

**Governmental Health Group of Rhode Island  
Minutes  
Regular Meeting of the Board of Directors  
Wednesday, May 28, 2008**

A regular meeting of the Board of Directors was held on Wednesday, May 28, 2008, at the Rhode Island Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, Rhode Island.

**Roll Call**

**Board of Directors**

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

**Alternate Board Members**

Edward Mara	Alternate	Excused
Catherine McLeish	Alternate	Excused
Christine Tague	Alternate	Excused
Robert Mushen	Alternate	Excused
Maureen Macera	Alternate	Excused
Michael Saunders	Alternate	Excused
Vacant	Alternate	Excused
Frances Gallo	Alternate	Excused

**Others Present**

Lynne Dible	Secretary	Present
Maureen Maurer	Recording Secretary	Present
Kevin Walsh	Group Benefits Strategies	Present
Ruth Lynch	Group Benefits Strategies	Present
Kathy Gaouette	Central Falls Schools	Present
Trish Sunderland	Town of North Kingstown	Present
Karen Hagan	Town of Charlestown	Present
Randy Rossi	Town of Smithfield	Present
David Krugman	Town of Richmond	Present
Kathleen Lombardo	Woonsocket Education Dept.	Present

## GHGRI Minutes from May 28, 2008 Regular Meeting

Robert Strom	Woonsocket Education Dept.	Present
James McDonald	City of East Providence	Present
Richard Brown	City of East Providence	Present
Lisa Cournoyer	Smithfield Schools	Present
Robin Kimatian	Burrillville Schools	Present
Marc Tanguay	Town of Middletown	Present
Francine Hall	Town of North Kingstown	Present
Stephen Lindberg	N. Smithfield S.D.	Present
Jill Gemma	Town of N. Smithfield	Present
John Manville	Town of Burrillville	Present
Mark Adams	Town of Burrillville	Present
Michael Abruzzi	Town of Warren	Present
Nicole Santiago	City of East Providence	Present
Ned Draper	N. Kingstown S.D.	Present
Nancy Scheib	N. Kingstown S.D.	Present
Jim Lathrop	Town of Hopkinton	Present
John Day	Town of Bristol	Present

### **Call to Order**

President Faucher called the meeting to order at 9:38 a.m. Secretary Dible reported that a quorum was present.

### **Agenda**

A motion was made by J. Correia, seconded by H. Devine, to approve the agenda for the May 28, 2008 regular meeting. The motion was approved unanimously.

### **Secretary's Report**

A motion was made by J. Correia, seconded by H. Devine, to approve the minutes (previously e-mailed) for the April 16, 2008 special meeting of the Board of Directors and the April 23, 2008 regular meeting. The motion was approved unanimously.

### **Treasurer's Report**

In the absence of Treasurer S. Brown, D. Faucher reviewed the treasurer's report that had been e-mailed in advance of the meeting. The year-to-date revenue dropped to \$1.782 million, and the amount for claims went up. A motion was made by J. Correia, seconded by N. Lalli, to accept the treasurer's report. The motion passed unanimously.

### **Warrants**

A motion was made by J. Correia, seconded by D. Fiore, to approve the June 2008 Warrant for the amount of \$403,083.64. The motion was approved unanimously.

### **Self-Funded Cost vs. Funding Analysis/ High Cost Claim Report**

K. Walsh provided a handout (previously emailed) 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 96% for the ten month claims activity as of the end of April 2008. In looking at the disputed claim log, he pointed out that there were 11 claims totaling about \$9,400. He also reviewed the High Cost Claim Report for 7/1/07 – 6/30/08, which showed that everything was paid through April, 2008.

### **OLD BUSINESS**

#### **New Monthly Meeting Site**

D. Faucher handed out a revised meeting calendar for 2008. A motion was made by J. Correia, seconded by D. Fiore, to change the meeting site to the RI Interlocal Risk Management Trust in East Providence for the second half of the year, in order to accommodate the new, larger group. The motion was unanimously approved.

#### **Development of a Steering Committee/By-Laws Review**

A motion was made by H. Devine, seconded by J. Correia, to table the development of a steering committee until a future date. The motion passed unanimously.

#### **Rx Carve-Out Process**

K. Walsh of GBS reported that with Amendment 4, Blue Cross/Blue Shield would now allow GHGRI to carve out pharmacy benefits, so that prescription drugs can be managed separately. Worcester (MA) has successfully done this using CVS Caremark, and Lawrence (MA) will be starting a similar program July 1, 2008 with Medco. The potential savings could run to \$100,000/month, or \$1.2 - \$1.4 million/year. K. Walsh will speak with Worcester about borrowing their Request for Proposal (RFP) for hiring a consultant to guide GHGRI through the bid process of pharmacy benefit management. A motion was made by J. Correia, seconded by D. Fiore, to have GBS put together a RFP to hire a consultant. It was decided to defer this decision until the first meeting in July, so the motion and second were withdrawn.

#### **DDRI Network / Dental Subset Contract Status**

K. Walsh reported that GHGRI is still waiting for the contract renewals for Woonsocket, Central Falls, Portsmouth and Middletown. This is for a one-year contract that is fully insured. A self-funded program may be a viable option at some point down the road.

#### **Status of State Legislation**

D. Faucher reported that in the afternoon, he will be attending a House Finance Committee meeting that will be considering H.7158, a piece of legislation that requires all public employees

to join the state's health care plan with United. As it is currently written, this bill does not protect GHGRI or WB.

## **NEW BUSINESS**

### **ACH Payments by all GHGRI Members**

There was discussion about whether GHGRI should encourage or require all its members to use Automatic Clearing House (ACH) transfers for their monthly payments in order to keep costs down. Some members were concerned about cash flow problems, particularly in the summer months, when State aid payments are smaller. H. Devine made a motion, seconded by J. Correia, that any decision be tabled so that various school department representatives can find out how their districts might handle ACH payments. The motion was approved unanimously.

### **Amendments to GBS's Contract**

In order to clarify who owns the records of GHGRI, the following amendment to Section IV. C. of the contract with GBS was submitted for review:

“GBS agrees that all GHGRI records maintained by GBS are in fact the property of GHGRI. GBS agrees to provide GHGRI a copy of any record at any time requested by the President or Treasurer of GHGRI. Upon termination of this contract, GBS will provide GHGRI with a copy of all records on file at GBS. GBS and GHGRI recognize that all such records are public records and shall be treated as such in accordance with Rhode Island state law.”

In conjunction with this amendment, K. Walsh announced that effective July 1, 2008, he is purchasing the Rhode Island consulting business from GBS's owner, plus he is buying out a second company that deals with prescription benefits services. His new company will be called the GBS Insurance Agency, which will have a different logo and address from those of GBS.

A motion was made by H. Devine, seconded by J. Correia, to approve the first amendment (as listed above) to the contract with GBS. The motion passed unanimously. A second motion was made by J. Correia, seconded by D. Fiore, to change the name of the company in the contract to GBS Insurance Agency. The motion passed unanimously.

### **Appointment of Board Members/Alternate Board Members**

A motion was made by H. Devine, seconded by J. Correia, to approve the appointment of James McDonald, Finance Director, City of East Providence, as the voting board member, and Richard Brown, City Manager, City of East Providence, as the alternate, effective July 1, 2008. The motion passed unanimously.

A motion was made by J. Correia, seconded by H. Devine, to approve the appointment of John Manville, Finance Director, Town of Burrillville, as the voting board member, and Robin Kimatian, Supervisor of Business Affairs, Town of Burrillville, as the alternate, effective July 1, 2008. The motion passed unanimously.

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A motion was made by J. Correia, seconded by N. Lalli, to approve the appointment of Dave Krugman, Treasurer, Town of Richmond, as the voting board member, and Karen Hagan, Treasurer, Town of Charlestown, and James Lathrop, Finance Director, Town of Hopkinton, as alternates number one and two, respectively, effective July 1, 2008. The motion was approved unanimously.

A motion was made by J. Correia, seconded by H. Devine, to approve the appointment of Robert Strom, Director of Administration and Finance, Woonsocket Education Department, as the voting board member, and Kathleen Lombardo, HR Director, Woonsocket Education Department, as the alternate, effective immediately. The motion passed unanimously.

### **Adjournment**

A motion to adjourn at 10:48 a.m. was made by J. Correia, seconded by H. Devine. The motion was approved unanimously.

The next regular meeting will be held on June 25, 2008, at Portsmouth Town Hall.

Respectfully submitted,

Lynne S. Dible, Secretary  
Maureen D. Maurer, Recording Secretary