

Massachusetts Municipal Reinsurance Arrangement (MMRA)

Board Meeting Minutes

September 16, 2021 at 11:00 AM

By WebEx Remote Participation

Primary and Alternate Board members present:

Francis “Skip” Finnell, Chair	Cape Cod Municipal Health Group (CCMHG)
Kevin Mizikar	West Suburban Health Group (WSHG)
Noreen Mavro-Flanders	Cape Cod Municipal Health Group (CCMHG)
Melisa Doig	Minuteman Nashoba Health Group (MNHG)
Kevin Johnston	Minuteman Nashoba Health Group (MNHG)

Guests present:

Mike Madden	Artex Risk Solutions
Deborah Caneco	Artex Risk Solutions
Manjusha Sheobaran	Kismet Risk Management Assoc.
Mark VonVogt	Gallagher Benefit Services, Inc. (GBS)
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS)
Carol Cormier	Gallagher Benefit Services, Inc. (GBS)
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)

The Chair, Skip Finnell, called the meeting to order at 11:00 AM.

Approval of the minutes of the May 26, 2021 MMRA Board meeting:

Kevin Mizikar moved to approve the minutes of May 26, 2021 as written.

Motion

Noreen Mavro-Flanders seconded the motion. There was a roll call vote on the motion.

Noreen Mavro-Flanders (CCMHG)	Yes,
Kevin Mizikar (WSHG)	Yes,
Melisa Doig (MNHG)	Yes.

The motion passed by unanimous vote.

Recognition of Marc Waldman:

Noreen Mavro-Flanders noted the retirement of Marc Waldman, former Chair of WSHG and of MMRA, and requested that the minutes of this meeting reflect the thanks of the MMRA Board members and Joint Purchase Groups for all of his contributions to the development and functioning of the MMRA. All agreed.

Quarterly Management Reports:

Deb Caneco, Artex Risk Management, presented the financial reports of FY21 and FY20 treaty years. For FY21, at June 30, 2021 the Estimated Premiums to date were \$11.7M. Expenses withheld from Premiums (Total Losses) were \$5.7M. IBNR was held at \$4M. Total Expected

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Ceded Losses were \$9.7M. She said that this year is currently showing a loss, a \$1.8M deficit. Participant Deposits with the Pool totaled \$1.9M.

For FY20 at June 30, 2021 she said that \$8.4M had been collected in Premium and the Est. Loss Fund was \$5.3M (amount available to pay claims). IBNR was \$0. There was a \$2.6 million Fund Balance deficit.

Ms. Caneco reviewed the reports of claims by claimant (unidentified). There were 35 claimants in FY21 and 56 claimants in FY20.

Mike Madden noted that ANICO Aggregating Retained Claims were \$772K. These were claims over \$800K and exceeding 150% of loss funds.

Deb Caneco reviewed the Balance Sheet of June 30, 2021, noting total assets of \$7.5M. She also reviewed the Cumulative Income Statement showing years 2015 through 2021, and the Trust Fund Reconciliation report.

Mike Madden said that at the last MMRA meeting two issues had arisen for explanation. The issues were (1) explaining the differences between the numbers reported in the stop loss reports prepared by Gallagher (GBS) and in the MMRA Quarterly Management Reports prepared by Artex, and (2) information about how the IBNR is established.

Regarding reporting differences, Mr. Madden said differences in numbers were because of timing issues. He said Gallagher gets its claims information from the health plans and they are recent claims paid by the health plans. Artex gets the claims information from ANICO and Kismet after it has been submitted to them. He reviewed an exhibit that illustrated the differences in 2019, 2020, and 2021.

Mr. Madden discussed how the IBNR was determined. He noted that in FY21 \$4M was used as the IBNR. He said the actuary sets the IBNR once per year in December of each year. He reviewed exhibits that showed claims at the end of 12 months compared to at the end of the policy run-out period (24 months total). Ultimate claims were more than double what the paid claims were after 12 months.

Skip Finnell asked if the IBNR is conservative.

Mike Madden said that it the goal to have a conservative number. He said that everything in the exhibits today indicated that the MMRA Board made a good decision when it decided to move the specific deductible up from \$300K to \$400K for FY22.

Pinnacle Care presentation:

Mark VonVogt introduced Michael Hurley, Sr. Vice President of Sales of Pinnacle Care. Mr. Vonvogt said that quite a few Gallagher clients have been using Pinnacle Care and with great satisfaction and savings.

Michael Hurley reviewed a slide presentation. He said that Pinnacle Care (PC) is a white-glove health care navigation service provider that has been in business for more than 20 years and has over 130 Centers of Excellence (CEOs) and Regional Health Systems in its relationship network.

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He said in addition to providing help to employees and family members faced with difficult health diagnoses and prescribed treatments, PC provides significant savings to the employers. Mr. Hurley reviewed the Clinical Teams and Partner Relationships. Members are assigned a personal Health Advisor who works with the member and a PC-assigned clinical team and other experts. They collect medical records within a 2-day turnaround, provide expert analyses based on the medical records, make appointments with appropriate high quality providers within requested time frames – often within a week or two. The Health Advisors are in frequent contact with the member prior to and after appointments and as requested.

Skip Finnell asked if the program includes retired people and retirees on Medicare.

Mike Hurley said eligibility for the program is defined by the client.

Michael Hurley reviewed the metrics for quarterly reporting to the client. He said that there is a 100% guaranteed ROI of 1:1, and for a group like CCMHG they have calculated expected ROIs above 5.5.

Mr. Hurley said that the average customer survey satisfaction is at 92%. He provided a list of clients, and he highlighted Pfizer which has been with PC for many years.

In response to questions from Kevin Mizikar, Mike Hurley said that PC reports show expectations for active outcomes and treatment outcomes and said Healthcare BlueBook evaluates and tracks ROI for PC in a very detailed way.

Manjusha Sheobaran asked about PC's position on stop-loss partnerships.

Michael Hurley said that PC is very interested in forming relationships with stop loss providers and underwriters.

There were no other questions.

Skip Finnell said MMRA should get moving on the Pinnacle Care program.

OptiMed Health Partners reports:

Mark Vonvogt briefly reviewed the OptiMed specialty medication reports for the three MMRA-participating joint purchase groups. The reports covered the period from 1/1/2021 – 9/9/2021. He reviewed Total plan paid amounts, avg. cost/claim, claims savings, number of claims, and number of utilizers. About \$73K was saved across the three joint purchase groups.

Noreen Mavro-Flanders asked about the cost of the OptiMed program.

Mark Vonvogt explained that there were no costs other than costs of the prescription drugs and that OptiMed takes its fee from those amounts. If no members participate in the program, CCMHG pays nothing.

There was a discussion about the disappointing level of utilization and about the member contact data issues behind those problems.

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Skip Finnell said that when it is once again possible to have benefit administrators' meetings in-person, CCMHG will be able to do a better job of explaining and promoting the program.

Manjusha Sheobaran said that, if engaged by the joint purchase groups, perhaps Pinnacle Care could assist with getting the word out about the OptiMed program.

All agreed that additional work on program promotion was required.

Other cost-saving programs:

Mark Vonvogt reviewed the list of cost-saving programs on the agenda. They were Pinnacle Care, Eligibility audits, Pharmacy Carveout, and Out-of-Network (OON) pricing negotiations.

Mr. Vonvogt said that the groups have done eligibility audits in the past and should be doing them periodically. He said Rx Carveout would require complete Requests for Information/Proposals processes.

Joe Anderson said that MNHG and WSHG are dealing with very difficult situations with the exit of Fallon Health from the commercial market and the upcoming merger of Harvard Pilgrim and Tufts. He said he does not think the timing is right for these two groups to explore Rx Carveout.

Kevin Mizikar said he does not want WSHG to do exploration of Pharmacy Carveout at this time. He wants to wait until things are settled with the health plan changes mentioned by Joe Anderson.

Mark Vonvogt said that the MMRA Board had a proposal a number of years ago for OON pricing negotiation services, but it didn't go anywhere.

Other Business:

Skip Finnell noted the document in the packet "MMRA – Management, Structure, and Fees". This had been requested by the Board as part of understanding all the players in the MMRA, their services, and their costs.

Mike Madden briefly said the effort was to identify and explain the inter-company relationships and to be sure all fees are disclosed. At the previous Board meeting he had done a slide presentation explaining the players and relationships. He said there is the need for acknowledgement that all fees are disclosed.

Noreen Mavro-Flanders said she thought that Artex should not be listed separately in the exhibit but should be under Gallagher since it is owned by Gallagher.

Mike Madden responded and there was a brief conversation. He said he thought he understood what Ms. Mavro-Flanders was looking for and that he would take another look at it, do a revision, and provide a document for all parties to sign in acknowledgement.

There was no other business.

Melisa Doig moved to adjourn the meeting. Noreen Mavro-Flanders seconded the motion.

There was a roll call vote on the motion as follows:

Motion

Noreen Mavro-Flanders, CCMHG	Yes,
Melisa Doig, MNHG	Yes.

(Mr. Mizikar had left the meeting just prior to the above vote.)

The motion to adjourn passed.

Chair Skip Finnell adjourned the MMRA Board meeting at 1:30 PM.

*Minutes prepared by
Carol G. Cormier, Gallagher Benefit Services, Inc.*