully submitted,  
Sheila Avery

**Reference Documents for this Meeting:**

MMHG Gallagher Funding Analysis-claims paid through March 31, 2021

MMHG Statement of Net Assets, dated February 28, 2020

MMHG Operating Statement, dated February 28, 2020