

**GATEWAY HEALTH GROUP BOARD OF DIRECTORS
MEETING MINUTES OF SPECIAL MEETING
NOVEMBER 14, 2014
CARVER TOWN HALL**

Attendance:

Carver: Michael Milanoski, Peter Gray
Mattapoisett: Brenda Herbeck
Marion: Gary Carreiro, Chair., Anita Donovan
Old Rochester Regional School District: Laura Kearns, Patrick Spencer
Southeastern Regional Vocational Technical School District: Mark Morris, Vice-Chair
Old Colony Vocational Technical School District: Sarah Griffith
EBS Foran: Edd Byrnes, Kevin Paicos
Mayflower Municipal Health Group (MMHG) - Tom O'Brien
Group Benefits Strategies – Jack Sharry

Absent:

Lakeville: Rita Garbitt
GHG Treasurer: Debra Blanchette

Meeting was changed from the 13th to the 14th with approvals via email.

Morris opened the special meeting at 9:20am; Carreiro arrived at 9:30am

O'Brien gave an overview of the Mayflower Municipal Health Group (MMHG). The Group has 37 member units with a 9-member steering committee, which includes a retiree, a member of the MTRS and a union firefighter. Their purpose is to provide good quality affordable health care to subscribers. The Group has seen a 0% rate increase in the past 3 years, and their goal is to maintain that over a 7-9 year period. O'Brien recognized the fact that claims can fluctuate by unit, but the Group has built up a \$33M surplus to withstand these fluctuations. They have funds set aside to cover any ACA fees, so these fees are not passed on to members through rates. O'Brien stated they have 15 % of claims in the reserve, but the goal is 20%. O'Brien claims the Group can contain rates in the long-term better than any other group. They have had success in investing, and, because of the large surplus, feel they can offset any investment risk. Sharry stated that the group sets renewal rates early and conservatively and they are able to take on risk because of the backing of their reserve. Milanoski pointed out that all MMHG's current rates are lower than Gateway's.

They use their cost per subscriber as of the end of the most recent quarter to calculate any buy-in; but units are not entitled to any surplus if they leave the group. Paicos questioned how the reserve got so large, as rates are all about claims, not the size of the group; and he mentioned the GIC as a case in point because of state bailouts for its deficit. O'Brien stated that many factors have contributed: manageable group size; structure where all members vote on any decisions; steering committee that contains union reps to help ease changes; good claims because of wellness programs geared to each community; finance committee that makes smart investment decisions.

The group promotes wellness as a means to keep claims down. O'Brien stated they try to mitigate claims by bombarding subscribers with wellness programs, i.e. routine newsletters, stress reduction programs and support groups. Sharry stated that education is necessary in order to change behaviors. O'Brien stated they use various means of communication to keep their members informed.

Milanoski, O'Brien, Sharry left the meeting about 11:30am.

Byrnes stated that Gateway has 1,200 subscribers and if Carver leaves, it will bring us down to 900. The Group will lose credibility if subscribers drop below 500. The Group should think about recruiting other compatible entities, preferably those not affiliated with any other JPA. Claims history is important but not as important as large claims. He advised not to be selective and not grow too quickly, but make sure the person who sits on the board has the same mindset as the other Group members. Currently entities who leave the group are entitled to their share of the surplus, unlike the MMHG; and after some discussion, it was recommended to make no changes Group's charter. Byrnes stated if Carver leaves the Group, he will do an RFP for reinsurance.

Next Meeting

Next meeting date was set for January 14th at 9:30 in Carver

Motion by Garbitt to adjourn at 10:45am

Seconded by Kearns

Approved Unanimously

Respectfully Submitted:

Brenda Herbeck

Secretary