

**Governmental Health Group of Rhode Island
Minutes
Regular Meeting of the Board of Directors
Wednesday, July 20, 2005**

A regular meeting of the Board of Directors was held on Wednesday, July 20, 2005, at the Portsmouth Town Hall, 2200 East Main Road, Portsmouth, Rhode Island.

Roll Call

Board of Directors

Jane F. Correia	President	Present
Bruce Alexander	Treasurer	Present
Cynthia Brown	Director	Present
Shawn J. Brown	Director	Excused
Miriam Goodman	Director	Present

Alternate Board Members:

David P. Faucher	Secretary	Excused
Catherine McLeish	Alternate	Excused
Robert Mushen	Alternate	Present
Darrell Harvey	Alternate	Present
Louis Bitar	Alternate	Excused
Lynne Dible	Alternate	Present
Laura Sitrin	Alternate	Excused

Others Present

Harold. Devine	Little Compton Schools
Nancy Lalli	City of Newport
Michael Coury	City of Newport
Kevin Walsh	Group Benefits Strategies
J. Gallagher	Blue Cross Blue Shield of RI
Marc Gagnon	Blue Cross Blue Shield of RI

Call to Order

President Correia reported that a quorum was present. She called the meeting to order at 9:30 a.m.

Agenda

A motion was made by C. Brown, seconded by M. Goodman, to approve the agenda for the 7/20/05 meeting. The motion was approved unanimously.

Secretary's Report:

A motion was made by D. Harvey, seconded by C. Brown, to approve the minutes of the meeting held 5/26/05. The motion was approved unanimously.

Old Business:

K. Walsh requested an update on the status of the legislation changes proposed by the RI Interlocal Risk Management Trust. C. Brown reported that no action would be taken on the bill at this time and that the Trust would be in discussion with the Dept of Business Regulation prior to the bill coming up again which would possibly happen in January 2006.

K. Walsh reported that regarding the Board's liability insurance, J. Green, attorney for the Trust, was requesting a plan of operation prior to issuance of any insurance. Attorney S. Zubiago representing GHGRI has been in contact with J. Green. K. Walsh suggested that the Trust may have its own plan of operation since they were formed under the same legislation and that this may be something we could use as a model. C. Brown was asked to contact the Trust and report back to K. Walsh on this issue.

Regarding S. Zubiago's services, K. Walsh indicated that his contract with GBS ended on 6/30/05 and that effective 7/1/05, the GHGRI needs to secure legal services. This item will be placed on the 8/24/05 meeting for discussion/action.

Members asked that the Treasurer's report be placed as a regular item on the agenda. In response to a question, B. Alexander reported that no payments had been made to GBS to reimburse S. Zubiago's services since we had not yet received an invoice from GBS for this. The amount is approximately \$12,000.

B. Alexander reported that the following warrant had been received for payment: \$11,016.72 for GBS, \$5,689.40 for Plan 65, \$1,719.400. for the advance deposit to Blue Cross, and \$1,000 for the Treasurer's stipend. He reported that all had been paid with the exception of the Treasurer's monthly stipend. Also paid was the first weekly claims

payment for 7/1-8/05 of \$52,448.42, and the 2nd weekly payment for 7/11-15/05 in the amount of \$238,840.87. The funds on hand with GHGRI are \$405,063.86 which represents \$390,000 in investments and \$15,063.80 in the checking account.

Insurance Update – Reported under previous agenda item.

New Business

Bill Payment Processing – Members discussed how the payment process occurs. K. Walsh indicated that our contact in his office prepares the invoices, he authorizes it and then forwards it to B. Alexander for payment. Currently B. Alexander would make the payment and then bring it to the next Board meeting for ratification.

J. Correia questioned whether all members were getting their GHGRI invoice in a timely manner since her district did not. No problems were reported by other districts. K Walsh will check the address being used for Bristol-Warren.

Discussion regarding retroactive billing adjustments and generation of membership rosters was held. The issues of separation of sub-groups and reporting date/timelines are to be placed on the next agenda for discussion. J. Correia reminded the membership that the next meeting is scheduled for 8/24/05 at 9:30 a.m.

Payment of Invoices – A motion was made by B Alexander, seconded by D. Harvey, that the Treasurer be authorized to make payments upon submission of the warrant and that such payment be affirmed by the Board at the next meeting. Further, that advance documentation of the warrant be provided to the Board prior to the meeting for review. The motion was approved unanimously.

A motion was made by B. Alexander, seconded by C. Brown, to approve the July 2005 warrant as submitted and reviewed by the Board. (The amounts on the July 2005 warrant, excluding the Treasurer's fee were listed earlier in the minutes). The motion was approved unanimously.

Regarding the Treasurer's fee, B. Alexander was requested to draft an agreement between GHGRI and the Treasurer and bring that forward to the next meeting for review/approval and that payment of the fee would be made once the document and fee were agreed upon.

Board of Director Vacancies – J. Correia reported that four (4) vacancies exist at this time as follows: Central Falls Schools, City of Newport, Tiverton Schools and Little Compton Schools. Regarding Central Falls, K Walsh will contact the school department to request a representative for GHGRI. The following appointments took place. City of Newport –

A motion was made by B. Alexander, seconded by C. Brown, to appoint Nancy Lalli as the City's representative. The motion was approved unanimously. Tiverton Schools – A motion was made by C. Brown, seconded by B. Alexander, to appoint Robin Reasor to the position. So voted unanimously. Little Compton Schools – A motion was made by R. Mushen, seconded by B. Alexander, to appoint H. Devine to the position. So voted unanimously. A revised list of the Board of Directors, Officers, and alternates will be presented at the next meeting.

Vice Chair Vacancy – A motion was made by B. Alexander, seconded by C. Brown, to appoint Shawn Brown of the Town of Middletown to this position. The motion was approved unanimously.

Medicare Part D – The Committee received a report from representatives of Blue Cross/Blue Shield along with K. Walsh on this new national standard concerning prescription coverage for retirees. K. Walsh reported that this is a new federal statute that provides several options for consideration. 1) An entity may drop prescription drug coverage for Medicare eligible retirees and have them purchase Medicare Part D coverage. 2) Entities may seek a subsidy for retirees, approximately \$650-660 per retiree. To seek this, the entity must have an actuary provide gross and net attestations to say that what the district offers is equal to or better than offered to retirees. The application must be filed by the end of September. The decisions on whether to drop coverage, file for the subsidy and other options are an annual decision. If retirees purchase the Part D coverage, the districts cannot get the subsidy. If they buy Medicare Part D, however, those claims would not be in our local experience.

Reviewed were the requirements concerning notice of credible coverage that must be provided by the employer annually. Also discussed was that this would not have to be done as an individual entity but could be done as the GHGRI.

M. Gagnon, J. Gallagher (Director of Medicare Membership and Direct Pay) and J. Brenner (actual and statistical division) were present. J. Gallagher indicated that Blue Cross is looking at all of the options and that additional information will be following in the next few weeks. He indicated that the commitment to retirees needs to be fast before the PDP's (prescription drug plans) start their advertising campaign and people sign up for Part D before really being informed of their options. He also indicated that model language for the employer notification is being developed along with decision information. J. Gallagher reported that Blue Cross will be providing the letters of attestation so that the entities will not have to hire their own actuaries to do this. There may be possible extra administrative fees for this.

K. Walsh discussed identifying the population – Who is Medicare eligible – Over age 65 and Medicare eligible versus those retirees without Medicare eligibility. This list of

individuals needs to be filed by September 30th. Blue Cross representatives discussed the type of information that they have available and how that list will be interfacing with CMS to check Medicare eligibility. K. Walsh reported that he is preparing a draft membership survey to assist districts in identifying the correct individuals. This will be distributed very shortly.

The application to file for the subsidy must be submitted by 9/30, however, it will be mid-2006 before any funds are actually realized. For the 9/30 filing, the letters of attestation and list of individuals eligible must be provided. K Walsh indicated that the application document and information is available at www.rds.cms.hhs.gov for those wishing to review the information.

K. Walsh indicated that GBS will be sponsoring a seminar on this topic which is tentatively scheduled for 8/11/05. More information to follow.

Another topic to be added to the next agenda is discussion concerning the identification of individuals by benefit designs (employee contribution information for each entity must be sent to BCBSRI as soon as possible) and voting as one entity on which option to pursue. Blue Cross will be asked to provide a list of dates of when they will have some of the information and documentation available.

K Walsh presented to the group a preliminary draft of a monthly claims/financial report for review. This was also presented to Blue Cross and will be reviewed by their underwriters for accuracy and consistency in reporting the information.

In response to a question from the Board, K Walsh noted that the GHGRI carries specific stop loss insurance at \$200,000.

Upon motion made by M. Goodman, seconded by D. Harvey, the meeting adjourned at 11:02 a.m. The motion was approved unanimously.

Respectfully submitted,
Cynthia Brown, Acting Secretary