

**Governmental Health Group of Rhode Island
Minutes
Regular Meeting of the Board of Directors
Wednesday, November 23, 2005**

A regular meeting of the Board of Directors was held on Wednesday, November 23, 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	Excused
Robin Reasor	Director	Present
Patricia Watkins	Director	Excused

Alternate Board Members:

David P. Faucher	Secretary/Alternate	Present
Catherine McLeish	Alternate	Present
Edward Mara	Alternate	Excused
Robert Murray	Alternate	Present
Robert Mushen	Alternate	Excused

Others Present

Lynne Dible	Town of Middletown
Kevin Walsh	Group Benefits Strategies

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 C. Brown, to approve the agenda for the 11/23/05 meeting. The motion was approved unanimously.

Secretary's Report:

A motion was made by R. Murray, seconded by S. Brown, to approve the minutes (previously emailed) of the meeting held 10/26/05. The motion was approved unanimously.

Treasurer's Report:

A motion was made by C. Brown, seconded by R. Murray, to approve the Treasurer's Report as presented. The motion was approved unanimously. S. Brown, serving as Acting Treasurer, indicated that he was converting from Quicken to Quicken Business and was in the process of allocating expenses, such as Plan 65, to individual member entities. He also indicated that he was missing documentation to support adjustments to invoice amounts which are made each month by some members. A discussion took place about the invoicing process and whether billing adjustment relief could be provided from BCBSRI. K. Walsh indicated that he would follow up with M. Gagnon and report back to the group at the next meeting. S. Brown also recommended that members consider allowing the GHGRI Treasurer to access each member's checking accounts each month to automatically withdraw invoice amounts. Discussion ensued concerning this recommendation and it was agreed to table this item until next month. S. Brown provided a draft investment policy for the group to review. He said that additional information was needed in the policy, particularly the types of investments which would be allowed. He said that he would provide an improved version of the policy at the December meeting.

Warrants:

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

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 74.3% through the end of October. He indicated that he would send an email copy to members who were not in attendance. He noted that the report now provides Town/School combined figures for those towns and school districts who are jointly rated by BCBSRI. J. Correia commented that she was projecting a health insurance increase of 15% for FY 06-07. K. Walsh said that the private sector projected increase was 9-14%. He supported using the 15% figure at this time. He indicated that he was in the process of combining a portion of the current period group's claims experience by member with previous claims experience periods for each member to mirror the BCBSRI claims period for underwriting to be better able to predict FY 06-07 rate increases.

Old Business:

Billing Adjustments. K. Walsh indicated that he had not heard from M. Gagnon at BCBSRI but would follow up to see what assistance would be forthcoming.

Insurance Update. K. Walsh reported that J. Torti from DBR had contacted S. Zubiago from Nixon Peabody but that he had no detailed information as yet. D. Faucher reported that he was having difficulty obtaining an application from Forrest Jones for Errors & Omissions liability coverage for GHGRI officers/directors. He said that he had also contacted a local agent for a quote. He said that he would report back at the next meeting.

Medicare Part D. K. Walsh said that the group's application had been approved. He noted that a name change on the account would be needed as B. Alexander had previously been listed. He stated that the process for distribution of claims data has yet to be determined. It is unclear at this time whether the claims data will flow from BCBSRI directly to CMS or flow via GHGRI to CMS.

New Members Policy. C. Brown reported that she had been unable to secure a release of The Trust's policy on distribution of dividends or surplus/deficit and was reluctant to proceed without such a release. An ad hoc committee comprised of J. Correia, C. Brown and D. Faucher was formed to develop a policy for the Board concerning the distribution of a surplus or deficit. This policy will address how new members would participate in surplus or deficit positions of the GHGRI.

Standard Benefits Plan/Consolidating Groups. C. Brown indicated that she would email her most recently negotiated plan benefits to all members. The Board intends that these plan benefits serve as a template for other members to emulate since they represent cost effective benefits.

Collective Bargaining Language for Flexibility. K. Walsh indicated that he had received collective bargaining language concerning carrier usage from all but three members. He hoped to receive such language from two of the members prior to the next meeting and would distribute the results. Using this information, the Board would then agree upon common language regarding carriers which should be incorporated into all member collective bargaining agreements.

Investment Policy. As indicated in the Treasurer's Report above, the Treasurer will provide a final version of the Investment Policy for review at the next Board meeting in December.

New Business:

Hiring of Auditor. A motion was made by C. Brown, seconded by R. Murray, to direct the Treasurer to seek competitive bids for audit services using the RFP provided by the Auditor General.

SAS 70 Reports from GBS and BCBSRI. S. Brown observed that the auditors would likely require a SAS 70 report from both BCBSRI and GBS. He indicated that he did not anticipate any difficulty obtaining a SAS 70 report from BCBSRI. K. Walsh said that he would investigate whether his firm was prepared to provide a SAS 70 report and report back to the Board.

Status of BCBSRI and Pharmacy Benefit Manager (PBM) Wellpoint. K. Walsh reported that recent emails had indicated that BCBSRI would, after a lengthy delay, be providing PBM drug usage reports by member. D. Faucher noted that the on-line BCBSRI system did provide some drug usage statistics.

Credibility & Retention Impact for GHGRI Members versus Status Quo. K. Walsh distributed a report which provided the estimated savings for each member (jointly rated basis)

of the group as a result of the formation of the GHGRI. Total first year savings for the GHGRI due to enhanced member credibility and lower retention costs are estimated at \$1,082,278.

Appointment of Treasurer. A motion was made by C. Brown, seconded by R. Murray, to appoint S. Brown as Treasurer to replace B. Alexander. The motion was approved unanimously.

Appointment of Vice President. A motion was made by S. Brown, seconded by R. Murray, to appoint D. Faucher as Vice President to replace S. Brown. The motion was approved unanimously.

Appointment of Secretary. A motion was made by S. Brown, seconded by R. Murray, to appoint Lynne Dible as Secretary to replace D. Faucher. The motion was approved unanimously.

Appointment of Alternates. A motion was made by C. Brown, seconded by S. Brown, to appoint Dr. Maureen B. Macera of the Woonsocket Education Department as an alternate Board Member to replace Anthony D'Acchioli. The motion was approved unanimously.

A motion was made by C. Brown, seconded by S. Brown, to appoint William J. Rearick to serve as an alternate Board Member for the Town/Schools of Tiverton. The motion was approved unanimously.

Adjournment: A motion to adjourn at 11:15 a.m. was made by C. Brown, seconded by R. Murray. The motion was approved unanimously.

The next meeting is scheduled for 9:30 a.m. on December 28, 2005 at Portsmouth Town Hall.

Respectfully submitted,

David P. Faucher, Secretary