



# Mass Strategic Health Group (MSHG) Board Meeting

**Tuesday, August 1<sup>st</sup>, 2023 at 1:00 PM**  
*Town of Medway Town Hall and by Virtual Participation*  
**Meeting Minutes**

**Board and Alternate Board Members in Attendance:**

Rick LaFond, Board Chair	Town of Webster
Matthew Wojcik	Town of Douglas
Rich Mathieu	Dudley Charlton Regional School District
Jamie Hellen	Town of Franklin
Michael Boynton	Town of Medway
Adam Gaudette	Town of Northbridge
Lindsay Grasso	Town of Abington
Joanne Frederick	Town of Oxford
Jamie Kelley	Town of Acushnet
James Ryan	Town of Salisbury
Arthur Scott	Collaborative for Education Services
Evan Brassard	Town of Grafton

**Guests in Attendance:**

Jessica Sinclair	Town of Medway
MaryEllen Cerbone	Dudley Charlton Regional School District
Karen Bratt	Town of Franklin
Courtney Friedland	Town of Webster
Carla Nourao	Town of Acushnet
Richard Bienvenue	MSHG Treasurer
William Short	NFP
Ken Lombardi	NFP
Anthony Lively	Arthur J. Gallagher
Chris Nunnally	Arthur J. Gallagher
Emmie Roach	Arthur J. Gallagher
Mark McCarron	Arthur J. Gallagher

The meeting was called to order at 1:08 PM.

**Delegate / Alternate Delegate Attendance**

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



**Meeting Minutes – June. 15, 2023 – Votes Possible**

Mr. LaFond made a motion to update the meeting minutes from June 15, 2023. Mr. Gaudette seconded the motion. There was a roll call vote. The motion passed.

Motion

**Gallagher Financial Report – June 2023**

Mr. Nunnally presented the year-end financial report through June 2023. Mr. Nunnally said we're running at a 82.1% loss ratio and we have added a little over 10 million to our trust fund this year combined. Mr. Nunnally explained the positive impact Medicare migration has had on the group's stop loss. Mr. Nunnally said when we do things like Medicare migration and ultimately the vendors we put in place it helps keep our risk down.

Mr. Wojcik joined the meeting at 1:15 PM.

**Officer Elections – Vote Possible**

Mr. Wojcik said the participation agreement calls for the annual reorganization of the Chair. Mr. Ryan made a motion to nominate Mr. LaFond for the Chair of the Massachusetts Strategic Health Group. Mr. Hellen seconded the motion. Mr. LaFond accepted the nomination. There was a roll call vote. The motion passed unanimously.

Motion

Mr. Gaudette nominated Mr. Boynton as vice Chair of Massachusetts Strategic Health Group. Mr. Hellen seconded the motion. Mr. Boynton accepted the nomination. There was a roll call vote. The motion passed unanimously.

Motion

**MSHG legal Representation Conversation – Votes Possible**

Mr. Wojcik explained Mr. Feeley from Feeley and Brown resigned as MSHG's legal counsel due to a conflict of interest. Mr. Feeley said he felt representing other Joint Purchase Groups in MA may be a point of concern in the future. Mr. Wojcik said he reached out to every firm he believes reasonably had 32B and 150E experience. Mr. Wojcik said after speaking with Leo Peloquin who is the author of the original Joint Purchase agreement and found him to be very capable and understood the sophistication of what we are trying to do.

Mr. Wojcik explained the subcommittee has been working on the agreement and there have been several ideas and edits. Mr. Wojcik said Marc Terry, who reviewed the document, made some edits and gave it a sign-off. Mr. Wojcik said as it stands right now the document is a final draft with one issue left outstanding, which is the joint asset conversation. Mr. Wojcik said if the group retained Mr. Peloquin, the expectation would be that he would review the document and make recommendations for adoption. The board discussed.

Mr. Wojcik made a motion to authorize the chair, to sign a letter of engagement with Leo Peloquin as general counsel for the Massachusetts Strategic Health Group, subject to final negotiation. Mr. Hellen seconded the motion. There was a roll call vote. The motion passed unanimously.

Motion

Mr. Wojcik said he should be able to get working with Mr. Peloquin within a few days and should have the agreement for next month's meeting.



**Participation Agreement Discussion – Votes Possible**

Mr. Wojcik said after the participation agreement came back from Mirick O’Connell he discussed it with the subcommittee and some edits were timely and easily incorporated. Mr. Wojcik explained one of the edits was the precise language around whether or not we would have a steering committee and what role the steering committee would be, Mr. Wojcik said we largely lifted that language from another Joint Purchase Group that made sense. Mr. Wojcik said the one outstanding issue is how to treat this joint asset that’s being created. Mr. Wojcik explained the group is unique in that proceeds from pharmacy rebates don’t go to a fully insured carrier and they don’t go to an ASO administrator, they are coming directly to the group and into our account.

Mr. Beinvenue was able to confirm that our rebates are stored in individual towns and school districts. Mr. Wojcik said he is not sure how the group wants to capture that in the participation agreement. The Chairman opened the subject for discussion. Mr. LaFond said the participation discussion be on the agenda for the next meeting.

**Growth Moratorium Discussion – Votes Possible**

Mr. LaFond said the growth moratorium is something the board has discussed when adding new members in the past. Mr. LaFond said for the new groups who were not with us during the discussion last year, joining MSHG was an attractive option compared to staying with a fully insured program or a self-insured program that wasn’t working well. Mr. Boynton said he has concerns about how we intend to grow and what messages we’re going to send. Mr. Boynton said he had a grave concern about actively pursuing individual communities to join our group as any agent that’s working for MSHG. Mr. Boynton said he does not want Gallagher to actively try to grab the best of the best to come into our health group at their expense. Mr. Boynton explained he believes we should have a policy in place or a plan to get the right communities in the group. Mr. Mathieu said the group has done a very good job of expanding over the last couple of years and thinks now may be the time that we need to take a step back and assess where we are at with the model. Mr. Wojcik said once the participation agreement is set up and legal representation gets its feet under it and begin to be more familiar with how we operate and we work out some of our biggest challenges the account structure will be crystal clear and transparent. Mr. Wojcik added the treasurer has to keep adding individual-rated entities to keep track of and we should be careful about what we do next since we’re starting to get big enough where we bump into things. Mr. Nunnally said we are confident we are approaching the market in a responsible way.

Mr. Ryan made a motion to pause the moratorium until we have a final agreement. Mr. Boynton seconded the motion. There was a roll call vote. The motion passed unanimously.

Motion

**Gallagher Joint Purchase Comparison**

Mr. Nunnally showed a comparison of our expenses to those of other Joint Purchase Groups. Mr. Nunnally said there has been an inquiry into whether or not other groups are more compensated by us than other groups compensate them. Mr. Nunnally explained the answer is yes, it is a completely different form of business organization to TPA (Third Party Administrators) versus an ASO (Administrative Services Only) or fully insured arrangement. Mr. Nunnally explained Gallagher is only paid by Health Plans Inc., Aetna, and Altus.

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

There were no topics not reasonably anticipated 48 hours in advance of the meeting.



**Gallagher**

Insurance | Risk Management | Consulting

Mr. Boynton made a motion to adjourn the meeting at 2:37 PM. Mr. Gaudette seconded the motion. There was a roll call vote. The motion passed unanimously.

Motion

**Next Meeting**

The board decided to have a reoccurring meeting scheduled for the last Tuesday of every month at 1 PM. The next meeting is August 29<sup>th</sup> at 1 PM.

*Submitted by,  
Emmilie Roach  
Gallagher Benefit Services*