

**MAYFLOWER MUNICIPAL HEALTH GROUP STEERING COMMITTEE**  
**MINUTES OF MEETING**  
**October 17, 2024, 9:00a.m.**  
**Mayflower Municipal Health Group**  
**65 Cordage Park Circle,**  
**Suite 110, Plymouth, MA. 02360**

**Attendance Steering Committee members:**

Mary Beth Carter, Town of Whitman  
Ray Ledoux, Brockton Area Transit (BAT)  
Michael W. Levy (Chairman), Town of Bridgewater  
Michael A. Maresco, Town of Marshfield  
Kevin Powell, Retiree  
James Reidy, Professional Fire Fighters of Mass  
Derek Sullivan, Town of Wareham

**Guests:**

Thomas J. O'Brien, Treasurer MMHG  
Kevin Feeley, MMHG Attorney  
Sheila Avery, MMHG  
Kelly Morse Perez, MMHG  
Matthew Hanley, Plymouth County  
Pat Haraden, Lockton  
Matt McCarthy, Lockton  
Jacqueline Scherer, Lockton  
Helga DaRosa, BCBSMA  
Mike Hurley, HP  
Bob Kademian, PBIRX  
Michelle Labadini, Norfolk County

Chairman Levy called the meeting to order at 9:00 a.m. with a quorum present. He announced the meeting will be recorded for meeting minute purposes. Chairman Levy stated he will be taking agenda items out of order due to schedules of the meeting attendees.

1. **Treasurer's Report**

Treasurer O'Brien reviewed his financial statements dated June 30, 2024. He stated we put \$5,150,000 in reserves at risk and only used \$593,873.51 for FY24. He reviewed the investment income, interest income and unrealized/realized gains. He said our net assets are \$30,648,892.06. He asked if there were any questions and there were none.

MOTION: Maresco made a motion to accept and approve the June 30, 2024, Treasurer's Operating Statement and Statement of Net Assets as presented by the Treasurer.

SECOND: Ledoux

VOTE: motion passed unanimously

Treasurer O'Brien reviewed his financial statements dated July 31, 2024. He stated our investment performance is continuing to do exceedingly well. He said the net revenue is \$710,647.69 and our net assets are \$31,359,539.75.

Treasurer O'Brien reviewed his financial statements dated August 31, 2024. He stated we cant look at July and August for future performance as these months tend to have lower claims. He said our investment performance is doing well. He said the net revenue is \$3,174,752.08 and our net assets are \$33,823,644.14. He said we are on track and are doing well.

Ledoux asked what we put at risk and O'Brien stated approximately \$5 million total for active and retiree plans.

MOTION: Maresco made a motion to accept and approve the July 31, 2024 and August 31, 2024, Treasurer's Operating Statement and Statement of Net Assets, as presented by the Treasurer.

SECOND: Ledoux

VOTE: motion passed unanimously

2. **CY25 Senior renewal discussion/possible vote/Medex 2 benefit enhancements discussion/possible vote/ Medex2/PDP to Medex III FY26 and other options-discussion**

McCarthy passed out and reviewed his 2025 senior plan renewal handout. He reviewed the calendar year claims history on page 2. He said MMHG committed to put \$542,000 at risk for calendar year 2024 and this is only for the self insured Medex 2 plan. He said claims have increased for CY24 and we currently have a deficit of \$940,401 with claims paid through August.

McCarthy stated the claims are cyclical and expect this to continue.

Ledoux asked if we expect the next four months to be higher or lower claims. McCarthy said they estimate the next four months to be lower claims verses the previous 8 months based on MMHG's previous claims experience.

Avery stated September claims data was received yesterday and claims are lower versus funding. McCarthy stated this will lower our average monthly claims.

Sullivan asked if data is based on overall usage and no high cost claimants are included and McCarthy agreed.

McCarthy reviewed page 3 with Medex 2/PDP (part D plan) renewal funding options. He said we are looking at significant prescription drug increases. He stated this is due to changes within CMS and the Inflation Reduction Act. He said CMS changed the part d plan that is paired with the Medex II. He said we are looking at 20.3% increase just for the fully insured part d prescription drug plan. He said we are looking at increased claims with the Medex 2 plan plus significant PDP increase.

Ledoux asked about the cost shifting with the CMS changes to the PDP. Darosa stated when CMS set limits to PDP members' out of pocket costs, the costs are shifted to the insurance carriers.

Haraden said the increase to the PDP is not based on MMHG experience as it is a fully insured community priced plan. He said every entity in the community priced plan has the same PDP rate. He stated we have no control over the PDP cost.

McCarthy reviewed the different scenarios with a status quo renewal including no money at risk and several options including money at risk from the trust fund.

Chairman Levy stated we need to look at changing this to a July 1<sup>st</sup> renewal so we do not have these kind of increases with such short notice. He said we need BCBS to include this for July so we can look at all our options.

McCarthy said they will look at this for the July renewal and self funding the prescription drugs. He said we do not have a clear idea of what can be done at this time. He asked the Committee to look at the information based on 12 months as this is the projection at this time. He said they will get back to the Committee with an update in a few months.

Ledoux asked about the PDP claims experience. McCarthy explained we do not receive the PDP claims data as the plan is fully insured so cost is based on the rate BCBS has given us.

McCarthy said we did request adding the enhance fitness benefit and a dental rider to the Medex 2 plan. He said BCBS stated they are unable to add these to the Medex 2 plan. Chairman Levy said it isn't acceptable that at 64 and 11 months you can have the enhanced fitness benefit and when you turn 65 you cant. Chairman Levy explained we will also be looking at other carriers for July 1<sup>st</sup>.

McCarthy reviewed page 4 for funding options with increase copays.

Sullivan said it would be really difficult to change copays with the rate increasing. Chairman Levy said he doesn't feel we can change copays at this time.

Ledoux asked what the basis points of the copay increases. McCarthy said the difference is 4%. Ledoux said it will be a minimum reduction in the rate for the seniors.

Chairman Levy said if a senior doesn't take a drug due to the increase copay we will have to pay increased medical claims as a result.

Powell said the real savings is due to a senior not taking the drug due to increase copay and therefore we don't pay for it.

McCarthy said he is seeing to 20%-40% increase on the supplement plans. He said it is not confined to Massachusetts or MMHG.

McCarthy reviewed the Medicare Freedom RX PPO Medicare Advantage fully insured plan. He stated the increase is 30.7% to \$447 per month, which is a \$105 monthly increase. He stated

there would be no changes to copays or benefits. He said it is a pooled rate that is the same rate throughout the Commonwealth for municipalities. He said they did look at other products with other carriers but the rates were similar.

Treasurer O'Brien said we were excited about this plan when it came out even though we thought it was priced low. He said now in year three we have a significant increase. He stated BCBS initially communicated the \$489 per month but it was reduced to \$447.

Darosa stated the standard non municipal rate for the Medicare Freedom RX PPO Medicare Advantage is \$489 per month.

Treasurer O'Brien said he feels we shouldn't offer this product and is disappointed with BCBS decision to have such a large increase in one year. He said BCBS charges MMHG an administrative fee and we asked for a discount which was denied. He stated we are different from any other municipality in the Commonwealth. He said we do not believe it is fair to not consider the reduction.

Darosa said BCBS is hearing this from a lot of members and are hoping this year is a reset of the rate and we won't be seeing this in the future. She said it is hard to tell as CMS could make some changes next year. She stated the administration fee is only on the Medex 2 portion and she did advocate for the group but it was denied. She stated BCBS does provide a discount on the active plan administration fees.

Ledoux questioned why BCBS is willing to have a discount on the active plan administration fee but not on the retiree plan. Darosa said they look at their entire book of business and BCBS stated it wasn't feasible for the retiree plan.

Avery stated we previously paid the administrative fee for BCBS to manage both the medical and pharmacy portion of the senior plan under Medex 3. She stated now that half of the rate is fully insured we are still paying around the same administrative fee. She said it should have been brought up when the plan was introduced as BCBS is now managing only half of the plan. She also mentioned if the non municipal rate for the plan is \$489 and municipal rate is \$447 it might be safe to assume we will be facing a large increase for CY2026.

Darosa said CVS does manage the prescription drug portion of the plan. She stated BCBS does still process the applications but no member services. She said the municipal rate has always had a lower rate and doesn't feel we will have a big increase next year. Avery stated the processing of the PDP applications is included in the PDP fully insured rate so you are only managing the medical portion of the rate but charging us for both. Avery stated it should be taken into consideration.

Powell asked if we do a change in July will the Freedom members be locked in through December. Haraden said there are notice requirements, but it can be done.

Ledoux stated we could freeze plan enrollment and it would be in line with a July change.

Powell said he likes the Medicare Advantage product and it doesn't add any risk to MMHG and suggested renewing it for now.

Feeley left the meeting at 10:00a.m.

Powell stated it would be essentially putting almost \$1million at risk to bring the Medex 2/ PDP rate the same as the Medicare Advantage product.

Ledoux stated we don't know our risk as the PDP doesn't provide any claim data.

Powell said there are benefits to the Medicare Advantage plan with dental cleanings etc. He suggested continuing to offer it at this time as the members can still switch back to Medex 2 with PDP.

MOTION: Powell made a motion to keep the Medicare Freedom RX PPO Medicare Advantage plan as status quo as presented with the BCBS \$447 monthly rate.

SECOND: Maresco

VOTE: motion passed unanimously

Powell asked if Harvard Pilgrim will be offering an option for July 1<sup>st</sup>. Hurley stated he is hopeful to provide an affordable option and it is already being discussed.

Treasurer O'Brien stated he feels comfortable putting \$613,603 at risk at this time.

MOTION: Powell made a motion to approve Lockton's page 3 option B for the Medex 2/PDP with an increase of 15.9% , monthly rate of \$452.00, putting \$613,603 at risk from the trust fund.

SECOND: Maresco

VOTE: motion passed, 4 in favor and 3 against (Ledoux, Carter, Reidy against)

Ledoux stated the subsidizing of the senior plans is lower versus the active plans and would like a larger subsidization for the senior plans.

Treasurer O'Brien said this is the largest subsidy we've provided towards the senior plans and it seems we will be facing increase costs that we have to take into consideration.

Sullivan said the savings would be minor to the retiree and the risk to the plan significant.

Avery stated it is important to mention that we cant subsidize the PDP portion of the rate as we can with the active plans. She said we could put more at risk if we were changing on July 1<sup>st</sup> as it would only be for six months.

Vote was affirmed.

### 3. **Accept meeting minutes**

MOTION: Maresco made a motion to accept the September 12, 2024, meeting minutes.

SECOND: Sullivan

VOTE: motion passed unanimously

4. **PBIRX Pharmacy Benefit Plan review**

Kademian passed out his presentation and stated PBIRX is MMHG pharmacy consultant to save you money in several ways. He reviewed PBIRX summary on page 2 including identifying solutions to increase quality and manage costs.

Kademian stated MMHG prescription drugs costs should have increased \$2 million last year but ended up saving \$700,000. He reviewed the executive summary data on page 3.

Kademian said there was an increase cost before savings for obesity and diabetes drugs. He said the obesity drug will increase over time as utilization increases. He stated he is hopeful that when new drugs hit the market the costs for these medications will reduce.

Kademian reviewed the plan cost driven by specialty drug as well as plan performance trend specifics.

Kademian stated it is estimated that for every \$1 appropriately spent on prescription drugs you save \$2 on total health care costs but the drugs have to be appropriately used.

Powell asked about paying list price and then getting rebate and why we don't just get a net cost. Kademian said some drugs we do get savings without a rebate but some do have rebates. Kademian said they have an RFP process and recommend the least expensive option.

5. **Insurance Carrier Updates**

Hurley said HP has yearly formulary changes on November 1<sup>st</sup> and include drugs changing tiers and coverage.

DaRosa said BCBS also sends out yearly formulary changes and they will be communicated to all members.

6. **Next meeting- Steering Committee**

None scheduled.

7. **Any other business**

none

8. **Adjourn**

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

Respectfully submitted,

Sheila Avery

**Reference Documents for this Meeting:**

Treasurer's Financial reports dated June 30, 2024, July 31, 2024, August 31, 2024  
CY25 Lockton Senior plan Renewal  
PBIRX Pharmacy Benefit plan review FY24