

SOUTHEASTERN MASSACHUSETTS HEALTH GROUP

Steering Committee Meeting

Easton Town Hall

Meeting Minutes

June 25, 2014

Steering Committee Present:

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

Others Present:

Teresa DeSilva	Town of Easton
George Foster	Group Treasurer
Pam Smith	GBS
Kate Sharry	GBS
Paul Mulkern	Group Counsel
Suzanne Donahue	Blue Cross Blue Shield

Mr. Yunits began the meeting at 9:07 a.m.

General Business

Mr. Yunits asked for a motion to accept the minutes of the Committee's May 22, 2014 meeting. Mr. Buckner made a motion to accept the minutes. Mr. Fernandes seconded the motion and it passed by unanimous vote.

Financial Report

Ms. Smith reviewed the Financial Overview that GBS had prepared.

Mr. Foster provided the Treasurer's report. He said the balance is \$14.7 million and the PCORI fee has been paid. He also said that \$1,800.00 had been disbursed to member units for wellness projects. He said there is still money available for wellness projects.

Other Business

Ms. Sharry reviewed the reinsurance bids with the Group. She said she does not recommend changing the specific level at this time. She said that SLIB came in with a 5.7% increase and she is recommending the Group renew with SLIB and HM Insurance Carrier at this time. There was a motion by Mr. Buckner to renew the Stop Loss with SLIB and HM at a rate of \$9.37 Individual and \$27.06 Family. The motion was seconded by Mr. Ross and passed by unanimous vote.

Mr. Mulkern pointed out that, at the last meeting, Ms. Hastings had been directed by the Steering Committee to instruct Blue Cross to reinstate the limited out-of-pocket caps (\$2,000/\$4,000 (excluding OV co-pays) on some plans and \$1,000 on in-patient co-pays for other plans) that Blue Cross had eliminated. At that meeting, Mr. Mulkern had explained that eliminating those limited co-pay caps would reduce the plans' benefits and could be challenged by the unions. Mr. Mulkern said that Ms. Hastings had informed him that Blue Cross would not reinstate the caps. Ms. Donahue responded that Blue Cross had reinstated the \$1,000 inpatient cap on the plans to which it had applied but that Blue Cross did not have the systems necessary to reinstate the \$2,000/\$4,000 limited caps. She noted that the Board had previously voted to implement the \$5,000/\$10,000 comprehensive out-of-pocket maximum and suggested that the Board could reduce that comprehensive maximum to \$2,000/\$4,000. Mr. Mulkern responded that the Board was not interested in changing the new comprehensive out-of-pocket maximum but simply wanted to maintain the limited \$2,000/\$4,000 maximum that had applied to certain non-grandfathered plans. Mr. Fernandes asked if Blue Cross could administer the \$2,000/\$4,000 limited caps manually. Ms. Donahue responded that Blue Cross could run a report quarterly to see if any member is reaching the \$2,000/\$4,000 limited caps. Mr. Fisher suggested that, if administration of the limited cap is done on a case-by-case basis, the Group can reimburse any member whose out-of-pocket payments exceed the limited cap. He proposed that a policy be developed to administer this.

Ms. Sharry discussed the possibility of adopting an EGWP program (and discontinuing participation in the RDS program). She indicated that the change would likely result in substantial savings for the Group. She noted that if the Group was interested in making this change, the change would have to be effective on January 1 of a calendar year. Ms. Sharry pointed out that the change would result in a slight change to the drug formulary and that certain lifestyle drugs (e.g. Viagra) would not be available under an EGWP program. Mr. Fisher asked that GBS provide the Committee at its next meeting with a comprehensive analysis of the savings that the change would generate.

Mr. Foster announced that the audit of the trust fund balance is ready. Mr. Mulkern observed that the Committee might wish to authorize an audit of the balance for June 30, 2014. Mr. Yunits made a motion that Lynch, Malloy, Marini, LLP be retained to perform that audit. Mr. Buckner seconded the motion and it passed by unanimous vote.

Mr. Mulkern reported that, as directed by the Committee, he had contacted the Attorney General's office to seek an opinion regarding the applicability of the Open Meeting Law to a joint purchase group that operates pursuant to M.G.L. c. 32B, Section 12. He explained that he had several conversations with an attorney from that office and that it was the attorney's opinion that the Open Meeting Law would apply to a joint purchase group. Mr. Mulkern stated that, if the Group offered a website, the Group's meetings could be posted on that website. Mr. Fisher suggested that the Group adopt policies for the conduct of meetings.

Ms. Sharry reported that two quotes had been received for the provision of website services. She said that Cole Web Design had proposed to create and design a website for the Group. She said that GBS was, itself, submitting a quote for managing and maintaining the website. Following discussion, Mr. Fisher made a motion that the Group retain Cole Web Design to create the website with a 40 page feature for \$3,700.00. Mr. Buckner seconded the motion and it passed by unanimous vote. Mr. Fisher then made a motion to retain GBS to maintain the website and to assist in the development of the website for an annual payment of \$5,700.00. Mr. Ross seconded the motion and it passed by unanimous vote.

Mr. Mulkern then indicated that Blue Cross had advised that the replacement of calendar year maximums for durable medical equipment with an 80/20 coinsurance would result in the loss of grandfathered status for those plans that are still grandfathered. (The ACA no longer allows calendar year maximums.) Blue Cross advised that the plans could only maintain grandfathered status if they paid 100% of the cost for that equipment. Mr. Fisher made a motion to eliminate the 80/20 coinsurance for the grandfathered plans. Mr. Ross seconded the motion and it passed by unanimous vote.

There was a discussion of the Blue Cross proposal of an increase of the level monthly payment to \$5.4 million. Ms. Donahue was asked to review that proposed change with the Blue Cross underwriters and she agreed to do so.

There was discussion of the addition of a fitness reimbursement to the MEDEX plan. Ms. Donahue said that it could be added effective January 1, 2015. Mr. Fisher made a motion to add this benefit. Mr. Ross seconded the motion and it passed by unanimous vote.

Mr. Mulkern discussed the HIPAA Privacy and Security policies that he had prepared for the Group. As the members were not prepared to discuss the proposed policies, Mr. Mulkern suggested that the Committee vote to provisionally adopt the policies, subject to a review at a later time. He said that by provisionally accepting the policies the Group could be in compliance with that HIPAA requirements. Mr. Fisher made a motion to provisionally accept the policies. The motion was seconded by Mr. Buckner and passed by unanimous vote.

The Committee scheduled its next meeting for September 9th at 9:00 a.m. at Easton Town Hall.

Mr. Fisher made a motion to adjourn the meeting at 10:34 a.m. Mr. Buckner seconded the motion and it passed by unanimous vote.

Prepared by Pam Smith