

**MAYFLOWER MUNICIPAL HEALTH GROUP STEERING COMMITTEE**  
**MINUTES OF MEETING**  
**February 22, 2024, 9:00a.m.**  
**Mayflower Municipal Health Group**  
**65 Cordage Park Circle,**  
**Suite 110, Plymouth, MA. 02360**

**Attendance Steering Committee members:**

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

**Guests:**

Marianna Gil, Gallagher Benefit Insurance Services  
Diane Laflash, Gallagher Benefit Insurance Services  
Thomas J. O'Brien, Treasurer MMHG  
Kevin Feeley, MMHG Attorney  
Sheila Avery, MMHG  
Mike Hurley, Point 32 Health  
Helga DaRosa, BCBSMA  
Matthew Hanley, Plymouth County  
Bob Kademian, PBIRX  
Michelle Labadini, Norfolk County  
Wendy Lemieux, Wareham Fire District  
Bob Jordan, Gallagher Benefit Insurance Services

Chairman Levy called the meeting to order at 9:04a.m. He announced the meeting will be recorded for meeting minute purposes.

1. **Accept meeting minutes**

MOTION: Ledoux made a motion to accept the January 16, 2024 meeting minutes.

SECOND: Buckley

VOTE: motion passed unanimously

2. **HP fitness/wellness reimbursement program \$300 per calendar year- vote**

Chairman Levy stated the fitness/wellness new benefit is for \$300 per family as Hurley explained at the last Steering Committee meeting. He stated a new vote is needed to clarify the benefit as it was voted with \$150 individual but is up to \$300 per family.

MOTION: Ledoux made a motion to add the HP fitness/wellness reimbursement of up to \$300 per family.

SECOND: Sullivan

VOTE: motion passed unanimously

3. **Treasurer's report/FY23 MMHG Audit**

Treasurer O'Brien reviewed his financial statements dated January 31, 2024. He reminded the Committee his reports will differ versus Gallagher's funding analysis. He said his report includes interest, investments, and the MMHG financial status. He said our net revenue is \$544,740.56. He said he doesn't expect the group will use as much reserves as anticipated. He stated we have net assets of \$31,787,506.13 and are in good financial shape. He said this includes the increase of \$500,000 for the IBNR (incurred but not reported).

Buckley asked what percentage our net assets are to our budget and what is our fund balance policy. Treasurer O'Brien said net assets are approximately 29% of our budget and our fund balance policy is 15%-20%.

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

SECOND: Carter

VOTE: motion passed unanimously

Treasurer O'Brien said he had the FY23 audit interview yesterday and said we should have the final audit in a few weeks. He thanked his staff for their hard work.

Treasurer O'Brien said we will be hearing about the renewal and administration fees with the renewal discussion. He said he would like to take this opportunity to thank Sheila Avery for all her hard work in getting the administration fee deduction from one carrier.

Chairman Levy stated they are working on MMHG administrative changes including bringing in more help and creating an Executive Director position.

4. **Gallagher's MMHG Funding Analysis/updates**

Laflash reviewed her funding analysis with claims data through January 31, 2024. She stated active plans are at 99.6% including the BCBS RX rebate. She said they negotiated with BCBS last year to include RX rebates. She said the great news is the first rebate received was double the amount versus what was estimated. She stated the Medex II plan is at 97.4% loss ratio.

Laflash reviewed the FY23 & FY24 stop loss information.

Gil stated Harvard Pilgrim rebates are already included in the plans so you won't see them listed separately like BCBS.

5. **FY25 Health insurance renewal / Steering Committee FY25 health rates recommendation/discussion-possible vote**

Laflash stated Bob Jordan is Gallagher's actuary and worked on the MMHG renewal. She said he provides the actuarial certificate and analysis of the trends etc.

Jordan said the starting point he uses for the proposed increase is the FY24 rates. He said he uses two years of information as claims are volatile. He said Massachusetts trends are 8.5%-

9.5% for medical and 13.5% for pharmacy. He said the average Massachusetts increase is 10%. He said they take a conservative look at the prescription drug rebates.

Laflash reviewed other group average rate increases.

Laflash reviewed her handout for the FY25 renewal. She said they use to be able to negotiate administration rates but it is no longer allowed. She thanked Avery and BCBS for the 1% reduction off the administration fee. She said the administration fees will go up 1.5% for BCBS and 2% for HP.

Laflash said PBIRX negotiates prescription drug contracts with both carriers. She said they went out to bid for our prescription drugs including carved out and carved in arrangements. She said PBIRX negotiated higher discounts from the carriers and suggested MMHG remain carved in for prescriptions.

Laflash reviewed the FY24 recap and the FY25 funding options as listed on the handout. She said they recommend closer to 4% increase with \$4.5 million at risk from the trust fund. She reviewed the chart on the handout showing carrier projected loss ratios, funding loss ratios, and surplus/deficit mid-year/year end.

Treasurer O'Brien said the team met and reviewed the information and felt the 4% is reasonable given our financial position at this time. He said we are trying to stay within 3%-5% increases for the next 3-5 years.

Powell asked about the deficit at the end of December 2023. Treasurer O'Brien stated we received the BCBS prescription drug rebate in January which eliminated the deficit. Powell asked what his year-end projection is and Treasurer O'Brien stated around a \$2.5 million loss.

Ledoux said he did the math based on the information we currently have and it is estimated we will have 26%-27% of our budget for our fund balance at the end of FY25. Treasurer O'Brien agreed and also stated it may be closer to 25%.

Sullivan asked if the pharmacy rebates are included in the Gallagher projection information. Gil stated it is included in the 8.8% Gallagher projection.

MOTION: Maresco made a motion to recommend to the General Board Alternative #3 with a 4% composite increase putting \$4.5 million at risk.

SECOND: Ledoux

VOTE: Unanimous

Laflash reviewed the key benefit changes effective on renewal. She said HP is offering reimbursement for childbirth classes of \$150 per year. She said it will have minimal impact on rates.

MOTION: Maresco made a motion to add the \$150 childbirth class reimbursement to the HP plans.

SECOND: Sullivan

VOTE: Unanimous

Laflash reviewed the BCBSMA active plan benefit changes. She stated they are enhancing the fitness reimbursement to include bicycles, bicycle helmets, athletic shoes, and sports activity fees that will be eligible for reimbursement. She stated there is minimal impact to claims as the amount of the fitness reimbursement isn't changing.

MOTION: Maresco made a motion to add the BCBS fitness enhancements to the fitness reimbursement benefit as presented.

SECOND: Ledoux

VOTE: Unanimous

6. **FY25 upcoming elections- Steering Committee, Finance Committee, Chairman, Treasurer**

Chairman Levy said the elections will take place at the General Board meeting on March 7<sup>th</sup>. He said Maureen Adams would like to be on the Steering Committee as she is currently on the Finance Committee. He stated Michael Buckley would like to move to the Finance Committee. He stated the ballot will be finalized closer to the meeting as General Board members still have time to express interest in these positions.

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

Steering Committee meeting: March 7, 2024, at 8:30a.m.

General Board meeting March 7, 2024, at 9:00 a.m.

8. **Any other Business**

none.

9. **Adjourn**

Sullivan motioned to adjourn the meeting at 9:41 a.m., seconded by Levy and voted unanimously.

Respectfully submitted,  
Sheila Avery

**Reference Documents for this Meeting:**

Treasurer's FY24 financial reports (January 31, 2024)

Gallagher's FY24 Funding Analysis presentation, (claims paid through January 31, 2024)

Gallagher's FY25 health insurance renewal handout