

MAYFLOWER MUNICIPAL HEALTH GROUP STEERING COMMITTEE
MINUTES OF MEETING
September 10, 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:

Helga DaRosa, BCBSMA
Pat Haraden, Lockton
Mike Hurley, HPHC
Tara Lyons, Lockton
Bob Kademian, PBIRX
Kelly Morse Perez, MMHG
Thomas J. O'Brien, Treasurer MMHG
Jackie Scherer, Lockton
Summer Steegstra, Lockton
Marc Shapiro, PBIRX
Matt Hanley, Plymouth County
Jim Boudreau, Scituate

Chairman Levy called the meeting to order at 9:02 a.m. with a quorum present. He announced the meeting will be recorded for meeting minute purposes.

1. **Accept meeting minutes**

MOTION: Ledoux made a motion to accept the June 12, 2025, meeting minutes.

SECOND: Carter

VOTE: motion passed unanimously

2. **Steering Committee Vacancy-vote**

Chairman Levy stated there is a vacancy on the Steering Committee and Jim Boudreau, Town of Scituate, volunteered to serve.

MOTION: Levy made a motion to appoint Jim Boudreau to the Steering Committee.

SECOND: Sullivan

VOTE: Unanimous

3. **MMHG updates- postponed**

Chairman Levy stated the Executive Director and Attorney are not in attendance so we will postpone the next few agenda items.

4. **MMHG Attorney updates- postponed**

5. **Risk Assessment Committee- vote- postponed**

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

Treasurer O'Brien distributed his financial statements dated June 30, 2025. He reminded the Committee that Lockton's report and his report will not match as his report captures all data including investments. He stated the Lockton report is intended to show funding ratios on plan performance. He said we put \$4.5 million of reserves at risk for FY25 and projected to use around \$3 million at the last meeting. He stated we ended up using \$1,613,934.24 in reserves for FY25 which puts us in excellent position for FY26. He said the fund balance is \$29,834,957.82.

Treasurer O'Brien said what makes MMHG unique is the professional financial management team, Finance Committee, Steering Committee, administrative team as well as the investment bank. He gave a brief review of the portfolio breakdown and unrealized gains. He said MMHG is very transparent and has all audits and reports posted on the website.

Ledoux asked about the success with the portfolio and Treasurer O'Brien reviewed US Bank fees and structure.

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

SECOND: Sullivan

VOTE: motion passed unanimously

7. **Lockton MMHG FY25/FY26 reports, interest groups overview, CY26 Senior renewal timelins, Loctkon projection, Medicare Buy-in assessment results**

Scherer reviewed Lockton's funding report with data through June 30, 2025. She reviewed page 2 showing the FY25 and stated she would focus on the active plans. She explained the funding ratio of 107.9% and stated with the \$4.5 million put at risk, it offsets this percentage down to 103%. She reviewed medical and pharmacy trend data.

Scherer stated both carrier plans are running over verses funding, and they are seeing this trend with their public and private clients. She stated they are seeing double digit increases for 2026.

Ledoux asked about the insurer rebates to subscribers that the Commonwealth requires. Haraden said the ratio is 85% but that is not applicable to self insured clients like MMHG.

Scherer reviewed the rest of her report including Medex performance and stop loss high-cost claimants.

Scherer reviewed the high cost claimants and claim amounts as shown in her presentation.

Haraden explained the stop loss reimbursement procedure and timeframes which is incurred in 12 months and paid in 24 months.

Scherer reviewed Lockton's report with data through July 31, 2025. She noted we received pharmacy rebates and reinsurance reimbursements.

Scherer said six groups expressed interest and we received letters of interest from 3 groups. She said they're reviewing the claims and all other information received.

Haraden said they should have results at the next meeting and will provide more information.

Reidy asked about what Lockton reviews and what is considered a red flag. Scherer explained the process and reinforced the main components are claims, demographics, and employee participation in the plan. She said they look for similar demographics and high cost conditions that may put the group at risk.

Haraden said growth is good but it must be slow and managed. He stated the potential group also must commit to how MMHG does things and the buy in fee.

Reidy asked about what size we would be ideal. Treasurer O'Brien said maybe 15,000 as we would have better ability to negotiate.

Ledoux asked about positive and negative claim risk with potential groups. Haraden said they look at this but do not charge based on it because it defeats the whole purpose of a joint purchase group.

Haraden explained the Medicare buy-in as members that were hired prior to April 1986 and never paid into social security so they are ineligible for Medicare. He said everyone pays into social security now so this isn't an issue. He said MMHG has about 82 members that are ineligible and they do the analysis based on when they retired to calculate penalties. He said the member unit would have to pay the monthly Medicare Part A premium and the penalty as well as the Medicare B penalty in addition to the percent contribution towards the Medex plan. He said the savings to the group are around \$175,000 however he doesn't recommend the group pursuing this based on several factors. He said we currently have a self insured Medex plan and the risk may be higher. He also said they wouldn't recommend it as the retiree might end up paying more and this would penalize them. He said it can cost the member unit more money as they are paying penalties and Part A premiums. He stated there are two member units that would save money without penalizing the retiree and can make this change.

Ledoux asked if a retiree isn't eligible but marries someone that is eligible. Haraden said they would become eligible when they got married.

8. **PBIRX GLP-1 assessment**

Kademian passed out and reviewed his report on the GLP-1 showing obesity and diabetes utilization. He stated the report shows PY23, PY24, PY25 and has estimates for future plan years. He said the increase in cost from PY24 to PY25 is \$3.2 million and is a huge increase. He said the options for the GLP-1 drugs will include a pill option for people that don't like to

inject medications. He said they project costs to be around \$30 million per year just GLP-1 medications for obesity within the next three plan years if coverage is continued.

Shapiro said the GLP-1 for obesity and diabetes are the same medications but they are different concentrations. He explained 10% of Americans are diabetic and costs are going up. He stated other municipalities are considering stopping coverage for GLP-1 for obesity due to cost. He gave an overview of requirements that must be met in order to be eligible to take the GLP-1 for obesity as well as side effects.

Kademian said a comprehensive program is needed to cover the GLP-1 for weight loss. He stated they are seeing recommendations to stay on these drugs forever which is a change versus when they first were introduced. He said lifestyle changes must be a part of the comprehensive program to lose weight and keep it off long term.

Shapiro reviewed page 3 showing coverage options and PBIRX strategy. He said we see good results with the GLP-1 for obesity and using a vendor with a program that can help members lose weight. He stated we want to avoid members just taking the drugs to lose weight and without lifestyle changes which will be less effective. He said you can also think about exclusion of coverage.

Shapiro reviewed page 4 of his presentation stating that since January, 2025 8% of PBIRX clients have chosen to exclude GLP-1 for weight loss coverage. He stated the cost is around \$1,000 per month for a member taking the GLP-1 for weight loss. He said it can take 15-20 years to see less conditions related to obesity such as cardiovascular or knee surgery. He said you also have to look at employee recruiting retention as a consideration for continuing coverage.

Ledoux asked how many PBIRX clients are covering GLP-1 for weight loss and Kademian said currently 40%.

Reidy asked about when the generics will be available, and Shapiro stated maybe in 2029 but that could change depending on patent changings etc. Kademian said there is a generic drug available now that is a daily injection.

Sullivan asked if there is real value in providing coverage for just one medication due to competition with the drug companies. Darosa stated there can be savings having only one medication covered.

Chairman Levy said it is an issue when you can buy the GLP-1 for \$499 but if coverage on the insurance is \$1200. Kademian stated we can't have members buy it on their own and reimburse them.

Chairman Levy requested updated numbers on how many members are taking the GLP-1 for diabetes and weight loss. He asked about reimbursing the members if they buy it on their own. Kademian stated people have to sign a declaration that they aren't getting reimbursed by their employer in order to get the GLP-1 for obesity at the \$499 or \$350 price.

Kademian said we will see more price reductions once a lot more employers exclude coverage of GLP-1 for weight loss medications. He stated we could have a 50% cost share for continued

coverage of the drugs which would be closer in cost for the member if coverage is discontinued. He said you could also have a separate maximum amount out of pocket for obesity drugs or increase the BMI requirements.

Kademian reviewed the Abacus program success with coverage being provided for the obesity drugs the first year and then just covering the lifestyle modification program the second year. He said the lifestyle program includes internet connected scale, coaching, etc. He said there are a lot of other vendors that provide programs like this.

Powell said previously Abacus wanted to charge for all members per month and Kademian said they charge per member utilizing the program.

Powell asked for the cost of the programs. Kademian explained you would pay for the GLP-1 for obesity for a full year and then it is \$120 per month per member that is utilizing the program for the next year. Kademian said the goal is to provide coverage for one year and two years of the lifestyle modification program and after the member can buy the obesity drugs on their own if they chose to.

Darosa said BCBSMA does provide a comprehensive program and can provide an updated complete analysis. She said the decision to cover the GLP-1 for obesity must be made for July 1, 2026. She said they recommend offering a weight loss management program if coverage for obesity drugs is continued. She said BCBSMA offers a program with CVS that provides a scale etc. that members must check in and use or they will have to pay the full cost of the medication.

Boudreau asked about additional work for MMHG staff with a program like this. Darosa said the work is on BCBS and they would track and manage it.

Reidy said coverage is being provided now and if discontinued we could see cardiovascular disease and other conditions come back if they gain the weight back. He said it is tough situation as members are having success on the drugs.

Leto asked about how the GIC is handling coverage for obesity GLP-1. Haraden said the Governor filed legislation and if passed, would eliminate coverage effective January 1, 2026. He said they estimate they can save about \$27 million by eliminating coverage for the last six months of FY26.

Haraden said we do have to make a decision for July 1, 2026 but the decision has to be made prior for a number of reasons. He said we have to set rates in February or March and have to be prepared to notify members and start working with them. He said with the GIC discontinuing coverage and a lot of other groups discontinuing coverage, we could have a lot more people on MMHG on the drugs. He said we can charge a different copay but that will have bargaining issues. He said from a formulary cover or non – cover it may have bargaining issues, or it may not.

Leto asked about previous drug classes that have been excluded from coverage. Kademian said this is unique and they haven't seen this before. Kademian explained that the GLP-1 for obesity came out as something that wasn't expensive to treat weight loss and then the cost exploded.

Leto explained he didn't want members to be caught in the middle of the drug price war because they are going to lose coverage. He said by not covering it we would send a message to the drug companies, and the price may come down however we create barriers to people getting access to the drugs that do help them.

Darosa said BCBS just came out with a program via Teledoc that will provide coverage at a discount for members directly with the manufacturer and provide the lifestyle change program. She said the price is dependent on which drug is covered. She said they expect about 80% of municipalities are going to discontinue coverage.

Treasurer O'Brien said he understands the considerations and is happy BCBS has an alternative program. He stated if the GIC discontinues coverage the rest will follow, and we can't continue to cover them as they currently are covered as it will be financial ruin. He said the BCBS program would provide the safety net for members to have the medications.

Reidy expressed concern for members that have seen real results being devastated by discontinuing coverage.

Hurley said Harvard Pilgrim has a program through Good Measures and it is a six-month program with behavior modification. He said this is the program they are implementing on the fully insured book of business. He said HP does offer a nutrition program that he recommends MMHG offer and is no cost other than cost of the claims.

Morse Perez said we do offer a nutrition, food as medicine, program with Savory Living as is free to all members.

Leto asked if we can get details on the alternative programs, the number of people it will impact and if we can raise the BMI limit for coverage. Darosa said raising the BMI individually for MMHG may not be an option as it is determined by the program.

Leto asked for the number of people engaged in similar programs and how many do not participate. Shapiro said he can have the numbers for the next meeting.

Adams asked for numbers for the people that go on the drugs for weight loss and then come off of them in a year.

Chairman Levy requested all information on alternate programs be available for the next meeting.

Adams asked about type 1 diabetes and if the GLP-1 are prescribed. Shapiro said he didn't think they were prescribed as type 1 diabetics need insulin. He said they might be looking into this but wasn't sure.

Powell asked about future coverage with CanaRx. Kademian said CanaRx does not provide coverage for injectable medications.

Ledoux asked about the retiree coverage. Haraden said the Medicare retiree programs already exclude GLP-1 coverage for obesity.

9. **Next meeting- Steering**

Steering Committee meeting: October 8, 2025, 9:00a.m., MMHG offices

10. **Any other business**

None.

11. **Adjourn**

Sullivan motioned to adjourn the meeting at 10:45 a.m., seconded by Levy and voted unanimously.

Respectfully submitted,

Sheila Avery

Reference Documents for this Meeting:

Treasurer's Financial reports dated June 30, 2025
Lockton- claims experience report FY25 and FY26
PBIRX GLP-1 presentation
BCBS alternate program information sheet