

# SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

## Steering Committee Meeting

Easton Town Hall

Meeting Minutes

Friday, February 7, 2014

### Steering Committee Present:

Jacqueline Boudreau	Town of Norton
William Ross	Town of Mansfield
Joe Fernandes	Town of Plainville
Chris Sylvia	Town of Westport
Mark Fisher	North Attleborough
Randy Buckner	Town of Raynham
Chris DeFontes	Town of Seekonk

### Others Present:

Teresa DeSilva	Town of Easton
George Foster	Group Treasurer
Pam Smith	GBS
Ginger Hastings	GBS
Paul Mulkern	Group Counsel
Michael Yunits	Town of Norton
Mark Wilson	Town of Mansfield

Ms. Boudreau began the meeting at 9:07 a.m.

### General Business

Ms. Boudreau made a motion to accept the minutes of the Committee's October 21, 2013 meeting. Ms. Sylvia seconded the motion and it passed by unanimous vote.

Ms. DeSilva provided the Committee with an update regarding the enrollment audit. She stated that HMS was running behind schedule. She said that HMS expected to have gathered all of the needed information by February 28, at which point they would conclude the audit.

Ms. Donahue presented the Committee with the Blue Cross renewal proposal for the Group's July 1, 2014 through June 30, 2015 plan year. After making that presentation, she explained that, under the ACA, a health plan will be required to adopt Out-of-Pocket (OOP) maximums for the coverage options offered. She explained that some of the Group's plans currently have OOP maximums while some do not. She said that the highest OOP maximums permitted by the ACA are \$6,350 for an Individual and \$12,700 for a Family. Mr. Fisher made a motion to set the maximum at \$3,000 for an Individual and \$6,000 for a Family. Ms. DeFontes seconded the motion for discussion. After discussion, it was the consensus of the committee members that they needed additional information from Blue Cross regarding members' current out-of-pocket costs. Ms. Donahue assured the Committee that she would provide reports of the members' out-of-pocket costs before the next meeting. The motion was withdrawn.

Mr. Ross indicated that he was very concerned with the anticipated impact of the ACA Cadillac Tax. Mr. Mulkern explained how the tax would operate.

Ms. Hastings reviewed with the Committee the rating projections for the Group's 2014 - 2015 plan year that she had prepared. She reminded the Committee that the Group had set aside \$1.5 million of the Group's surplus to support the Group's claims for the current year and that it did not appear that any of that surplus would be needed for this year. Ms. Hastings projected two scenarios for the Committee's consideration for 2014 - 2015 rates. Scenario 1 called for a 6% increase to the rates for the active plans and a 4.1% increase to the MEDEX plan. Ms. Hastings estimated that it would require \$673,501 in surplus. Scenario 2 called for a 4% increase to the rates for the active plans and a 4.1% increase to the MEDEX rates. She estimated that the scenario would require a surplus subsidy of \$1,795,830.

Mr. Fisher made a motion for purposes of discussion that the Group accept Scenario 2. A discussion ensued. Mr. Foster suggested that the Committee consider a 3% increase to the active plan rates. After the cost of that increase was calculated, Mr. Fisher amended his motion to provide for a 3% increase to the active plan rates. Ms. Sylvia seconded the motion and it passed by unanimous vote.

### **Financial Update**

Ms. Hastings provided an update of the Group's finances. She noted that, through December 31, 2013, claims and other plan costs were \$1,427,619 less than actual funding.

Mr. Foster provided the Treasurer's Report.

Ms. Hastings informed the Committee that the Town of East Bridgewater had provided timely notice to the Group that it would be withdrawing from the Group, effective June 30, 2014.

### **New Business**

Mr. Ross told the Group that a Mansfield member is undergoing chemotherapy by infusion. A pump is needed for this procedure and the pump falls under durable medical equipment (DME). The member's plan has a \$750.00 calendar year maximum for DME and he has already exceeded this amount. Mr. Ross requested a waiver of this calendar year maximum. Mr. Fisher made a motion to approve a waiver of the calendar year maximum through June 30, 2014. Ms. Boudreau seconded the motion and it passed by unanimous vote.

The next Steering Committee meeting will be scheduled for February 27, 2014 at 9:30 a.m. in Norton at the Chateau Restaurant. It will be followed by a Board meeting. Mr. Mulkern will give a presentation on the ACA Cadillac tax. There will also be a presentation from Mr. Marini who is performing the Trust Fund audit. Ms. DeSilva told the Group that this is Ms. Boudreau's last meeting as she is leaving the Town of Norton to take a position with the Town of Mansfield.

Mr. Fisher made a motion to adjourn the meeting at 10:52 a.m.. Mr. Ross seconded the motion and it passed by unanimous vote.