

**Governmental Health Group of Rhode Island
Minutes
Regular Meeting of the Board of Directors
Wednesday, August 22, 2007**

A regular meeting of the Board of Directors was held on Wednesday, August 22, 2007, at the East Bay Collaborative, 317 Market Street, Warren, Rhode Island.

Roll Call:

Board of Directors

Jane F. Correia	Director	Present
Shawn J. Brown	Director	Present
David P. Faucher	Director	Present
Robert Mushen	Director	Present
Miriam Goodman	Director	Excused
Nancy Lalli	Director	Excused
Glenn Steckman III	Director	Present
Robert Murray	Director	Present

Alternate Board Members:

Edward Mara	Alternate	Excused
Catherine McLeish	Alternate	Present
Christine Tague	Alternate	Excused
Harold "Ron" Devine	Alternate	Excused
Maureen Macera	Alternate	Excused
Michael Saunders	Alternate	Present
Vacant	Alternate	Excused
Joanne Vecchio	Alternate	Excused

Others Present

Lynne Dible	Secretary	Present
Kevin Walsh	Group Benefits Strategies	Present
Stephen Zubiago	Nixon Peabody LLP	Excused

Call to Order:

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

Agenda:

A motion was made by D. Faucher, seconded by S. Brown, to approve the agenda for the 08/22/2007 meeting. The motion was approved unanimously.

Secretary's Report:

A motion was made by D. Faucher, seconded by S. Brown, to approve the minutes (previously emailed) of the regular meeting held 7/25/2007. The motion was approved unanimously.

Treasurer's Report:

S. Brown reported that for the period ending 07/31/2007, financial activity was consistent with prior months and noted that the Medicare Part D Subsidy payment had been received and would be distributed in the coming weeks. He reported that a net gain of \$524K was posted for the month of July 2007, but noted that two members had not yet made the July 1 payment. He also reported that the FY2007 Audit work was underway and that the audit was scheduled to be completed in October 2007.

A motion was made by D. Faucher, seconded by R. Mushen, to approve the Treasurer's Report for the period ending July 31, 2007 as presented. The motion was approved unanimously.

Warrants:

A motion was made by S. Brown, seconded by R. Murray, to approve the September 2007 Warrant Summary which was presented verbally by K. Walsh. The total amount to be paid is \$401,748.49. The motion was approved unanimously.

Self-Funded Cost vs. Funding Analysis:

K. Walsh provided an overview of the Self-Funded Cost vs. Funding Analysis, which is at an overall cost/funding ratio of 85.0% as of the end of July 2007. He reported that there was a large range between members, with the lowest cost/funding ratio being 48.4% and the highest ratio 112.3%. He added that after one month of operations in the fiscal year, the GHGRI was off to a good start in FY2008. G. Steckman requested some prior months' comparative information on the report for next month.

High Cost Claims Report: K. Walsh reported there were no new excess claims over \$200K for the fiscal year.

Old Business:

New Members / Eligibility / Legal Review: J. Correia reported that she had spoken with Craig Enos of the Northern RI Collaborative (NRIC) and that he had questions regarding the GHGRI operation, but was extremely interested in joining. The NRIC currently purchases their health insurance from United Health and is out to bid at this time. J. Correia explained that an informational meeting had been scheduled for September 11, 2007 for the purpose of presenting information on the GHGRI to the NRIC. She added that C. Enos would be providing her specific information regarding the number of NRIC subscribers that would be joining if they did decide to become members of the GHGRI.

D. Faucher explained that the issue came up as to whether the Board should have legal counsel review the legislation that the NRIC was created under to determine if there were any issues in having the NRIC join the GHGRI. He explained that the Trust already had their legal counsel review the NRIC, prior to them joining the Trust, and there were no eligibility issues. He felt that the GHGRI could rely on the Trust's legal opinion rather than soliciting its own. The majority of the Executive Committee felt that the GHGRI should not rely solely on the Trust's legal opinion on this issue. A motion was made by D. Faucher, seconded by J. Correia, to rely on the Trust's legal opinion on the eligibility ruling of the NRIC when it joined the Trust. Discussion followed regarding the need for the GHGRI to be sure that there were no uncertainties related to the eligibility of the NRIC membership in the GHGRI. D. Faucher and J. Correia voted in favor, all others opposed. The Motion failed.

A motion was then made by S. Brown, seconded by M. Saunders, to seek a legal opinion on the GHGRI membership eligibility of the NRIC from S. Zubiago, once the NRIC documents their intent to join the GHGRI. The motion was approved unanimously.

Stop Loss Agreement FY2007 and FY2008 legal review status: K. Walsh reviewed the suggested changes to the Stop Loss Agreement for FY2007 made by S. Zubiago. He explained that Blue Cross has agreed that once the Board finalized the language for the 7/2006 policy period that the same language would then be used for the 7/2007 policy period. A motion was made by D. Faucher, seconded by S. Brown, directing K. Walsh of GBS and/or the Executive Committee to work with S. Zubiago and Blue Cross to finalize the Stop Loss Agreement language for FY2007 and FY2008, and bring back the final Agreements to the Board for a vote. The motion was approved unanimously.

GHGRI Administrative Services Agreement Amendment / WRI Agreement Amendment legal review status: K. Walsh reviewed the suggested changes to the Administrative Services Agreement Medical Only and the Work Related Injury Agreement, made by S. Zubiago. He explained that with the current contract extension through FY2009, the retention charge for the Work Related Injury Agreement had never been discussed with Blue Cross for FY2008 or for FY2009. He suggested that a retention rate be secured now for FY2009. A motion was made by G. Steckman, seconded by S. Brown, to address the Work Related Injury Agreement retention rate for FY2009 now by directing K. Walsh and the Executive Committee to work with Blue Cross to secure the rate for FY2009, and bring back a rate, ideally of no more than 6.25%, to the Board for a vote. The motion was approved unanimously.

Discussion followed regarding some of the changes to the Administrative Services Medical Only Agreement. K. Walsh explained that some of the changes made by BCBSRI were made to align themselves with United Health Care. The Claims Intervention Service charge is now included in the retention charge and the Rx rebates are now kept by BCBSRI. K. Walsh also explained that BCBSRI has eliminated language related to "liquidated damage penalties" and replaced it with "termination for cause" language. A motion was made by S. Brown, seconded by R. Murray, authorizing K. Walsh and the Executive Committee to negotiate with BCBSRI to finalize the Administrative Services Medical Only Agreement and the Work Related Injury Agreement, and bring them both back to the Board for a vote. The motion was approved unanimously.

Actual IBNR 6/30/06: K. Walsh reviewed the actual IBNR through 6/30/06 for claims paid through June 2007. The total IBNR was \$2,226,767, which compares favorably to the BCBSRI estimated IBNR of \$2,451,505 and also favorably to the booked amount based on Milliman's estimated IBNR of \$2,850,000. S. Brown explained that from an accounting standpoint, the deposit amount should not be used to offset the IBNR amount, because it is an asset and it does not enter into the calculation of the IBNR.

New Business:

Board Nominations for FY2008: D. Faucher asked that all communities finalize their nominations in writing to him as soon as possible. He added that J. Correia has asked to be Vice President, and has nominated D. Faucher for President. The Annual Meeting is scheduled to be held on September 26, 2007 just prior to the Regular Board Meeting. D. Faucher added that the Secretary position is open. K. Walsh stated that he anticipates being able to assign someone from GBS to take over the Secretary's function.

Other Business: M. Saunders brought up the subject of potential ways to distribute the GHGRI surplus to each member. S. Brown recommended discussing this in greater detail after the FY2007 Audit had been completed. He also suggested inviting Bill Thompson of Milliman to the September 26, 2007 meeting to discuss the different options of how to use the surplus, such as setting a blended rate, or setting floors and ceilings on rates. It was agreed to add this to the Agenda for the September 2007 Regular Meeting.

Questions arose regarding the status of the Dental RFP. K. Walsh stated that he would check with G. Hastings of GBS Insurance, and report back at the September 26, 2007 Regular Meeting.

Adjournment: A motion to adjourn at 10:50 a.m. was made by G. Steckman, seconded by M. Saunders. The motion was approved unanimously.

The next regular meeting and the annual meeting will be on September 26, 2007 at the East Bay Educational Collaborative in Warren, RI.

Respectfully submitted,

Lynne S. Dible, Secretary