

MAYFLOWER MUNICIPAL HEALTH GROUP STEERING COMMITTEE
MINUTES OF MEETING
February 11, 2025, 9:00a.m.
Mayflower Municipal Health Group
65 Cordage Park Circle,
Suite 110, Plymouth, MA. 02360

Attendance Steering Committee members:

Maureen Adams, Town of West Bridgewater
Ray Ledoux, Brockton Area Transit (BAT)
Jason Leto, Mass Teachers Association
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
Craid Dandrow, Lockton
Helga DaRosa, BCBSMA
Mike Hurley, HP
Michelle Labadini, Norfolk County
Jim Boudreau, Town of Scituate
Wendy Lemieux, Wareham Fire District
Kathleen Simmons, MTA

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.

1. **Accept meeting minutes**

MOTION: Maresco made a motion to accept the January 23, 2025, meeting minutes.

SECOND: Powell

VOTE: motion passed unanimously

2. **Treasurer's Report-vote**

Treasurer O'Brien reviewed his financial statements dated December 31, 2024. He stated we have net revenue of \$585,065.32 and net assets of \$32,033,957.38. He said we put \$4.5 million in reserves at risk for FY25. He said we haven't used reserves yet but cautioned it is only

through December. He stated he feels we will use reserves this year but not as much as anticipated.

Treasurer O'Brien said the auditors confirmed the incurred but not reported (IBNR) reduced to \$7.2 million.

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

SECOND: Powell

VOTE: motion passed unanimously

3. **FY24 MMHG Audit update**

Treasurer O'Brien said we received the draft audit, and we are pleased it was a great audit. He said they are reviewing journal entries now and will have the final audit at the next meeting.

4. **Lockton's MMHG FY25 Funding/reporting update/Senior plan update**

McCarthy reviewed Lockton's funding report with data through December 31, 2024. He stated the combined loss ratio is 105.6%.

McCarthy reviewed page 3 showing FY25 and FY24 plan experience data. He said MMHG put \$4.5 million at risk for FY25. He stated there are a few outstanding stop loss reimbursements and they are following up.

5. **Lockton-FY26 health Insurance renewal updates/Pillar Rx program discussion-possible vote**

McCarthy reviewed his FY26 renewal handout without adding the Pillar Rx program. He stated they were able to negotiate a hold on the admin fee increase with both BCBS and HP. He stated in FY25 MMHG elected a 4% increase with \$4.5 million at risk from the trust fund.

McCarthy reviewed the FY26 carriers' projections, Lockton projections and alternatives. He said MMHG could increase rates 7% and put \$4.3 million at risk. He also reviewed 6.5% increase putting \$4.7 million at risk. He said a 6% increase would put around \$5.3 million at risk. He also reviewed the historical experience for MMHG including surplus/deficit mid year and year end with funding loss ratios.

Ledoux asked about the dollar savings for the hold in admin fees. McCarthy stated it is around \$68,000 for BCBS.

McCarthy said the Pillar RX is an imbedded coupon discount savings program for active BCBS members. He stated if a member doesn't enroll, they would be subject to a 30% coinsurance out of pocket cost. He stated members that do enroll will have a reduced copay. He stated the renewal information does not include the Pillar Rx program. He said the estimated savings to add this program is \$968,000. He said BCBS would begin notifying impacted members 60 days prior to July 1st versus the 30 days originally given. He said no member signature is required.

Leto said members would have to phone Pillar Rx to enroll.

DaRosa said they looked into the sharing of data question from the last meeting and stated it was a drug manufacturer and not Pillar Rx or BCBS. She confirmed that Pillar Rx and BCBS do not share data.

McCarthy said he reviewed other Lockton clients with the Pillar Rx program and in looking at the initial proposal compared to actual savings one year later he found actual savings was 13.5% lower. He said future years also had reduced savings primarily due to Pillar Rx eligible drugs and rebates. He said we need to make sure we do not count on \$968,000 savings every year as it will change.

Chairman Levy said he doesn't feel we will see this high of savings in the first year. DaRosa said the savings could also be less based on members taking eligible medications now, when the report was run, and they may move to a different non eligible medication.

Ledoux asked what is the percentage of people that actually enroll in Pillar Rx. Haraden said everyone enrolls as their copay is less. Haraden said we have 168 MMHG members that are eligible.

Reidy asked about members that may be lost in the transition and expressed dissatisfaction with Pillar Rx not attending the meeting. DaRosa said Pillar Rx is out of state but is available virtually online now.

Adams asked what the average delay in getting the prescription and getting it filled. DaRosa said these are mail order drugs and Pillar Rx reaches out as soon as the prescription is in the system.

Leto said he spoke with a few members and the delay was up to a week to receive the medication. He said they were able to enroll easy and it was more about the learning curve of the new program.

Treasurer O'Brien asked how many people end up paying the 30% coinsurance before realizing they have to enroll in Pillar. DaRosa stated based on her experience maybe one or two people and they usually enroll in Pillar and the claim is reprocessed so the member doesn't pay the 30% coinsurance.

Ledoux stated the other barrier might be Pillar Rx calling center is only available Monday-Friday and not on weekends.

Adams asked for confirmation that the coupons are not in place for the entire year. DaRosa stated the eligible Pillar Rx list changes twice per year.

Ledoux asked how many other consortiums offer Pillar Rx and how was Pillar Rx picked to be the preferred vendor.

Haraden said Pillar Rx is preferred as it is integrated with BCBS so members have timely notification when the script is filled. He said other programs may have to pay upfront and apply

for reimbursement. He said his large self insured accounts all have the program and realize savings.

DaRosa stated they have looked at other programs and Pillar Rx had better benefits for our plan design.

Powell asked how much of a reduced copay does the member receive. DaRosa said the average savings is a \$10 copay and Pillar Rx copays can range from \$0 to \$35.

McCarthy stated Lockton will review Pillar Rx yearly from a cost and service perspective to make sure it is working. He said some other cost rebate saving Rx programs are reviewed every three years.

Chairman Levy asked legal counsel if the Steering Committee can vote to add the Pillar Rx program and Attorney Feeley stated yes.

Leto said it could potentially have collective bargaining implications depending on how specific the language is in the union contracts.

McCarthy passed out his handout showing the FY26 funding options adding the Pillar Rx program. He said the reduction in estimated surplus draw is \$387,682. He said adding the Pillar Rx program could potentially reduce rebates we receive so they do not allocate the full amount of the projected savings. DaRosa said the rebate will not be impacted as they are set in the contract. McCarthy states they disagree and they will not credit a dollar for dollar amount.

Avery asked about the 60 days prior notification to eligible members since the eligible drugs will change July 1st. DaRosa confirmed we will know the new drugs 60 days prior to July 1st.

Ledoux asked for management's opinion.

Treasurer O'Brien said he was hesitant but feels more comfortable after hearing this presentation. He said he is supportive of the program as we will closely monitor and can discontinue if it doesn't work out. He stated there is a savings for members and a savings for MMHG. He said from a financial perspective that he is supportive of the program.

Avery said we have worked out the administrative questions and is confident that no members will be lost in transition. She said these programs have been around for a long time and there will be new programs for us to consider. She said she is cautiously optimistic that the program will work for us and does understand the potentially collective bargaining issues implications and may want to ask member units prior to implementation. She said if Attorney Feeley feels this is something we can address then she feels supportive of the program.

Attorney Feeley said we could ask if a member unit does have specific Rx language in the contracts if we can exclude a member unit from the program. DaRosa said we can not exclude specific member units.

Sullivan said the member units need to notify the bargaining units of this change to see if they want to bargain.

Powell said he doesn't see the unions wanting to bargain this and noted they will get a reduction in copayments as well as a reduction in premium.

Leto stated he is concerned with delays in receiving medications, the complexity of the plan and members' understanding of the plan. He said he doesn't feel it is worth it at this point especially since the savings is now reduced.

MOTION: Powell made a motion to add the Pillar Rx program effective July 1, 2025.

SECOND: Maresco

VOTE: motion passed (6 in favor, 2 opposed (Leto and Reidy))

6. **Steering Committee FY26 Health rate recommendation-discussion/vote**

Chairman Levy stated he is more inclined to have a 7% increase as he feels the 6% is too low and is concerned about the risk.

McCarthy stated Lockton would recommend a 11% increase to fully fund the plan. He stated a 7% increase would put \$3.9 at risk and reviewed the 6.5% and 6 % options.

Ledoux said the 7% increase is composite across all plans regardless of performance and Chairman Levy agreed.

Powell stated he feels we should get away from composite increases and rate HP separately. He said he is looking at the subscriber counts on BCBS and HP with the amount of variance. He said the HP plans are more expensive and we are still subsidizing the plans the same.

Avery said they did ask Lockton to look at this and reminded the Committee that a sick person on HP can switch to BCBS so we will still have those claims regardless of what plan they are enrolled. She said we need to look at the actuarial value of the plans to determine if they are in line and this was done in the past. She said there is a difference in premium for the HP plans and Lockton stated they were comfortable with this.

McCarthy said they look at both carriers when analyzing claims and premium. He said HP claims are hotter and there could be reasons behind it such as where a member receives care. He said maybe younger people are joining BCBS over HP. He said they will need more historical data to look at this further. He said if we did adjust and there was a mass migration to BCBS there is a risk of being underfunded as those claims weren't anticipated to be with a different carrier.

Treasurer O'Brien asked about why Lockton's projection changed with adding Pillar Rx versus not. McCarthy stated Lockton is calculating a .4% savings if the Pillar Rx program is added.

Ledoux said we don't have enough information to decide on composite rating. He stated the demographics of the HP population would be important.

There was a discussion on what other groups are experiencing for FY26 rate increases.

Chairman Levy said we need to come up with a recommendation to the full Board. He said the General board meeting is moved to March 13th if it works for everyone. He said this is to make sure everything is prepared for the petitioning two member units.

Sullivan said he would like to see a 6.5% increase as compared to Cape Cod Municipal Health Group.

MOTION: Powell made a motion to recommend to the General Board an increase to all active plans of 7% with \$3,914,764 estimated surplus at risk for FY26.

SECOND: Reidy

VOTE: motion passed unanimously

7. **FY26 Delta Dental renewal update- vote**

McCarthy reviewed his handout on the Delta Dental renewal. He said we are looking at a 5% increase with added plan benefit changes to keep in line with benchmark. He said the annual plan maximum will increase from \$1500 to \$1750. He stated there will be preventive care enhancements and additional coverage as outlined below:

- **Preventive Care Enhancements**

- Periodontal Cleanings – covered 4 times every 12 months with regular cleanings
- Screening – covered twice every 12 months with synchronous teledentistry
- Consultations – covered once every 12 months
- Topical Application of Fluoride – covered twice every 12 months for members under age 19; coverage extended for members 19+ with a recent cavity or excess risk for tooth decay
- Sealant Repair on Permanent Molars – Covered once per tooth per 12 months after 24 months of initial sealant placement
- Application of Hydroxyapatite Regeneration Medicament (regenerates tooth enamel) - Covered once per tooth every 12 months

- **Occlusal Guards**

- Cover occlusal (night guards) once every 60 months, with repairs once every 12 months

- **Implants**

- Cover single-tooth surgical implants once every 60 months per implant

Leto asked why we only have one option for dental.

Avery stated the plan is fully insured and we currently have a rate stabilization fund (RSF) with Delta Dental. She stated the RSF is made up of a certain portion of premiums that we don't spend on claims. She said we can use this fund to offset future rate increases or add benefit enhancements. She said we always ask Delta Dental how their network of provider compares to Altus Dental. She stated the Delta network of providers is much larger and therefore we receive a better discounted rate. She said we are in discussions to potentially go out to bid for dental and now is the time to spend down some of the RSF.

MOTION: Maresco made a motion to increase the Delta Dental rates 5%, effective July 1, 2025, increasing the calendar year max to \$1750 and adding the benefits listed on the handout.

SECOND: Ledoux

VOTE: motion passed unanimously

Ledoux stated he appreciates management continuing to look for plan enhancements.

8. **New member notice to join MMHG- Town of Scituate and Upper Cape Regional Technical – discussion/possible vote**

Haraden said they evaluated the Town of Scituate including demographics, claims, rates and high cost claimants. He said they are in line with MMHG and are slightly better when looking at a per member basis. He said there are no ongoing claims of concern. He stated the estimate buy in is \$4 million and stated the Town of Scituate was a previous MMHG member unit.

Haraden said the Upper Cape Cod Regional Technical School is a smaller group and just received additional data on high-cost claimants this past week and will have their recommendation on Friday. He said the census information is in line with MMHG. He said the buy in is estimated at \$400,000.

Haraden stated they did look at other potential groups but some missed their deadline to notify the group they are currently in.

Powell asked how many subscribers are in Upper Cape and Avery said 120 subscribers.

Powell asked if the retired teachers go to the GIC or stay with group. Avery stated all retired teachers go to the GIC.

MOTION: Maresco made a motion to recommend to the General Board the Town of Scituate to join MMHG effective, July 1, 2025.

SECOND: Ledoux

VOTE: motion passed unanimously

MOTION: Sullivan made a motion to recommend to the General Board for Upper Cape Cod Regional Technical High School to join MMHG effective, July 1, 2025, based on receiving a favorable report from Lockton.

SECOND: Maresco

VOTE: motion passed unanimously

9. **Next meeting- Steering/General Board**

General Board meeting: March 13, 2025, 9:00a.m., Meadow Brook Restaurant, Hanson Ma.

Steering Committee meeting: March 13, 2025, 8:30a.m., Meadow Brook Restaurant, Hanson, Ma.

10. **FY26 upcoming elections- Steering Committee, Finance Committee, Chairman, Treasurer**

Chairman Levy said the FY26 elections will take place at the General Board. He said we will also add a Vice chairman of the group. He said Derek Sullivan expressed interest in the position. He said everyone else agreed to run again for FY26.

11. **Insurance Carrier Updates**

Hurley said typically HP plans premiums are the same or close versus BCBS in other groups. He stated typically members will stick with the plan they are currently on if they are sick.

Hurley said HP is introducing the Optum Rx copay solution which is a two tiered savings solution. He said this is for higher cost prescriptions through the specialty pharmacy. He said this will be automatic on July 1, 2025 with the copay card amounts going to the plan and not member cost share. He said the members do not need to sign up.

He said the other plan is optional and maximizes copay money spend across 12 months. He said members do not need to sign up. He said this is new program and he will send more information.

DaRosa said she has no updates at this time.

12. **Any other business**

Ledoux stated there was an executive session on the meeting agenda. He said the purpose of the executive session is mute at this point as the insurance carrier negotiations were successful. He said he wants to reserve the right to go into executive session at a later date if needed.

13. **Adjourn**

Maresco motioned to adjourn the meeting at 10:50 a.m., seconded by Ledoux and voted unanimously.

Respectfully submitted,
Sheila Avery

Reference Documents for this Meeting:

Treasurer's Financial reports dated December 31, 2024
Lockton- claims experience report FY25 (claims through December 2024)
Lockton- MMHG FY26 renewal without the Pillar Rx program
Lockton- MMHG FY26 renewal with the Pillar Rx program
Lockton – MMHG FY26 Delta Dental renewal