

**Governmental Health Group of Rhode Island  
Minutes  
Regular Meeting of the Board of Directors  
Monday, February 2, 2009**

A regular meeting of the Board of Directors was held on Monday, February 2, 2009, at The Rhode Island Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, RI 02915. This meeting was originally scheduled for Wednesday, January 28, 2009, and was re-scheduled due to inclement weather.

**Roll Call:  
Board of Directors**

Jane F. Correia	Bristol Warren RSD	Present
Lynne S. Dible	Town of Middletown	Excused
Ned Draper	North Kingstown Schools	Present
Douglas Fiore	Tiverton Schools	Present
David Krugman	Town of Richmond	Excused
Nancy Lalli	City of Newport	Present
Steven Lindberg	N. Smithfield Schools	Present
John Mainville	Town of Burrillville	Present
James McDonald	City of East Providence	Present
Robert Mushen	Town of Little Compton	Excused
Randy Rossi	Town of Smithfield	Present
Robert Strom	Woonsocket Educ. Dept.	Excused
Christine Tague	Town of Portsmouth	Present
Giovanna Venditti	Central Falls Schools	Present

**Alternate Board Members**

Richard Brown	City of East Providence	Excused
Lisa Cournoyer	Smithfield Schools	Excused
John Day	Town of Bristol	Excused
Michael Embury	Town of North Kingstown	Excused
David P. Faucher	Portsmouth Schools	Present
Jill Gemma	Town of N. Smithfield	Excused
James Goncalo	Town of Tiverton	Excused
Karen Hagan	Town of Charlestown	Present
Robin Kimatian	Burrillville Schools	Excused
Laura Kenyon	Town of Hopkinton	Present
Kathleen Lombardo	Woonsocket Educ. Dept.	Present
Catherine McLeish	Middletown Schools	Present
Harold "Ron" Devine	Little Compton Schools	Excused
Michael Saunders	Newport Schools	Excused
Irene Scripsack	N. Smithfield Schools	Excused
Cheryl Silva	Town of Warren	Present

**Others Present**

Shawn J. Brown	Treasurer	Excused
Maureen Maurer	Secretary	Present
Steve May	Milliman	Present
Bill Bjerke	Group Benefits Strategies	Present
Kevin Walsh	Group Benefits Strategies	Present
Steve Zubiago	Counsel, Nixon Peabody	Present
Marc Tanguay	Town of Middletown	Present
Laura Sitrin	City of Newport	Present

**Call to Order**

President Faucher called the meeting to order at 9:30 a.m. Secretary Maurer reported that a quorum was present, with 11 of the 14 voting members in attendance. (C. Tague arrived 5 minutes after the meeting started.)

**Agenda**

A motion was made by N. Draper, seconded by R. Rossi, to approve the agenda for the February 2, 2009 regular meeting. The motion was approved unanimously.

**Executive Session**

Pursuant to provisions of RIGL, Sections 42-46-2., 42-46-4., and 42-46-5. (a) (2) potential litigation (Blue Cross Blue Shield).

A motion was made by J. Correia, seconded by J. Mainville, to recess this meeting at 9:31 a.m., and reconvene in executive session. The motion was approved unanimously. K. Walsh, GBS Insurance, and W. Bjerke, GBS Insurance, left the room.

A motion was made by R. Rossi, seconded by J. Mainville, to reconvene this meeting in open session at 10:00 a.m. and to seal the minutes of the executive session pursuant to RIGL Section 42-46-7. The motion passed unanimously. K. Walsh and W. Bjerke re-entered the room.

**Secretary's Report**

A motion was made by J. Correia, seconded by R. Rossi, to approve the minutes (previously e-mailed) for the December 17, 2008 regular meeting. The motion was approved unanimously.

### **Treasurer's Report**

In the absence of Treasurer S. Brown, M. Tanguay, Town of Middletown, reviewed the January treasurer's report. A motion was made by R. Rossi, seconded by J. Correia, to accept the Treasurer's report as presented. The motion was approved unanimously.

### **Warrants**

A motion was made by N. Draper, seconded by C. Tague, to approve the February 2009 Warrant Summary. The motion was approved unanimously.

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

K. Walsh reviewed the Self-Funded Cost vs. Funding analysis for the policy period 7/1/08 – 6/30/09 (previously emailed), which increased to an overall cost/funding ratio of 92% for the six months of claims activity as of the end of December 2008. The Town of Smithfield experienced a large claim during December. The overall claim totals \$515,000; therefore, a specific claim for reimbursement (stop loss) in the amount of \$65,000 has been submitted.

### **OLD BUSINESS**

#### **Distribution of Surplus**

D. Faucher will distribute to the group the Equity Allocation Policy developed by W. Thompson of Milliman after it is reviewed by K. Walsh and S. Brown. A motion was made by J. Correia, seconded by C. Tague, to table the review and vote until the next meeting. The motion passed unanimously.

#### **Renewal of Contract for Actuarial Services and Renewal of Contract for Auditing Services**

Both Milliman and CCR have submitted proposals for extensions of their current contracts. A motion was made by R. Rossi, seconded by N. Draper, to table the review and vote until the next meeting. The motion passed unanimously.

#### **Legislative Initiative regarding Embedded Employees in Separate Legal Entities**

D. Faucher had asked Blue Cross Blue Shield if they would be willing to accept and cover embedded employees if legislation was introduced and passed to amend the language in RIGL 45-5-20.1 to allow other governmental entities, such as "library", "senior citizen center", and/or "housing authority" to join together to purchase insurance. Blue Cross indicated that they would accept the employees of these separate entities if the legislation was passed and the separate entities remained accepted members of the GHGRI. D. Faucher will contact all members and gather the names of all separate legal entities that should be identified in this legislation. He will also contact S. Zubiago about

drafting the text for the legislation. A motion was made by R. Rossi, seconded by N. Draper, to pursue legislation to allow embedded employees of separate legal entities to continue to receive health insurance through the GHGRI. The motion passed unanimously.

### **Double Coverage of Employees**

D. Faucher consulted Steve Zubiago, legal counsel, about the matter of double coverage. S. Zubiago indicated that extensive legal research would be needed to render a legal opinion regarding privacy issues. Article 19 of the Supplemental Budget addresses the issue of double coverage, which, if passed, may help address the issue of double coverage. D. Faucher indicated that feedback from Blue Cross indicated that a precedent for addressing the question did not appear to exist.

### **NEW BUSINESS**

#### **Governor's Supplemental Budget Status – Presentation by Rick McAuliffe, Mayforth Group (10:00 a.m. – 10:30 a.m.)**

D. Faucher testified on behalf of the GHGRI to the House Finance Committee on January 29, 2009, in support of Article 19 if it were modified to apply to all municipal and school district employees. Lobbyist Rick McAuliffe, Mayforth Group, who was hired to represent the legislative interests of GHGRI through June 2009, spoke about his activity at the State House. He has already met with House Finance Chairperson Representative Constantino, who has indicated his support of health insurance collaboratives like GHGRI. R. McAuliffe will organize a meeting with D. Faucher, J. Correia, and Mr. Constantino to discuss the interests of GHGRI. Issues that concern the GHGRI may be considered in the current Supplemental Budget, in a second Supplemental Budget in April, or in the FY2010 Budget.

#### **Blue Cross Mail Distribution Procedure Change**

BCBSRI indicates that it is unable to separate its invoices from notices that need to be sent to the members of GHGRI. Consequently a decision was made to send all notices and BCBSRI invoices to K. Walsh of GBS Insurance Agency, who then had to re-send the notices to the members of GHGRI. A motion was made by R. Rossi, seconded by D. Fiore, to have BCBSRI send the combined invoices/notices directly to members of the GHGRI (who are advised to ignore the BCBS invoice and continue to only pay the GHGRI invoice) and have D. Faucher draft a letter to the BCBSRI asking it to separate the notices from its invoices, so that there will no confusion about which invoice to pay. The motion passed unanimously.

#### **Initiative to Affiliate with RI Interlocal Risk Management Trust**

D. Faucher and S. Brown met with Thomas Dwyer, President/Executive Director of the RI Interlocal Risk Management Trust, to discuss the possibility of merging the GHGRI

with the Trust, either partially or completely. The merger could be gradual and incremental. There is a pressing need for certain administrative functions of the Treasurer, Secretary and the President to be assumed by The Trust. Such an arrangement would need to be presented to the Board of Trustees of the Trust. If the Trust Board is interested, then a joint sub-committee of GHGRI and Trust members would work out the details. This discussion prompted R. Rossi to express his interest in the Treasurer's position beginning in July 2009. J. Correia, C. Tague, C. Silva, and R. Rossi volunteered to be on this committee with D. Faucher and S. Brown, with R. Rossi as Chairperson. A motion was made by C. Tague, seconded by R. Rossi, to send a letter to the Board of Trustees of the RI Interlocal Risk Management Trust to explore the possibility of a merger with the GHGRI. The motion also requested that the sub-committee consider the alternative cost of out-sourcing certain functions, such as treasurer (as West Bay Community Health has done). The motion passed unanimously.

### **Interest in Membership by Jamestown Town and Schools**

The Town and School District of Jamestown has expressed interest in joining the GHGRI and has sent their claims information to K. Walsh of GBS Insurance Agency. D. Faucher indicated that he had received information that their large claim loss experience had improved.

### **Adjournment**

A motion to adjourn at 11:10 a.m. was made by R. Rossi, seconded by N. Draper. The motion was approved unanimously.

The next regular meeting will be held on Wednesday, February 25, 2009, at 9:30 a.m. at The Rhode Island Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, RI 02915.

Respectfully submitted,

Maureen D. Maurer, Secretary