

**GATEWAY HEALTH GROUP BOARD OF DIRECTORS
MEETING MINUTES OF SPECIAL MEETING
JANUARY 14, 2015**

CARVER TOWN HALL

Attendance:

Carver: Michael Milanoski, Peter Gray

Lakeville: Rita Garbitt

Mattapoisett: Brenda Herbeck, Secretary

Marion: Gary Carreiro, Chair, Anita Donovan

Old Rochester Regional School District: Laura Kearns

Southeastern Regional Vocational Technical School District: Mark Morris, Vice-Chair

Old Colony Vocational Technical School District: Sarah Griffith

GHG Treasurer: Debra Blanchette

EBS Foran: Edd Byrnes

Carreiro opened the meeting at 9:35am

Review of Minutes

Motion to accept the minutes of October 29th, November 13th & November 19th by Milanoski

Seconded by Morris

Approved Unanimously

Treasurer's Report

Barbara Howard & Jason Lilly from Rockland Trust gave a management review of the Group's investment portfolio. The Group agreed to maintain the investment ratios of 30% stocks and 70% bonds. The overall rate of return from inception of the fund through 12/31/14 was 5.10%. It was agreed that Rockland Trust would come before the Group at least annually in January to give the review.

Blanchette distributed the November bank summary reports and expense warrants for October, November and December. Byrnes is still awaiting a resolution on the large claim re-insurance issue with Medicare & HP, which should result in a reimbursement for over \$500K. To date the Group has received \$95K and another \$133K is pending, which leaves \$228 yet to be issued. Because of cashflow issues, with claims being higher during the 2nd half of the FY, Blanchette would like to keep funds in Eastern's Money Market account for a few more months. Carreiro recommended closing the Money Market with Bartholomew when the additional funds from the settlement are received, and moving all those funds to the Investment account with Rockland.

Motion by Milanoski to follow Carreiro's recommendation regarding moving funds.

Seconded by Garbitt

Approved Unanimously

Town of Carver – Mayflower Health Group Update

Milanoski stated that he is facing challenges with the various unions, even though his BOS and Fin Com are on board with the move to Mayflower, and asked for a 30-day extension for notifying Gateway and retaining the right to keep Carver's share of the surplus. He has learned that Mayflower does not offer the Medex II plan for retirees, and that their surplus resulted partly from retaining the Medicare D reimbursements. He stated that he realized that Longfellow's data is now stale and that Gateway is performing better. Byrnes stated that the Group could offer a 60-day extension as January is half over, but pointed out that there is really no difference between the Gateway and Mayflower groups.

Motion by Milanoski t that the Group approve the 60-day extension.

Seconded by Garbitt
Vote failed 1 Yes, 6 No

Mosaic Website

Kearns informed the Group that Mosaic created a website for ORR for providing information on ORR's voluntary benefits. Orr is acting as the BETA site for the Group. Mosaic is asking for approval to put a link to Gateway's website on the Mosaic website.

Motion by Garbitt to allow Mosaic access to Gateway's website.

Seconded by Kearns
Approved Unanimously

Byrnes Report

Byrnes will be sending member units a formal government letter to mail to retirees by January 31st regarding switching from Medex III to Medex II. He advised the Group to refer retirees' questions to the carriers' information services. Discussion ensued on creating HRA's to offset any out-of-pocket expenses for retirees facing increased costs due to the switch.

He reminded the Group that the dependent audit is coming.

With regard to renewal rates, it is beneficial to hold off as long as possible to get better claims information on which to base the rates. Byrnes stated that \$35M from local aid was used to subsidize the over \$100M deficit in the GIC. He foresaw plan design changes with higher deductibles as a measure to bridge the gap.

Byrnes stated that "Cadillac Plan" penalties take effect in calendar 2018, and that the Group's PPO plan may pose a problem for 50-50% towns.

Regarding "wellness", it was requested that Byrnes report on the use of various hospital tests and facilities used for those services. Discussion ensued on reimbursing subscribers using lower cost facilities. Byrnes will meet with BCBS & HP on their wellness websites; reps will be at the February meeting.

Next Meeting

Next meeting date was set for February 18th at 9:30 in Carver

Motion by Garbitt to adjourn at 10:50am

Seconded by Kearns
Approved Unanimously

Respectfully Submitted:
Brenda Herbeck
Secretary