

**Governmental Health Group of Rhode Island  
Minutes  
Regular Meeting of the Board of Directors  
Wednesday, October 26, 2005**

A regular meeting of the Board of Directors was held on Wednesday, October 26, 2005, at the Portsmouth Town Hall, 2200 East Main Road, Portsmouth, Rhode Island.

**Roll Call**

**Board of Directors**

Jane F. Correia	President	Present
Cynthia Brown	Director	Present
Shawn J. Brown	Vice-President	Present
Ron Devine	Director	Excused
Miriam Goodman	Director	Excused
Nancy Lalli	Director	Present
Robin Reasor	Director	Excused
Patricia Watkins	Director	Excused

Alternate Board Members:

Bruce Alexander	Treasurer/Alternate	Present
Anthony D'Acchioli	Alternate	Excused
David P. Faucher	Secretary/Alternate	Present
Catherine McLeish	Alternate	Present
Edward Mara	Alternate	Excused
Robert Murray	Alternate	Present
Robert Mushen	Alternate	Present

**Others Present**

Michael Coury	City of Newport
Lynne Dible	Town of Middletown
Kevin Walsh	Group Benefits Strategies
Marc Gagnon	Blue Cross Blue Shield of Rhode Island
Dianne McCormick	Blue Cross Blue Shield of Rhode Island
Jeff Johnson	Blue Cross Blue Shield of Rhode Island

**Call to Order**

President Correia called the meeting to order at 9:29 a.m. Secretary Faucher reported that a quorum was present.

**Agenda**

A motion was made by S. Brown, seconded by N. Lalli, to approve the agenda for the 10/26/05 meeting. The motion was approved unanimously.

**Secretary's Report:**

A motion was made by S. Brown, seconded by R. Murray, to approve the minutes (previously emailed) of the meeting held 9/28/05. The motion was approved unanimously.

**Treasurer's Report:**

A motion was made by S. Brown, seconded by C. Brown, to approve the Treasurer's Report as presented. Discussion ensued concerning the need for an investment policy. S. Brown indicated that he would draft a policy for the group to review.

**Warrants:**

A motion was made by S. Brown, seconded by C. Brown, to approve the November Warrant Summary. The motion was approved unanimously.

The President indicated that the agenda order would be modified to permit the BCBSRI representatives to be heard early in the program.

**Old Business:**

**Billing Adjustments.** K. Walsh asked that BCBSRI explain the problem which had occurred with the September billing for the Woonsocket Education Department (WED). D. McCormick said that employee prospective plan changes (From Classic to HealthMate) were entered by WED which caused employees to appear twice on the report, under both Classic and HealthMate. This situation resulted in double billing when GBS extracted the information from the BCBSRI system for billing to GHGRI members. J. Jones indicated that, to prevent a recurrence, he would limit the list of employees to actives plans, eliminate future plan changes and report back the status to the group.

K. Walsh asked whether BCBSRI could send enrollment changes first to R. Lynch at GBS prior to posting. M. Gagnon indicated that he would investigate that possibility.

K. Walsh asked whether a single plan design would achieve savings in the retention charged by BCBSRI. M. Gagnon distributed a handout which indicated the most common HealthMate benefit plan. However, he indicated that developing a plan common to all members of the GHGRI would not provide significant administrative savings. He said that reducing the number of individually rated groups would provide substantial savings. He stated that the key to lower administration charges was the number of entities being rated. A discussion ensued. M. Gagnon noted that changes in plan design could provide savings as indicated in his handout. He observed that the Portsmouth School Department had recently changed its plan design and described the changes. C. Brown indicated that she would provide the group with her new plan design for review at the next meeting.

**Medicare Part D.** K. Walsh said that his firm was finalizing the group's submission for October 31, 2005. He said that he had received a red-lined version of the proposed BCBSRI agreement

late on October 25, 2005. He indicated that he would email this agreement to affected members. He mentioned that four members are not part of the filing: Town of Portsmouth, Tiverton Schools, Little Compton Schools and Central Falls Schools.

He noted that BCBSRI was requiring that the GHGRI approve the agreement or its attestation would be withheld and the filing deadline would be missed. A discussion ensued.

S. Brown made a motion, seconded by C. Brown, that the President be authorized to execute the contract with BCBSRI for attestation services, noting that insufficient time was provided by BCBSRI to the GHGRI for proper review by legal counsel and that this lack of notice was unacceptable. The motion was approved unanimously.

K. Walsh indicated that he would submit the agreement to legal counsel for review in November, along with the next BCBSRI draft agreement for continuing attestation and update services which would include cost information. M. Gagnon apologized for the late notice and said that the next agreement would be furnished in a timelier manner to the GHGRI.

The BCBSRI representatives left the meeting at this point in the proceedings.

#### **Self-Funded Cost vs. Funding Analysis:**

K. Walsh provided an overview of the Analysis report, noting that the overall group's ratio of actual to expected claims was 71.9% through the end of September. He indicated that he would send an email copy to members who were not in attendance. A discussion ensued concerning group results which would benefit premiums. K. Walsh agreed to provide a report with retention savings by group to quantify first year savings which members would otherwise have had to pay had the group not been formed. The consensus was that first year results for the group would not be available in time to use any surplus, if available, to subsidize premiums for fiscal year 2006-07.

#### **Old Business:**

**Insurance Update.** K. Walsh submitted a Plan of Operations to DBR for review and approval. He indicated that the DBR Director said that there would likely be several questions and a prompt response was unlikely. D. Faucher indicated that he would attempt to seek alternative liability insurance for directors and report back to the Board.

**New Members Policy.** K. Walsh presented his draft policy for review (previously emailed). He noted that the Agreement for Joint Negotiation and Purchase of Health Coverages did not address the distribution of surplus to new members. He was proposing a two year waiting period before a new member could share in any surplus. He also said that the subscriber maximums were increased from 7,500 to 9,000 on July 1, 2006 and to 10,000 on July 1, 2007. A discussion ensued. K. Walsh agreed to bring this item back to the group at the next meeting. C. Brown offered to research the surplus distribution policy by the Rhode Island Interlocal Risk Management Trust and report back to the group at the next meeting.

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**Logo.** K. Walsh presented revised logos for review. After a brief discussion, J. Correia made a motion, seconded by S. Brown, that the official logo be the sample provided without the lighthouse beneath the bridge and with the bridge silhouette shown as ascending from left to right. The motion was approved unanimously.

**New Business:**

**Adjournment:**

A motion to adjourn at 11:20 a.m. was made by C. Brown, seconded by S. Brown. The motion was approved unanimously.

The next meeting is scheduled for 9:30 a.m. on November 23, 2005 at Portsmouth Town Hall.

Respectfully submitted,  
David P. Faucher, Secretary