

**Governmental Health Group of Rhode Island
Minutes
Regular Meeting of the Board of Directors
Wednesday, February 22, 2006**

A regular meeting of the Board of Directors was held on Wednesday, February 22, 2006, 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	Treasurer	Present
Ron Devine	Director	Present
Miriam Goodman	Director	Present
Nancy Lalli	Director	Present
Robin Reasor	Director	Present
Patricia Watkins	Director	Excused

Alternate Board Members:

David P. Faucher	Vice President	Present
Maureen Macera	Alternate	Excused
Catherine McLeish	Alternate	Excused
Edward Mara	Alternate	Excused
Robert Murray	Alternate	Present
Robert Mushen	Alternate	Excused
Glenn Steckman III	Alternate	Present
Newport Schools	Alternate	Vacant

Others Present

Lynne Dible	Secretary	Present
Stephen Zubiago	Nixon Peabody LLP	Present
Kevin Walsh	Group Benefits Strategies	Present
Ginger Hastings	GBS Insurance Agency, Inc.	Present
Marc Gagnon	Blue Cross / Blue Shield of RI	Present
Donna Paine	Blue Cross / Blue Shield of RI	Present

Call to Order

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

Seal Minutes

A motion was made by M. Goodman, seconded by C. Brown, to approve the amended minutes for the 02/07/2006 Executive Session. The motion was approved unanimously. C. Brown then moved to seal the approved minutes for the 02/07/2006 Executive Session, which was approved unanimously.

Agenda

A motion was made by M. Goodman, seconded by S. Brown, to approve the agenda for the 02/22/06 meeting. The motion was approved unanimously.

Secretary's Report:

A motion was made by S. Brown, seconded by N. Lalli, to approve the minutes (previously emailed) of the meeting held 01/25/06. The motion was approved unanimously.

Treasurer's Report:

A motion was made by J. Correia, seconded by H. Devine, to approve the Treasurer's Report for period ending 01/31/2006 as presented. S. Brown reported that he would add a footnote to the monthly financials to include the IBNR. The motion was approved unanimously.

Warrants:

A motion was made by S. Brown, seconded by R. Murray, to approve the March 2006 Warrant Summary. The motion was approved unanimously.

Self-Funded Cost vs. Funding Analysis:

K. Walsh provided an overview of the Analysis report.

Old Business:

Wellpoint. Donna Paine, Clinical Pharmacy Specialist for Blue Cross, presented information from a report on pharmacy utilization of the eight communities, and how best to reduce costs related to prescription drugs. Issues that were discussed during the presentation included Blue Cross initiating a targeted education program on the dispensation and use of generic drugs. Currently there is a Pilot Program called MedVantix, being implemented to supply generic drug samples to physicians so they may distribute them to patients to try. Medicare Part D is also piloting a program using generic drugs. Another suggested means of cutting costs is for employers to advocate the use of mail order drugs as a way to fill on-going prescriptions. M. Gagnon explained that there is no easy formula to determine cost savings related to the use of generic drugs. He suggested that all communities need to address co-payments for prescription drugs during the collective bargaining process. K. Walsh asked D. Paine, for groups that carve out their prescription drugs, does BCBSRI reintegrate the group's Rx data from the PBM, for BCBSRI's disease management programs? D. Paine confirmed that BCBSRI does in fact re-integrate the Rx data.

Billing Adjustments. K. Walsh explained that the process to address billing retroactivity that was suggested by M. Gagnon is too burdensome for GBS. M. Gagnon agreed to continue consulting with Ruth of GBS and Jeff at Blue Cross to come up with a workable solution. Because billing enrollment and billing claims are done in two separate systems at Blue Cross, using the old billing system does not appear to be a workable solution to the problem at this time.

Automatic Withdrawal of Funds as Invoiced. S. Brown asked that this item be discussed at the March 22, 2006 meeting. He will have a representative from Citizens Bank attend that meeting.

New Members Policy. This item has been put on hold, pending the approval of the Plan of Operation by the DBR. D. Faucher brought up the issue that the current wording for those members who leave the GHGRI needs to be looked at in relation to how the surplus/deficit will be shared.

Standard Benefits Plan/Consolidating Groups. This item will be discussed at a later meeting.

Collective Bargaining Language for Flexibility. This item will be discussed at a later meeting..

Investment Policy. S. Brown recommended that the Investment Policy be left alone at this time, due to the level of complexity required to make changes to it.

Auditor. S. Brown reported that five firms have expressed interest in the Audit RFP. He will have a recommendation for the Board at the March 22, 2006 meeting. S. Brown added that there is also a need to engage an actuary to calculate the IBNR, and asked that the Board email any names of actuarial firms to him so that he can include this in the quote request.

Fidelity Bond for Treasurer. A motion was made by C. Brown, seconded by N. Lalli, to approve the Fidelity Bond for the Treasurer at a level of \$400,000, with a \$20,000 deductible. The motion was approved unanimously

Meeting Location. This item will be reviewed at a later meeting..

DBR Approval of Plan of Operation. J. Correia reviewed the discussion that the Board had with the DBR at the 02/07/2006 meeting. S. Zubiago indicated that attorney Berstein has asked for two changes to the draft legislation language to clarify that the DBR has no regulatory authority at all. S. Zubiago recommended that the Board make the language changes to the legislation as requested.

D. Faucher asked that the GHGRI encourage school committees and town councils to contact legislators. S. Zubiago recommended the GHGRI draft a Resolution to send to the legislature showing the backing of these committees. He added that the bill should be presented as soon as possible, so as to get a hearing in March 2006.

S. Brown made a motion, seconded by C. Brown, to amend the language of the legislation as requested by the DBR. Discussion followed regarding the changes to the language being repetitive and possibly unnecessary. S. Zubiago agreed to draft the revised legislation and present to State Representative Anguillo, but include a statement explaining that the GHGRI is lukewarm to the changes being made. The motion was approved unanimously.

R. Devine made a motion, seconded by S. Brown, that the GHGRI draft a Resolution showing Town/City Councils and School Committees support for this legislation. Attached to the Resolution will be a cover letter and a copy of the legislation. The motion was approved unanimously. D. Faucher agreed to draft the documents.

There was further discussion regarding ways in which the GHGRI can make the DBR more comfortable in the interim period. S. Zubiago will meet again with J. Torti and M. Marques to further educate them on the GHGRI. K. Walsh will add J. Torti to the distribution list for all financial reports. S. Zubiago added that a Consent Agreement authorizing the GHGRI to operate in this interim period would need to be drafted.

A subcommittee was formed to develop a draft Consent Agreement document, in cooperation with the DBR. The committee consists of S. Brown, D. Faucher, S. Zubiago, J. Correia, R. Reasor and K. Walsh as ex-officio member. S. Zubiago will schedule a meeting in the coming weeks to meet with J. Torti.

C. Brown will begin discussions with the Trust on the possibility of the GHGRI having to join their existing approved health trust, as a last resort.

New Business:

Coverage Changes for Shared Savings. D. Faucher was not sure why the representative from Cornerstone did not make the meeting, but he will investigate and reschedule as appropriate. .

Appointment of Alternates. A motion was made by S. Brown and seconded by R. Reasor, to appoint Glenn Steckman III as the alternate Board Member for the Town of Tiverton. The motion was approved unanimously. The City of Newport expressed that they would like their alternate to be from the City. There was further discussion surrounding the issue of alternate vs. proxy and what the By-Laws state regarding who can vote. It was noted that a proxy for a primary board member, if so designated, can vote in the place of the primary board member.

Adjournment: A motion to adjourn at 12:15 p.m. was made by J. Correia, seconded by S. Brown. The motion was approved unanimously.

The next regular meeting is scheduled for 9:30 a.m. on March 22, 2006 at Portsmouth Town Hall.

Respectfully submitted,

Lynne S. Dible, Secretary