

MAYFLOWER MUNICIPAL HEALTH GROUP STEERING COMMITTEE
MINUTES OF MEETING
June 12, 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
Mary Beth Carter, Town of Whitman
Ray Ledoux, Brockton Area Transit (BAT)
Jason Leto, Mass Teachers Association
Michael W. Levy (Chairman), Town of Bridgewater
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
Pat Haraden, Lockton
Matt McCarthy, Lockton
Helga DaRosa, BCBSMA
Mike Hurley, HP
Michelle Labadini, Norfolk County
Bob Kademian, PBIRX
Courtney Stenstrom, HUB International
Denise Doyle, HUB International

Chairman Levy called the meeting to order at 9:13 a.m. with a quorum present. He announced the meeting will be recorded for meeting minute purposes.

1. **Accept meeting minutes**

MOTION: Sullivan made a motion to accept the March 13, 2025, meeting minutes.

SECOND: Ledoux

VOTE: motion passed unanimously

Chairman Levy stated Michael Maresco is no longer with the Steering Committee as he left employment. He stated we will work to fill the vacancy.

2. **MMHG FY26 Wellness program funding request- vote**

Chairman Levy said you will see an increase for the Wellness Budget in response to increased vendor costs and new member units.

MOTION: Ledoux made a motion to allocate \$60,000 for the MMHG Wellness program.

SECOND: Carter
VOTE: Unanimous

Avery stated we reviewed most of the statistics and wanted to mention the culture of health survey coming up. She said online ROI (return on investment) calculators estimate our ROI at over \$2 million so the wellness money is changing lives and making a difference.

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

Treasurer O'Brien reviewed his financial statements dated April 30, 2025. He said our costs, as predicted, have gone up and we've used some reserves. He stated we have net expense of \$3,768,666.56 and net assets of \$27,680,225.50. He reminded the Committee that we put \$4.5 million in reserves at risk for FY25. He stated he expects the higher cost trend to continue through the end of the fiscal year.

Treasurer O'Brien stated the Finance Committee met recently and voted to transfer some of the investment money to cash to cover costs.

Treasurer O'Brien said we are in good shape and anticipated using reserves for FY25.

Ledoux asked about costs we have and if they could be looked at so we can tell if it is for a higher number of incidents and/or the higher cost of the treatment. Haraden said they review this yearly with the carriers and last year's reports indicated both higher number of utilization as well as higher cost of the services. Haraden said we also have increase in high cost claimants reaching the 50% deductible stop loss amount. Ledoux asked for a summary and Haraden stated they can provide a summary for the next carriers' report.

MOTION: Ledoux made a motion to accept and approve the April 30, 2025, Treasurer's Operating Statement and Statement of Net Assets as presented by the Treasurer.

SECOND: Levy

VOTE: motion passed unanimously

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

Haraden reminded the Committee that the Lockton reports will not match the Treasurer's reports. He said this is due to timing as well as Lockton not including items that are in O'Brien's report.

McCarthy reviewed Lockton's funding report with data through April 30, 2025. He reviewed page 2 showing the FY25, FY24, and a rolling 12 month basis. He said they look at the rolling 12 month for underwriting purposes. He stated the loss ratio for the active and non-Medicare plans is 104.3%. He said the group put \$4.5 million at risk so we are running well and as expected. He said the rolling 12 month is at 102.8%. He stated the Medicare plans are at 109.8% and we put \$540,000 at risk. He said the Medicare plans claims are high for the first 4 months.

Reidy asked if Lockton is forecasting anything coming up with the new administration that might be catastrophic. McCarthy said they aren't seeing anything on the Medicare side. McCarthy said coverage for GLP-1 weight loss medications is changing. McCarthy said we do have an uptick in membership as members retire.

5. **PBIRX CY24 Report and review**

Kademian reviewed his CY24 report page 3 executive summary. He said total net costs increased \$4.693 million before rebates. He stated the specialty drugs are seeing significant increases at 27.99%.

Kademian reviewed page 4 with trends for MMHG, BCBS and HPHC. He stated the BCBS and HPHC typically vary year to year. He said the total plan costs for pharmacy increased 37.99%.

Ledoux asked why the BCBS and HPHC trends vary so much and Kademian said he wasn't sure and could do some research on this.

Kademian reviewed page 5 with the top 5 specialty drugs and listed plan opportunities for savings.

Kademian stated our rebates increased due to more members utilizing the specialty drugs.

Kademian stated the obesity drugs are growing 100% per year. He said some of the GLP-1 manufacturers are providing a cheaper monthly price if members want to buy directly from them. He said they are looking at this very closely and will provide the GLP-1 assessment to the Committee.

Leto asked why we are paying more versus a member buying it directly from manufacturer. Kademian said the members would have more skin in the game since they are paying for it themselves. Kademian said the manufacturers are stating members have to be on the GLP-1s for life or they gain the weight back.

Reidy asked about a lifestyle plan in place to go with the GLP-1s. DaRosa said that effective July 1, 2026 BCBS will not cover GLP-1s for weight loss but self insured accounts with over 100 members can add a rider to keep coverage. She said BCBS has CVS accountability weight loss program in place to help members and it is an additional cost. She said members that don't follow or check in with the program would have to pay the 100% cost of the GLP-1 medications.

Kademian said they are also aware of programs in place to help short term with continued GLP-1 coverage up to 1 year including lifestyle plan for clients that are discontinuing GLP-1 coverage.

Ledoux stated he read that some people don't want to self inject so they fail or don't end up using the GLP-1. He asked if BCBS is considering a site for injection as a possibility. DaRosa stated that she has not heard of anything but will let the Committee know. Kademian said there are a lot of people that would not self inject and the GLP-1 are coming in pill format.

Kademian said 80% of the population is overweight or obese so we could see 70% of our members utilizing the GLP-1s.

O'Brien asked why the GLP-1 drug manufacturers aren't incentivizing the groups by keeping the price reasonable to continue providing coverage versus giving the member a cheaper price to buy directly with them if we don't cover it. Kademian said only 27% of PBIRX clients covered obesity drugs so they want to reach the people that don't have coverage.

Adams stated obesity is a disease and we now have a medication to treat it and what is the long-term plan to help the members on the GLP-1s. Kademian said they are in discussions with CanaRX to hopefully provide coverage for GLP-1s in pill format in the future.

Haraden said we will be discussing GLP-1 coverage options with the FY26 renewal data.

6. **FY26 Stop loss RFQ results- vote**

Doyle reviewed her handout containing MMHG stop loss history and loss ratios.

Doyle stated they requested quotes and received only 3 responses. She stated it may have been due to adding new member units and having a lower deductible. She said the cost of claims and the severity of claims are increasing across the country.

Doyle reviewed the \$350,000 deductible quotes and stated the HPHC quotes contain lasers or separate deductibles for certain high cost claimants. She stated this would add \$475,000 in liability.

Doyle explained the renewal rate cap and said some of the quotes do have a 50% rate cap. Ledoux asked how the rate cap helps MMHG mitigate risk. Doyle said if we have a really high cost claimant for this next fiscal year then FY27 rates could be at a 70% increase. She stated with a rate cap it would be limited on the amount they can increase the premium. Ledoux said the company can also decide not to quote in the next FY and the rate cap would not matter.

Haraden stated they have seen renewals with over 50% increase. He said it is a protection for the group as claims increase and also provides us with options. Haraden stated the deductible should increase with inflation and it is time to increase it by \$25,000. He said this will give us more potential quotes next year.

Haraden said staying with Liberty, no new lasers, and the rate cap is Lockton's and Doyle's recommendation. He said Lockton budgeted 20% for the stop loss insurance increase when setting the rates.

Ledoux asked about what happened in negotiations since they just received the quotes last night. Haraden said the carriers want a commitment by certain dates otherwise they request more information as to make sure they know all risk. Haraden said they send the carriers the information and they have to have deadlines.

Treasurer O'Brien said we are buying this as true insurance and asked if we want to have a higher deductible to reduce costs. Doyle said they analyze this to see what deductible levels make the most sense. Doyle said it doesn't work out with the premium you would pay for a

very large deductible as the savings is just not there. McCarthy stated Lockton looks at this as well and agrees the plan would lose if we increase the deductible to \$375,000.

MOTION: Carter made a motion for option 2 Liberty Mutual with an increase of 20.66% for FY26 Stop loss insurance.

SECOND: Powell

VOTE: Unanimous

7. **Insurance Carrier Updates**

Hurley stated HPHC sent a letter to 51 MMHG members informing them that Zepbound is the exclusive GLP-1 for weight loss effective July 1, 2025. He said this is due to the fact it is the most cost effective, has less side effects, and works better versus the other options. He said any prior authorizations would carry over until they expire and then those members would have to get a prescription for Zepbound. He stated this applies to members 18 years old and over.

Hurley said the HPHC policy for FY26 is the GLP-1s will not be covered for weight loss but self insured groups can add a rider to their policy to continue coverage. He said there is an option to change copays for the drugs if continuing to cover them. He said they have a behavior modification program , Good Measures, that would help members for new prescriptions on July 1, 2026.

Hurley said Point 32 Health is excited to announce they hired a new CEO, Patrick Gilligan. He stated Patrick has a lot of experience and will be a great addition to HPHC.

DaRosa said they were able to transfer all Scituate and Upper Cape Tech members to MMHG. She said that both member units currently have PillarRx and will be transferred. She stated Pillar has completed all outreach to members. She thanked the MMHG team for all their work.

Avery thanked BCBS, HP and Kelly Morse Perez for all their work on the transfer.

8. **Next meeting- Steering**

Steering Committee meeting: September 10, 2025, 9:00a.m., MMHG offices

9. **Any other business**

None.

10. **Adjourn**

Sullivan motioned to adjourn the meeting at 10:30 a.m., seconded by Levy and voted unanimously.

Respectfully submitted,

Sheila Avery

Reference Documents for this Meeting:

Treasurer's Financial reports dated April 30, 2025

Lockton- claims experience report FY25 (claims through April 2025)

MMHG Wellness FY25/FY26 Budget

PBIRX Pharmacy plan review

HUB stop loss insurance review of quotes