

MAYFLOWER MUNICIPAL HEALTH GROUP STEERING COMMITTEE
MINUTES OF MEETING
March 3, 2022
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
Jason Leto, Mass Teachers' Association
Lincoln Heineman, Town of Whitman
Kevin Powell, Retiree
John Sciara, Professional Fire Fighters of Mass
Derek Sullivan, Town of Wareham

Guests:

Kevin Feeley, MMHG Attorney
Thomas O'Brien, Treasurer MMHG
Sheila Avery, MMHG
Kelly Morse Perez, MMHG
Danielle Chaplick, Gallagher Benefit Insurance Services
Diane Laflash, Gallagher Benefit Insurance Services
Helga DaRosa, Blue Cross Blue Shield of Massachusetts
Bill Hickey, Harvard Pilgrim Health Care
Michelle Labadini, Norfolk County
Frank Basler, Plymouth County
Matt Hanley, Plymouth County
William Chenard, Town of Pembroke
Scott Alfonse, Greater New Bedford Disposal Management District

Chairman Levy called the meeting to order at 9:01 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 January 27, 2022 meeting minutes.

SECOND: Buckley

Roll call vote: Levy=yes, Ledoux=yes, Buckley=yes, Maresco=yes, Leto=abstain,
Heineman=yes, Powell=yes, Sciara=abstain, Sullivan=yes
motion passed, 7 in favor, 2 abstain,

2. **Treasurer's Report**

Treasurer O'Brien reviewed his operating statement and statement of net assets, dated January 31, 2022, showing on the presentation screen. He stated the unrealized losses are attributable to the stock market performance which has been up and down. He said he expects our returns to be in 1%-3% range based on the choppy stock market. He said our net revenue is \$2,316,619.62 and stated our fund balance is \$40,170,570.34. He stated the Board voted to use up to \$3 million in reserves for FY22 and we are ahead of where we expected we would. He said there is an increase in the incurred but not reported (IBNR) by \$400,000 to \$5.9 million. He stated the team at US Bank sent out an analysis regarding the Russia/Ukraine situation. He said MMHG's investments in Russia are approximately \$32,500 and the team is looking at divesting. He said the portfolio continues to perform well.

Ledoux asked if we need to have a no de minimis policy on investments in Russia. Treasurer O'Brien stated he doesn't think so at this time and will ask the team to review. Ledoux asked to have it on the next Steering Committee's agenda.

MOTION: Maresco made a motion to approve the Treasurer's reports, dated January 31, 2022.

SECOND: Sullivan

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

3. **Delta Dental FY23 renewal premium rate vote**

Avery reviewed her presentation showing on the screen. She explained the MMHG Delta Dental plan is a contributory fully insured premium plan. She said our plan has a rate stabilization fund which keeps premiums paid in excess of claims in the fund to use for rate stabilization. She stated Delta Dental presented the FY23 rates with no increase and she confirmed the recommendation. She reviewed the rates, and benefit enhancements/rate history.

Treasurer O'Brien thanked Avery for her work with the renewal and negotiation.

MOTION: Maresco made a motion to accept the FY23 fully insured Delta Dental rates with no increase.

SECOND: Heineman

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

4. **Attorney's update**

Attorney Feeley did not have any updates at this time.

5. **Gallagher's MMHG Funding Analysis- Claims paid through January, 2022**

Chaplick reviewed the funding analysis showing on the screen stating active plans are at a 97.9% loss ratio with a surplus of \$1,100,008. She stated last year at this time we were running the same with 97.9% loss ratio. She said five active plans are running a deficit and is primarily

due to high cost claimants. She said the Medex is running at a 102% loss ratio with a deficit of \$105,000. She said last year the Medex was running at 87.4%.

Chaplick reviewed the FY22 stop loss page stating we have 6 claimants over the \$300,000 deductible and 11 at 50% of the deductible. She said we have approximately \$756,000 in claims over the deductible. She reviewed the FY21 stop loss page and stated there are 14 members over the \$300,000 deductible and received around \$1.5 million in reimbursements.

6. **Steering Committee FY23 health rate recommendation to General Board**

Chaplick said they look at all plan costs and how the plans have been running. She said they evaluate the renewals and look at the insurance carrier projections. She said they present a range of where they think the claims will be next year. She said they also looked at the trust fund balance and covid considerations. She said they are recommending a 3% increase and introduced Diane Laflash to review the renewal information.

Laflash reviewed the handout showing on the screen and said Blue Cross Blue Shield projected claims increase is 5.9% and Harvard Pilgrim is 7.15%. She said the projected claim increases are below the insurance carriers' trend. She said they requested from the insurance carriers to hold administration fees and will let the Committee know the result. She said their recommendation of a 3% increase is below what they are seeing in the marketplace.

MOTION: Maresco made a motion to recommend to the General Board a composite 3% increase in health insurance rates putting an estimated \$6,574,218 in reserves at risk for FY23.

SECOND: Ledoux

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

7. **Next meeting- Steering/General**

Steering Committee Meeting-May 10, 2022, at 9: 00a.m

Virtual or in person to be determined.

8. **Any other Business**

none

9. **Adjourn**

Sullivan motioned to adjourn the meeting at 9:31 a.m., seconded by Ledoux and voted unanimously by roll call vote.

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

Respectfully submitted,

Sheila Avery

Reference Documents for this Meeting:

MMHG Gallagher Funding Analysis-claims paid through January 31, 2022

Delta Dental renewal summary

MMHG Statement of Net Assets and Operating Statement, dated January 31, 2022

Gallagher's FY23 Health insurance renewal summary/recommendation