



Mass Strategic Health Group (MSHG) Board Meeting

Thursday, April 27th, 2023 at 1:00 PM

Town of Webster Library

Meeting Minutes

Board and Alternate Board Members in Attendance:

Matthew Wojcik, Board Chair	Town of Douglas
Rich Mathieu	Dudley Charlton Regional School District
Rick LaFond	Town of Webster
Karen Bratt	Town of Franklin
Joanne Frederick	Town of Oxford
Michael Boynton	Town of Medway
Adam Gaudette	Town of Northbridge
Lindsay Grasso	Town of Abington

Guests in Attendance:

Cheryl Vaidya	Town of Douglas
Jeanne Lovett	Town of Douglas
Courtney Friedland	Town of Webster
Tim Bell	Town of Webster
Jessica Sinclair	Town of Medway
Karen Bratt	Town of Franklin
Richard Bienvenue	MSHG Treasurer
William Short	NFP
Ken Lombardi	NFP
Marianna Gil	Arthur J. Gallagher
Anthony Lively	Arthur J. Gallagher
Chris Nunnally	Arthur J. Gallagher
Emmilie Roach	Arthur J. Gallagher
Mark McCarron	Arthur J. Gallagher

The meeting was called to order at 1:05 PM.

Delegate / Alternate Delegate Attendance

There was a roll call of attendees participating in person and via Microsoft Teams.



Meeting Minutes – March 30, 2023 – Votes Possible

Mr. LaFond made a motion to update the meeting minutes from March 30, 2023, with one amendment. Mr. Mathieu seconded the motion. There was a roll call vote. Mr. Boynton abstained. The motion passed.

Motion

Gallagher Financial Report – March 2023

Mr. Nunnally presented the financial report through March 2023. Mr. Nunnally said going forward a financial report will be sent out monthly to each group with data specific to them. Mr. Nunnally said as of March the group is running at a funding ratio of 85.5% with a surplus of \$6.3 million including pharmacy rebates. Mr. Nunnally said we are due \$1.8 million in stop-loss reimbursements and \$239,000 in run-out from last fiscal year.

Gallagher FY 2024 Renewals

Mr. McCarron the underwriter for MSHG presented a high-level overview of each entity’s renewal for fiscal year 2024. Mr. McCarron said each analysis is conducted using data from July 2021 to June 30, 2022, and July 1, 2022 to January 31, 2023. Mr. McCarron said he used gross claims reported by the carrier and credited any high-cost claimants in the experienced periods for the amounts over the specific deductible of \$150,000. Mr. McCarron explained he then used projected claims and trends that Gallagher feels represent the exposure under MSHG.

Mr. McCarron said he recommends a 6% increase for the Town of Abington, a 3% increase for the Town of Medway, a 6% increase for the Town of Oxford, a 6% increase for the Town of Northbridge, a 5.2% increase for the Town of Franklin, 0% increase for the Town of Douglas, 5% increase for the Town of Webster and a 5% increase for Dudley Charlton Regional School district with a subsidy of \$490,000 due to high costs claims. The board discussed.

Mr. LaFond made a motion to approve the FY2024 renewals as presented. Mr. Mathieu seconded the motion. There was a roll call vote. The motion passed unanimously.

Motion

New Group Discussion – Votes Possible

Mr. Nunnally said as MSHG grows the less fixed costs are and the more control we have over contracting with the vendors, the more we have control over what Gallagher can offer the group. Mr. Nunnally said the larger the group is we can dictate what we want to the market. Mr. Nunnally said since inception Aetna has reduced the rate as we grow, and as of July 1 the rate will be reduced to \$8 per employee per month with a rate cap through 2026. Mr. Nunnally explained that growth will make stop loss more predictable allowing for more creative plan designs and stronger guarantees. Mr. Nunnally showed the savings on the other programs MSHG offers. Mr. Boynton said he would like to continue evaluating the programs’ utilization rate every 6 to 12 months to see the impact it is making on members.

The board discussed the benefits of new groups joining MSHG. Mr. McCarron went through a detailed overview of the rates the prospective groups would have.

Mr. LaFond made a motion to accept Gateway and ___ Regional School District into the retiree program. Mr. Boynton seconded the motion. There was a roll call vote. The motion passed unanimously.

Motion



Mr. LaFond made a motion to accept Tri-County Regional School District, Spencer East Brookfield Regional School District, The Town of Grafton, The Town of Acushnet, The Town of Salisbury, and The Town of Merrimac into MSHG for FY2024 contingent upon the receipt of the official letters to join. Mr. Boynton seconded the motion. There was a roll call vote. The motion passed unanimously.

Motion

Mr. Nunnally said stop loss is 5-7% of the overall cost and we are looking at 28% increases across the \$30 million stop loss block. Mr. Nunnally said there is currently a 24% trend which means when claims are hitting a 24% trend before they even issue your stop loss. Mr. Nunnally said the fiscal year 2024 stop loss renewal will be an item on the next agenda.

Firefighter Benefit Enhancement Options – Votes Possible

Mr. Wojcik said in the interest of time we were going to pass over this agenda item. Mr. Wojcik explained this further refinement to this proposal will still be in place effective July 1, 2023.

Open Session for Topics Not Reasonably Anticipated 48 Hours In Advance Of the Meeting

Mr. Wojcik said we will receive a draft participation agreement by the end of the week from Mark Terry. Mr. Wojcik said this will be an agenda item at the next meeting.

Mr. Nunnally said another agenda item for discussion at the next meeting will be to establish a new fee for the treasurer.

Mr. LaFond made a motion to adjourn the meeting at 2:30 PM. Mr. Mathieu seconded the motion. There was a roll call vote. The motion passed unanimously.

Motion

Next Meeting

The next meeting was scheduled for April 27th, 2023 at 1 PM.

*Submitted by,
Emmilie Roach
Gallagher Benefit Services*