

# Massachusetts Municipal Reinsurance Arrangement (MMRA)

## Board Meeting

November 17, 2015 at 11:30 AM

Arthur J. Gallagher & Co. Offices  
1900 Crowne Colony Drive, Ste. 308,  
Quincy, MA

### Primary and Alternate Board members present:

Marc Waldman, Chair	West Suburban Health Group (WSHG)
Francis “Skip” Finnell	Cape Cod Municipal Health Group (CCMHG)
Donna Madden	Minuteman Nashoba Health Group (MNHG)
Anthony Logalbo	Minuteman Nashoba Health Group (MNHG)
Dan Morgado ( <i>by conference call</i> )	West Suburban Health Group (WSHG)

### Guests present:

Tracey May	Arthur J. Gallagher & Co. (AJG)
Manjusha Sheobaran	Berkley Accident & Health
Michael Madden ( <i>by conference call</i> )	Artex Risk Solutions, Inc.
Dr. Michael Thomas ( <i>by conference call</i> )	Arthur J. Gallagher & Co. (AJG)
Carol Cormier	Group Benefits Strategies (GBS)

Chair Marc Waldman called the meeting to order at 11:35 AM.

### Review of Financial Reports:

Mike Madden, through conference call, reviewed the details of the 2015 and 2014 Treaty Year reports with data through September 30, 2015 and answered questions from the Board.

Tony Logalbo asked about how the IBNR was determined on the 2014 Treaty Year year-end report.

Mr. Madden said that at this point it was just “a plug” to bring the Total Ceded Losses to the level of the Loss Fund.

### Pharmacy presentation - Dr. Michael Thomas (*by conference call*):

Dr. Thomas, registered pharmacist and national Practice Leader for AJG, reviewed his handout, “High Cost of Prescription Medication”. He reviewed causes of the steeply rising RX costs in the areas of compound prescriptions, generics, brands, and specialty drugs with examples. He reviewed actions being taken or proposed by the vendors (Pharmacy Benefit Managers and health plan organizations), the FDA, employers, and AJG to address the cost increases.

### 2<sup>nd</sup> MD:

Tracey May briefly reviewed the 2<sup>nd</sup> MD program that provides 2<sup>nd</sup> opinions by top-rated physicians through timely video conference and written reports. He asked if the Board was interested in learning more about this at a future meeting.

The Board members responded affirmatively.

**Berkley Accident & Health updated report on stop loss claims activity:**

Manjusha Sheobaran reviewed her report which gave information about claims submitted between Sept. 30 and Nov. 15, 2015 for the 2014 Treaty Year. She said that the claims exceed the Net Premium less Excess Protection Cost and so some of the collateral will be used to reimburse the excess claims.

Tony Logalbo asked how the collateral would be used.

Ms. Sheobaran said that it would be used on a proportionate basis.

Mr. Logalbo said he would like to have the number for MNHG so that the Group's financial statements could accurately reflect the reduced asset.

Ms. Sheobaran said that when Berkley closes its books on Dec. 31<sup>st</sup>, there will be a report provided with the updated data.

**Berkley Accident & Health Transplant Risk Stabilizer Program:**

Manjusha Sheobaran reviewed the handout pertaining to the Transplant Risk Stabilizer (TRS) program and explained that it provides first dollar coverage for a transplant. She said it not only removes the financial risk of the transplant for the MMRA, but also for the joint purchase group that experiences a transplant through removal or reduction of the specific deductible. She said that the transplant must be done at one of the network transplant facilities and said that would not be a problem for MMRA participants since the network includes the transplant providers in Mass. She said that Berkley uses LifeSOURCE and Optum and other networks.

Carol Cormier asked about the cost of the program and requested policy renewal rates in early January for the MMRA with and without the TRS Program.

Ms. Sheobaran agreed to provide the renewal rates with and without the TRS program.

**BCBSMA Reporting update:**

Tracey May said that the letter protesting the stop loss reporting fees was sent to BCBSMA President & CEO in September and that he had not heard anything since then.

Carol Cormier said that there was no acknowledgement whatsoever of the letter.

Tony Logalbo suggested that the MMRA could choose to assume that no response indicated tacit approval of the MMRA's request to drop the fees.

Tracey May said he would be in touch with his contact in BCBSMA reporting and would see how that goes. He said the fees have not been paid for 2015 and that Berkley has agreed to pay them if they are not dropped by BCBSMA.

**Future Growth of the MMRA:**

The Board members were unanimous in thinking that it was too soon to approach other possible participants and agreed to revisit the issue at a later date after the completion of the run-out of the 2014 Treaty Year.

**Approval of the minutes of the May 21, 2015 meeting:**

Tony Logalbo moved to approve the minutes of the May 21, 2015 meeting as written.

Skip Finnell seconded the motion. The minutes were approved by unanimous vote.

**Other Business:**

Marc Waldman set the next meeting of the MMRA Board for Tuesday, May 10, 2016 at 11:30 AM at Arthur J. Gallagher & Co. offices.

There was no other business.

Chair Marc Waldman adjourned the meeting at 1:50 PM.

*Minutes prepared by Carol Cormier  
Group Benefits Strategies*