



**Minutes of the September 23, 2009
Regular Meeting of the Board of Directors**

A regular meeting of the Board of Directors of the Governmental Health Group of Rhode Island (GHGRI) was held on Wednesday, September 23, 2009, at the offices of The Rhode Island Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, RI 02915.

ROLL CALL

Board of Directors

1)	Christina Collins	Town of Jamestown	Present
2)	Jane F. Correia	Bristol Warren Regional School District	Present
3)	Lisa Cournoyer	Smithfield Schools	Present
4)	Lynne S. Dible	Town of Middletown	Excused
5)	Michael Embury	Town of North Kingstown	Present
6)	David P. Faucher	Town of Portsmouth	Present
7)	Douglas Fiore	Tiverton Schools	Present
8)	Laura Kenyon	Town of Hopkinton	Present
9)	Robin Kimation	Burrillville Schools	Excused
10)	Nancy Lalli	City of Newport	Present
11)	Steven Lindberg	N. Smithfield Schools	Excused
12)	Thomas Mainville	Town of Gloucester	Excused
13)	Nicole Santiago for James McDonald	City of East Providence	Present
14)	Robert Mushen	Town of Little Compton	Present
15)	Kathy Raposa	Town of East Greenwich	Present
16)	Giovanna Venditti	Central Falls Schools	Present
17)	Vacant	Woonsocket Education Department	Excused

Alternate Board Members

1)	Patricia Anderson	Town of Charlestown	Present
2)	Richard Brown	City of East Providence	Excused
3)	John Day	Town of Bristol	Excused
4)	Harold "Ron" Devine	Little Compton Schools	Excused
5)	Jackie DiPetro	Town of Gloucester	Excused
6)	Ned Draper	North Kingstown Schools	Excused
7)	Frances Gallo	Central Falls Schools	Excused
8)	James Goncalo	Town of Tiverton	Excused
9)	David Krugman	Town of Richmond	Present
10)	Jane Littlefield	Jamestown Schools	Excused
11)	John Mainville	Town of Burrillville	Present

12)	Randy Rossi	Town of Smithfield	Excused
13)	Marc Tanguay	Town of Middletown	Present
14)	Michael Saunders	Newport Schools	Excused
15)	Irene Scripsack	N. Smithfield Schools	Excused
16)	William Sequino	Town of East Greenwich	Excused
17)	Cheryl Silva	Town of Warren	Excused
18)	Louise Tetrault	Town of North Smithfield	Excused
19)	Vacant	Portsmouth Schools	Excused
20)	Vacant	Woonsocket Education Department	Excused

Others Present

Kevin Walsh	GBS Insurance Agency	Present
William Bjerke	GBS Insurance Agency	Present
Thomas Dwyer	RI Interlocal Risk Management Trust	Present
Ronald Slovak	RI Interlocal Risk Management Trust	Present

CALL TO ORDER

President Faucher called the meeting to order at about 9:40 a.m. A quorum was declared to be present, with 14 of the 17 voting members in attendance.

AGENDA

Ms. Correia moved, seconded by Ms. Anderson, to approve the Agenda. It was so voted unanimously.

SECRETARY'S REPORT OF MINUTES

Mr. Mainville moved, seconded by Mr. Mushen, to approve the Minutes of the August 26, 2009 meeting. It was so voted unanimously.

TREASURER'S REPORT

In the absence of Treasurer Shawn Brown, Mr. Slovak summarized the salient features of the Treasurer's Financial Reports as of August 31, 2009. For both the Health Pool and the Dental Pool, he highlighted monthly activity and cumulative activity for the fiscal year to date, as shown below:

	Income Statement	Balance Sheet
	for month of August 2009	thru August 2009
Health Pool	\$690,866	\$636,889
Dental Pool	<u>\$34,973</u>	<u>\$124,701</u>
Total	\$725,839	\$761,590

Mr. Dwyer updated the Board on the situation with the Woonsocket Education Department's payment of its monthly premium amounts. He reported that the Department continues to pay the amounts, but the timing is consistently 15 to 25 days past the due date, so delinquent interest charges are regularly being assessed. He added that the Department is not paying those delinquent amounts, which are now approaching \$25,000. Mr. Slovak is in periodic contact with the Department's Business Manager about the recurring late payments.

Brief discussion ensued about the Woonsocket Education Department situation.

Ms. Correia moved, seconded by Mr. Fiore, to approve the Treasurer's Financial Reports; it was so voted unanimously.

WARRANTS

Prior to the meeting, two detailed Warrant Reports, both dated September 10, 2009 and supplemented by supporting invoices, had been circulated to the Board for review.

1. The first Warrant was for the Health Pool in the amount of \$438,012.43. Mr. Dwyer commented that the packet of supporting documentation mistakenly included detail showing the cost of accounting services in the manner used prior to July 1, 2009 before The Trust assumed responsibility for those services. He explained that the Warrant was nonetheless correct; there was simply non-relevant information included in the supporting documentation.

Mr. Fiore moved, seconded by Ms. Kenyon, to approve the Health Pool Warrant of \$438,012.43; it was so voted unanimously.

2. The second Warrant was for the Dental Pool in the amount of \$15,249 representing only Delta Dental administrative fees.

Mr. Embury moved, seconded by Ms. Kenyon, to approve the Dental Pool Warrant of \$15,249; it was so voted unanimously.

SELF-FUNDED COST VS. FUNDING ANALYSIS & HIGH COST CLAIM REPORT

Prior to the meeting, two “Self-Funded Cost vs. Funding Analysis” reports for the policy period July 1, 2009 through June 30, 2010 had been distributed by GBS Insurance Agency. One report pertained to the Health Pool and the other to the Dental Pool.

Mr. Walsh summarized the information in the Health Pool Analysis noting that the Cost/Funding Ratio was 96.2% through the end of August, a reduction from the level slightly above 100% as of end of July. He noted that the Report contained a new exhibit showing the Cost/Funding Ratios for each month of the five years that the Health Pool has been in existence.

Mr. Walsh also summarized key activity for large claims, noting in particular the large loss for Member entity Tiverton for the Policy Year 2008-2009. He observed that only two claims for Policy Year 2008-2009 exceeded the \$450,000 stop loss insurance applicable to that Policy Year. For Policy Year 2009-2010, where stop loss insurance attaches at \$550,000, no large losses had yet emerged at the threshold reporting criteria of 50% of the attachment point, he said.

Lastly, he reported that five claims from July and August were newly being monitored by GBS Insurance Agency as disputed claims.

Mr. Bjerke similarly highlighted pertinent items in the Dental Pool Analysis, where the Ratio stood at 81% after two months of activity, an increase from the 70% level at the end of July. Mr. Bjerke further commented on Ratio trends, explaining in particular that the Ratio often spikes in December as subscribers seek to use the full limit of their annual benefit amount by scheduling dental work during that last benefit month.

No formal Board actions were taken or required on these Reports.

OLD BUSINESS

Update on Initiative to Merge with Rhode Island Interlocal Risk Management Trust

Mr. Faucher briefed the Committee on the latest developments regarding the initiative to merge with the Rhode Island Interlocal Risk Management Trust (The Trust). He said the first meeting of the Joint Merger Committee, comprised of Board members from the boards of The Trust and the GHGRI, had been held on July 27th and a second meeting was scheduled in a few days on September 29, 2009. He summarized key items from the first meeting, and noted that the Board had previously received a more detailed written Synopsis of the first meeting prepared by him and Mr. Dwyer.

At the request of Mr. Faucher, Mr. Dwyer elaborated on the “two contract” question, namely: that both The Trust and the GHGRI had in place separate contracts with Blue Cross Blue Shield of Rhode Island (BCBSRI) to serve as the third party claims administrator for a health pool. Though The Trust contract (and Health Pool) was never activated, it contains a provision that extends its life to June 30, 2014, whereas the GHGRI contract, which is active, contains a termination date of June 30, 2011. To resolve this question of which contract controls the

relationship with BCBSRI in the event of a merger between GHGRI and The Trust, Mr. Dwyer said he proposed to BCBSRI that the involved parties execute a simple agreement declaring that The Trust contract is null and void and the GHGRI contract is the applicable one. BCBSRI has agreed in concept on the condition that the GHGRI contract is extended to June 30, 2014, Mr. Dwyer reported.

Extension of the GHGRI contract to 2014 is likely not acceptable, Messrs. Dwyer and Faucher commented, adding that the appropriate response to be fashioned now to BCBSRI's request for a 2014 contract termination date would be considered by the Joint Merger Committee at its coming meeting.

Discussion ensued among the Board and Mr. Dwyer about the two contract question. Mr. Dwyer answered questions from the Board about the history of The Trust's contract and relationship with BCBSRI in trying previously to start a Health Pool much like the one now operated by GHGRI. Board members also commented on the strategic position that GHGRI and The Trust should consider in responding to and negotiating with BCBSRI about the two contract question.

Delta Dental Self-funded Group

Since the authorization for GHGRI to enter formally into a contract with Delta Dental to provide administrative and claims services to GHGRI for its Dental Pool was a topic for Board action under New Business, it was decided to defer discussion of this matter until that point in the Agenda.

NEW BUSINESS

Presentation by BCBSRI regarding Customized Account Profile Report

Marc Gagnon from BCBSRI joined the Board meeting at this point in order to introduce a new healthcare utilization report which BCBSRI will soon be making available to all its insured accounts (i.e., GHGRI Member entities). Mr. Gagnon explained that the intent of the customized report is to provide to the management employees of the Member entity important information about health care utilization by its employees and dependents. That information can then become the basis, Mr. Gagnon said, for actions on the part of Member Management, BCBSRI, and the individual subscribers to change employee behavior in the utilization of health care services. Mr. Gagnon suggested that this might be accomplished in a variety of ways: by helping employees and dependents adopt more healthy life styles, by restructuring the way they access medical and drug services, and by changing health plan designs to create better incentives to save money and be healthy.

To illustrate the value of the new report, Mr. Gagnon distributed a sample report that used the Town of Portsmouth as an example. He briefly reviewed the data presented on each page of the Report and explained the implications of that data on the utilization of health care services.

During the discussion, Board members asked a variety of questions and offered comments about the Report and its expected use in their respective entities.

Delta Dental Administrative Services Agreement

Prior to the meeting, a full copy of the proposed Administrative Services Agreement between Delta Dental of Rhode Island (Delta Dental) and GHGRI had been circulated to the Board.

Mr. Faucher advised the Board that the Agreement had also been thoroughly reviewed by GHGRI Counsel Stephen Zubiago and Messrs. Walsh and Bjerke of GBS Insurance Agency. As a result of that review, a number of changes had been incorporated into the original draft provided by Delta Dental, he said. None of the changes, however, impacted the substantive provisions of the previously agreed understanding between GHGRI and Delta Dental about the terms and conditions of the relationship, he explained; rather, the changes functioned to clarify provisions.

Board members indicated that they were satisfied with the Agreement.

Mr. Fiore moved, seconded by Mr. Mushen, to authorize Mr. Faucher on behalf of GHGRI to execute the Administrative Services Agreement (effective July 1, 2009 through June 30, 2012) between GHGRI and Delta Dental of Rhode Island as presented; it was so voted unanimously.

Annual Governance Reorganization

Mr. Faucher introduced this topic by explaining that, per the GHGRI Bylaws, the Board must take three actions at this point: (1) elect officers of the Board, (2) elect the Executive Committee of the Board, and (3) elect alternate Board members. For the Board's consideration, he presented a slate of candidates for each of these actions.

Mr. Fiore moved, seconded by Mr. Mushen, to elect the following officers of the Board for the period from September 2009 to September 2010:

President	David P. Faucher	Town of Portsmouth
Vice President	Jane F. Correia	Bristol Warren Reg. Schools
Treasurer	Shawn J. Brown	Town of Middletown
Secretary	Shawn J. Brown	Town of Middletown

It was so voted unanimously.

Mr. Fiore moved, seconded by Mr. Embury, to elect the following as the Executive Committee of the Board for the period from September 2009 to September 2010:

David P. Faucher	Town of Portsmouth
Jane F. Correia	Bristol Warren Reg. Schools
Shawn J. Brown	Town of Middletown
Kevin D. Walsh (non-voting)	GBS Insurance Agency
Thomas E. Dwyer (non-voting)	The Trust

Prior to the vote, Mr. Faucher noted that the Bylaws provide that the Executive Committee may consist of up to five voting members from Member entities, and he asked if any others were interested in serving on the Executive Committee. No volunteers came forward, and no other names were presented.

The Board then voted on the above-named Executive Committee slate and approved Mr. Fiore's motion unanimously.

Mr. Fiore moved, seconded by Ms. Lalli, to elect the following as Alternate Board members for the period from September 2009 to September 2010:

Harold "Ron" Devine	Alternate	Little Compton Schools
Cheryl Silva	Alternate (1 st)	Town of Warren
Marc Tanguay	Alternate	Town of Middletown
James Goncalo	Alternate	Town of Tiverton
Michael Saunders	Alternate	Newport Schools
Frances Gallo	Alternate	Central Falls Schools
Vacant*	Alternate	Portsmouth Schools
Richard Brown	Alternate	City of East Providence
Randy Rossi	Alternate	Town of Smithfield
John Day	Alternate (2 nd)	Town of Bristol
Ned Draper	Alternate	N. Kingstown Schools
Louise Tetreault	Alternate (1 st)	Town of N. Smithfield
David Krugman	Alternate	Town of Richmond
Patricia Anderson	Alternate	Town of Charlestown
John Mainville	Alternate	Town of Burrillville
Vacant	Alternate	Woonsocket Ed. Dept.
Irene Scripsack	Alternate (2 nd)	N. Smithfield Schools
Jane Littlefield	Alternate	Jamestown Schools
William Sequino	Alternate	Town of East Greenwich
Jackie DiPietro	Alternate	Town of Glocester

Prior to the vote, Mr. Faucher reported to the Board that it had been requested that Patricia Anderson replace Joanne Santos as the Alternate Board member from the Town of Charlestown, and that no names were submitted by the respective Member entities for two Alternate Board member positions – one from the Portsmouth Schools and one from the Woonsocket Education Department. He briefly described the circumstances of these two vacancies.

The Board then voted unanimously to approve the above listed individuals as Alternate Board members for the period from September 2009 to September 2010.

EXECUTIVE SESSION

Motion to Enter Executive Session

On a motion made by Mr. Mushen, seconded by Mr. Embury, the Board voted unanimously to convene into Executive Session pursuant to the Rhode Island Open Meetings Act, Rhode Island General Laws 42-46-5 (a) (2), in order to discuss potential litigation involving a school district.

In attendance at the Executive Session, in addition to the permanent and alternate Board members present, were Messrs. Dwyer and Slovak and GHGRI Counsel Stephen Zubiago.

Motion to Return to Open Session

On a motion by Mr. Embury, seconded by Mr. Mainville, the Board voted unanimously to conclude the Executive Session and resume the public meeting.

Motion to Seal Minutes of the Executive Session

On a motion by Mr. Embury, seconded by Mr. Fiore, the Board voted unanimously to seal the Minutes of the Executive Session until such time as the matter taken up had been resolved:

ADJOURNMENT

There being no further business before the Board, Ms. Venditti moved, seconded by Ms. Corriea, to adjourn the meeting; it was so voted unanimously. The meeting stood adjourned at approximately 11:15 a.m.

Respectfully submitted,



Thomas E. Dwyer
Acting Secretary on behalf of Secretary Shawn Brown

The next regular GHGRI Board meeting will be held on Wednesday, October 28, at 9:30 a.m. at the offices of The Rhode Island Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, RI 02915.