

**Governmental Health Group of Rhode Island
Minutes
Regular Meeting of the Board of Directors
Wednesday, April 26, 2006**

A regular meeting of the Board of Directors was held on Wednesday, April 26, 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	Excused
Robin Reasor	Director	Excused
Patricia Watkins	Director	Excused

Alternate Board Members:

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

Others Present

Lynne Dible	Secretary	Present
Stephen Zubiago	Nixon Peabody LLP	Excused
Kevin Walsh	Group Benefits Strategies	Present
Judy Pote	Group Benefits Strategies	Present
Ruth Lynch	Group Benefits Strategies	Present
Marc Gagnon	Blue Cross/Blue Shield of RI	Present
Jean Iacono	Blue Cross/Blue Shield of RI	Present

Call to Order

Vice President Faucher called the meeting to order at 9:35 a.m. Secretary Dible reported that a quorum was not present at that time. At 10:30 a.m. President Correia arrived and Secretary Dible reported that a quorum was present at that time

Agenda

A motion was made by C. Brown, seconded by M. Goodman, to approve the agenda for the 04/26/06 meeting. The motion was approved unanimously.

Secretary's Report:

A motion was made by M. Goodman, seconded by R. Murray, to approve the minutes (previously emailed) of the meeting held 03/22/06. The motion was approved 6 votes (yes) with 1 abstention by C. Brown.

Treasurer's Report:

A motion was made by C. Brown, seconded by S. Brown, to approve the Treasurer's Report for period ending 03/31/2006 as presented. S. Brown reported that as of 03/31/2006 the financial reporting is on a full accrual basis and the Net Income for the GHGRI is approximately \$632K as of this date. A copy of the Treasurer's Report will be sent to J. Torti of the DBR. S. Brown is working on revising the format of the report for J. Torti to reflect more of a statutory filing format. The motion was approved unanimously.

Warrants:

A motion was made by S. Brown, seconded by R. Murray, to approve the May 2006 Warrant Summary. S. Brown pointed out a typographical error on the second page of the Warrant where \$390.54 should read \$309.54. This will be corrected. The motion was approved unanimously.

A motion was made by S. Brown, seconded by M. Goodman, to add a note to the Warrant Summary to include a 6-month payment of \$72.00 made for the GHGRI Post Office Box in Middletown. The motion was approved unanimously

Self-Funded Cost vs. Funding Analysis:

K. Walsh provided an overview of the Analysis report. He reported that the overall Cost/Funding ratio was 83.7% at the end of March 2006. He also reviewed the High Cost Claim Report stating that there was only one claim that was over the \$200,000 ceiling as of April 2006.

Old Business:

Blue Cross/Blue Shield 7/06 Renewal Packages. M. Gagnon reported on the FY2007 renewal packages for each member of the GHGRI. Discussions followed regarding the projected claims run out, or IBNR, which appears to be about one month of claims. This number does not include a factor for catastrophic loss. M. Gagnon reported that the increase in the capital contribution for GHGRI for FY2007 is \$104K, bringing the contribution to \$1.8M. He also reported that the work-related injury rates are broken out separately for those communities involved. K. Walsh mentioned that a calculation needs to be done comparing what the retention rate would have been by group had they not been a member of the GHGRI, and compare it to what it is for the group as a whole. For FY2007, the GHGRI retention rate is 10.25%. M. Gagnon reported that the statewide average work-related injury premium for fire departments is \$110.00 per month, and \$79.00 per month for police departments. He also noted that Blue Cross would be putting forth with BCS, a stop-loss bid for GBS. On a different note, M. Gagnon reported that there is a statewide mandate for large groups (51 or more enrolled), to offer student coverage to age 25. A discussion followed regarding how COBRA coverage extension may be used in conjunction with this mandate. Also discussed was the Muni Blue program that is being phased in the second half of 2007. This program will take the place of the Good Health Benefit.

Billing Adjustments - Retroactivity. K. Walsh explained that, typically, joint purchase group administration is done by GBS. Because the members of the GHGRI did not want to give up on-line enrollment, GHGRI is set up with a manual billing system, which causes problems with accounting for retroactive billing. M. Gagnon added that if Blue Cross is chosen as the Stop Loss insurance carrier on 7/1/06, they will be able to generate billing information for GBS that would correct the retroactivity problem. S. Brown explained that the billing process issue will be material for the auditors and that significant action needs to be taken to fix the problem. Discussion followed regarding whether the Board should consider handing over control of on-line enrollment to GBS. GBS is audited each year and has never had any accuracy issues. After further discussion of the alternatives, K. Walsh stated that the Board would consider the options and resolve the issues prior to the next meeting in May, to include a plan to reconcile the past fiscal year. A motion was made by S. Brown, seconded by J. Correia, requesting that GBS meet with Blue Cross to determine if a report can be generated to support the billing process, and for GBS to put forth a plan to move forward with GBS billing used for other joint purchase groups. In addition, K. Walsh would come back with a recommendation to reconcile the billing for this fiscal year. K. Walsh added that there would be no additional cost for this from GBS. The motion was approved unanimously

DBR Approval of Plan of Operation. J. Correia reported that there is a House Hearing tonight on bill H 7615/S-2732. The bill did pass in the Senate with all of the revisions included, and it will hopefully come out of the House and move along for signature by the governor. J. Correia stressed that everyone should contact their representatives and senators to make them aware of the bill and how important it is for the GHGRI.

Feasibility Study scope of service/cost – Milliman. A motion was made by S. Brown, seconded by C. Brown to approve the Milliman Feasibility Study in the amount of \$14,000. Discussion followed regarding the value of having the study done even if the legislation passes. The motion was approved unanimously.

Appointment of Alternates. J. Correia explained that M. Saunders has been officially appointed by the Newport Superintendent as the alternate Board Member. She explained that if the City of Newport does not send a proxy, then the alternate would vote. A motion was made by C. Brown, seconded by S. Brown, to appoint M. Saunders as the alternate Board Member for the City of Newport. The motion was approved unanimously

New Business:

Medicare Part D reimbursement status (J. Pote/GBS). J. Pote of GBS introduced herself as the Medicare Part D Account Manager. She reported that there are currently 333 Medicare eligible retirees who are over age 65, on the roster for the GHGRI. The subsidy from Medicare for the Medicare Part D program is estimated at \$83K for six months. With an estimated annual subsidy of \$500 per retiree, the annual subsidy to the GHGRI for 2006 is estimated to be \$166K. She explained that the first six-month payment is expected by the end of 2006. Medicare is currently finalizing the process for filing applications for the subsidy. Pharmacy claims data will come from Blue Cross, and the GHGRI treasurer will submit claims requests on behalf of the GHGRI, who is the plan sponsor. All members need to keep their Medicare Part D rosters up to date. K. Walsh added that the Board needs to consider whether the subsidy is to go to the group as a whole, or to each individual town/school entity. The group agreed to discuss this issue further at next month's meeting.

Other Items. M. Gagnon explained that the drug rebate checks from 7/1/05-9/30/05 would be issued next week. The check is issued to the GHGRI.

Adjournment: A motion to adjourn at 12.00 p.m. was made by M. Goodman seconded by G. Steckman. The motion was approved unanimously.

The next two regular meetings are scheduled for 9:30 a.m. on May 31, 2006 and June 28, 2006 at Portsmouth Town Hall.

Respectfully submitted,

Lynne S. Dible, Secretary