

**Governmental Health Group of Rhode Island  
Minutes  
Regular Meeting of the Board of Directors  
Wednesday, January 23, 2008**

A regular meeting of the Board of Directors was held on Wednesday, January 23, 2008, at the Portsmouth Town Hall, 2200 East Main Road, Portsmouth, Rhode Island.

**Roll Call**

**Board of Directors**

Jane F. Correia	Director	Present
Shawn J. Brown	Director	Present
David P. Faucher	Director	Present
Harold "Ron" Devine	Director	Present
Miriam Goodman	Director	Present
Nancy Lalli	Director	Excused
Douglas Fiore	Director	Present
Giovanna Venditti	Director	Present

**Alternate Board Members**

Edward Mara	Alternate	Excused
Catherine McLeish	Alternate	Present
Christine Tague	Alternate	Excused
Robert Mushen	Alternate	Excused
Maureen Macera	Alternate	Excused
Michael Saunders	Alternate	Excused
Vacant	Alternate	Excused
Joanne Vechio	Alternate	Excused

**Others Present**

Lynne Dible	Secretary	Present
JoAnn Smith	Recording Secretary	Present
Kevin Walsh	Group Benefits Strategies	Present
Ginger Hastings	GBS Insurance Agency, Inc.	Present

**Call to Order**

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

## **Agenda**

A motion was made by S. Brown, seconded by J. Correia, to approve the agenda for the January 23, 2008 regular meeting. The motion was approved unanimously.

## **Secretary's Report**

A motion was made by J. Correia, seconded by M. Goodman, to approve the minutes (previously emailed) for the regular meeting held December 19, 2007, as amended. The amendment noted was to change H. Devine's attendance to Board Member, and R. Mushen's to Alternate Board Member. The motion was approved unanimously.

## **Treasurer's Report**

S. Brown reported that Citizen's Bank lowered the interest rate from 4.3% to 2.7%. The 4.3% interest rate would be preserved if a \$250/month banking fee were incurred. He suggested moving the funds. The large receivable of \$1.6 million has been resolved subsequent to December 31, 2007. The \$927,000 revenue accrual was reversed. As such, the year to date revenue was \$2.1 million. He also reported that there was nothing noteworthy on the P&L statement. D&O Insurance will likely be approved by meeting's end. He also suggested a possible appointment of a Deputy Treasurer to handle the workload for the new Dental Pool. CCR, the GHGRI audit firm suggested there be two separate pools to account for activity, with one annual audit. At this time, JoAnn Smith from Aquidneck Employment Services, (AES) was introduced to the group as the recording secretary for the meeting. S. Brown further reported there were requests for dividend distributions. He will email groups to confirm these requests and distribution amounts.

A motion was made by J. Correia, seconded by H. Devine, to receive the Treasurer's Report for the period ending 12/31/07. The motion was approved unanimously.

## **Warrants**

A motion was made by S. Brown, seconded by J. Correia, to approve the January 2008 Warrant Summary as amended. The amendment is in the amount of \$300 for AES to cover the costs of the recording secretary. The treasurer is authorized to make this payment upon receipt of the invoice. The total amended amount to be paid is \$406,254.26. The motion was approved unanimously.

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

K. Walsh provided a handout and reviewed the Self-Funded Cost vs. Funding analysis for the policy period 7/1/07 – 6/30/08, which is at an overall cost/funding ratio of 91.2% as of the end of December 2007. He also reviewed the High Cost Claim Report. He noted there were no excess claims; however, there was one more month of claims from Central Falls for \$150,000.00 which was submitted after the report was generated.

## **OLD BUSINESS**

### **Evaluation of dental proposals for the GHGRI subset & Proposed Notification of CEOs and BCBSRI re: Joint Participation agreement Amendment to Article 8 to add dental plans**

G. Hastings handed out a report with proposal summaries. She issued requests for quotes on January 3, 2008. Blue Cross Blue Shield (BCBS), Delta Dental (DD) and Metlife were solicited. Delta Dental and Blue Cross submitted bids on Friday, January 18, 2008. Metlife did not meet the deadline for submission of a premium proposal. For status quo renewals, the Town of Portsmouth has increased 6.54% with BCBS. Other towns' premiums have decreased. She noted that there was *significant rate relief when the subset was rated together as a group*. She also discussed fully insured vs. self-insured arrangements. Self-insured rates are \$3.52 per contract per month for DD as compared to \$2.80 per contract per month for BCBS. G. Hastings also reported that both companies offered multi-year deals (three of four years). BCBS proposed a 5½% 1 year rate cap. Delta proposed a 7% 1 year rate cap. Both offer no liquidation or termination penalties. DD also offers groups the opportunity to enroll online. Discussion then followed between Board members concerning paid claims by companies, provider accessibility, current contract language allowing for the change to be made, the effect the approval would have on the Joint Participation Agreement (JPA), the notification procedure and the legal/administrative costs incurred with the program.

A motion was made by S. Brown, seconded by M. Goodman, to accept the subset quote with Delta for 1 year, amend the JPA to reflect the change and to notify officials of the change to the JPA. The motion was approved unanimously.

### **Fourth Amendment to GHGRI Administrative Services Agreement Medical Only**

D. Faucher opened the discussion stating that the dates for delivery of the renewal have not been put into contracts by BCBS. However, BCBS will provide a written letter of their good faith effort to provide working rates by February 1<sup>st</sup> of this year. Thereafter, rates will be provided by January 1<sup>st</sup>, with detailed rate by groups being provided by April 15<sup>th</sup> of each year. K. Walsh reported that said good will intent letter would be coming from the Director of Sales at BCBS, not the Director of Underwriting. He expressed concern over this. Discussion then followed concerning contract language and inclusion in legislation.

A motion was made by S. Brown, seconded by J. Correia, to direct the Executive Committee to work with our attorney, Steve Zubiago, on issues concerning legislation and to consider a course of action with respect to the governor's office and the legislature. The motion was approved unanimously.

A motion was made by H. Devine, seconded by S. Brown, to accept/sign the Fourth Amendment to the GHGRI Administrative Services Agreement Medical Only. The motion was approved unanimously.

### **New members' applications and marketing**

A new members' status report was handed out to attendees. New subscribers are currently capped at 2,300 members. The Board has the ability to postpone accepting new members. It is the consensus that, by the end of February, the cap will be met and no new members will be solicited. D. Faucher suggested that new members be subject to claims review prior to final approval. K. Walsh raised the question of whether new members would be entitled to a Board position. At this time, the By-laws do not require it.

A motion was made by S. Brown, seconded by J. Correia to approve the four new members who have submitted a letter of intent, subject to a favorable claims review by Kevin Walsh. The four new applicants are North Kingstown (Town and Schools, North Smithfield (Town and Schools), Burrillville (Town and Schools) and Hopkinton. The motion was approved unanimously.

### **NEW BUSINESS**

#### **Renewal of D&O Liability Insurance Policy**

The Executive Committee took action prior to the Board meeting to renew the D&O liability policy due to the expiration date and is bringing its action to the Board for review. A motion was made by H. Devine, seconded by S. Brown, to accept the renewal of the D& O Insurance Policy. The motion was approved unanimously.

#### **Aquidneck Employment Agreement for Secretarial Recording**

A copy of the Terms and Conditions of the contract was handed out to attendees. Discussion followed concerning the four hour guarantee language in the Agreement (item 3). GHGRI has agreed to pay AES a flat rate of \$300. A motion was made by S. Brown, seconded by D. Fiore, to table approval of this agreement until the next meeting where an addendum to the language in the agreement can reflect GHGRI's flat rate arrangement with AES.

### **Adjournment**

A motion to adjourn at 11:17 a.m. was made by M. Goodman, seconded by D. Fiore. The motion was approved unanimously.

The next regular meeting will be held on February 27, 2008, at Portsmouth Town Hall.

Respectfully submitted,

Lynne S. Dible, Secretary  
JoAnn Smith, Recording Secretary