

**MINUTES OF THE  
CAPE COD MUNICIPAL HEALTH GROUP**

**STEERING COMMITTEE**

Friday, January 9, 2009, 9:30 AM  
Sandwich Municipal Office Building  
16 Jan Sebastian Drive, Sandwich, MA

**MEETING MINUTES**

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Friday, January 9, 2009 at the Sandwich Municipal Office Building, 16 Jan Sebastian Drive, Sandwich, MA. The following people attended the meeting:

**Committee Members Present:**

Bob Whritenour, Chair	Town of Falmouth
Noreen Mavro-Flanders	County of Dukes County
David Withrow	Town of Orleans
A. Francis (“Skip”) Finnell	Dennis-Yarmouth RSD
Marie Buckner	Town of Sandwich
Debra Blanchette	Town of Barnstable
Gerry Panuczak	Town of Chatham

**Guests Present:**

Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan
Nina Conroy	Delta Dental of MA
Carol Cormier	Group Benefits Strategies (GBS)
Ginger Hastings	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Bob Whritenour, Chair, called the meeting to order at 9:12 a.m.

**Approval of the minutes of the November 19, 2008 Steering Committee meeting:**

Skip Finnell motioned to approve the minutes of the meeting of November 19, 2008.

Gerry Panuczak seconded the motion. The motion passed by unanimous vote.

Motion

**Approval of the Executive Session minutes of the November 19, 2008 Steering Committee meeting:**

Noreen Mavro-Flanders motioned to approve the minutes of the Executive Session of November 19, 2008.

Gerry Panuczak seconded the motion. The motion passed by unanimous vote.

Motion

**Treasurer’s Report:**

Carol Cormier said that Treasurer Richard Bienvenue, CPA, would not be attending the meeting due to illness. Ms. Cormier said that Mr. Bienvenue would be emailing the financial statements to GBS for distribution to the CCMHG Steering Committee.

**Wellness Committee Report:**

Marie Buckner said that the screenings for the HIP program held in Brewster, MA were very successful. Ms. Buckner said that over 95 employees were screened. She said that the Wellness Committee believes that the great response was partially due to the myMedicationAdvisor® targeted mailings. Ms. Buckner said that since there was so much interest at this site, the Wellness Committee would like to hold a second screening and HIP program in Brewster.

Skip Finnell suggested a change of location to attract additional members.

Marie Buckner said that they have already received responses to fill up a second program for Brewster, MA.

Noreen Mavro-Flanders said she spoke to Judy Jardin, the Wellness Coordinator for the CCMHG Martha's Vineyard location, and Ms. Jardin said that Ms. Jardin was amenable to postponing the Vineyard HIP program in order to build on the momentum of the program in Brewster.

Gerry Panuczak made a motion to approve a second HIP program to be held in Brewster.

Skip Finnell seconded the motion. The motion was approved by unanimous vote.

Motion
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Marie Buckner said that the Walking Program is going to be a four month program. Ms. Buckner said that Deanna Desroches came up with the idea of creating a booklet instead of a form to record the participants progress each month. Ms. Buckner said that there would also be a "heart healthy lifestyle" section included in the booklet.

Bob Whritenour suggested looking in the bookstores for ideas on sections to include in the booklet. Mr. Whritenour said that he saw a booklet similar to this idea which listed goals and tips, etc.

Ms. Buckner said that the Walking Program is scheduled to begin in March of 2009.

**GBS Reports:**

*Funding Rate Analysis by Plan –*

Carol Cormier reviewed the funding rate analysis report through November and said that the percent of expenses to funding for the health plans is 91.6%.

Bob Whritenour said that it was good to see that the indemnity plan enrollments were decreasing.

Ms. Cormier said that some of the employers are no longer offering the indemnity plans.

Ms. Cormier said that the Dental plans' percent of expenses to funding is 86.7%.

Mr. Whritenour asked Carol Cormier if the future Delta Dental funding rate analysis report could reflect the percent of expenses to funding for each dental plan separately.

Ms. Cormier said that she would ask the GBS financial analyst to add a column to reflect those percentages.

*myMedicationAdvisor® Program –*

Carol Cormier reviewed the report from myMedicationAdvisor® on the financials of the import program and the alternative generic savings program.

*Stop Loss Reports -*

Noreen Mavro-Flanders said that she is concerned with the denial of some reimbursements by the re-insurer and asked about the denial of approximately \$116K.

Karen Carpenter said that she thought that the re-insurer stated that those particular claims were denied because the claims exceeded the Average Wholesale Price plus thirty-percent for a drug administered to a member on an out-patient basis.

Carol Cormier asked Suzanne Donahue, BCBS Account Executive and Karen Carpenter to find the information that had previously been researched and provided on this claim for additional information.

Bob Whritenour asked if it would be possible to add language to the FY10 RFP stating that the re-insurer will reimburse all claims for services that the physician or hospital feels is necessary to treat that member.

Dave Withrow asked if the topic of where the CCMHG stands with the re-insurer could be added to the next meeting agenda. Mr. Withrow said there is always a question about the timing of payments.

*MGL Ch. 32B, Section 18A-*

Carol Cormier said that Chapter 32B was recently amended by the addition of a new section, Section 18A. She said this provides another option for those units that are having a difficult time adopting Ch. 32B, Section 18. Ms. Cormier said that for those units who have already adopted Section 18, adoption of S. 18A would not be a good idea and would create many problems.

Ms. Cormier explained that Section 18A applies only to those who retire after Section 18A is adopted. Ms. Cormier said that those who retire after their unit has adopted Section 18A are required to enroll in Medicare Part B and a Medicare Supplement plan offered by the governmental unit. Ms. Cormier said retirees who retired prior to their unit adopting Section 18A would not be required to transfer to a Medicare Supplement plan. Ms. Cormier said this is unlike Section 18 which requires all retirees to transfer to a Medicare Supplement plan once the unit has passed the section.

Carol Cormier explained that Section 18A also exempts a retiree who has more than one dependent enrolled in a family plan to continue coverage under the family plan until he/she has one dependent on the family plan.

Dave Withrow said that the Town of Orleans has not received one retiree complaint after they transferred to a retiree health plan and that the new Section should only be adopted as a last attempt.

Gerry Panuczak said that the Town of Chatham has not adopted Section 18, but added that the town has not had an issue with any of their retirees switching to retiree health plans.

*Group Benefits Strategies (GBS) Service Fee for Central Administration of EyeMed Vision Plan –*

Carol Cormier said that Jack Sharry, President of GBS, determined that he was not comfortable with receiving the central benefits administration fee from EyeMed. Ms. Cormier said that Mr. Sharry wanted to be sure that the fee was not set up similar to broker's fees since GBS is not a brokerage service. She said that GBS proposed to invoice CCMHG employers for the full rates and EyeMed will invoice CCMHG for the EyeMed premium. Ms. Cormier said GBS will then invoice CCMHG for the GBS central benefit administration fee.

Skip Finnell asked if new contracts would need to be written.

Carol Cormier said that EyeMed would need to edit the vision plan description to reflect only the EyeMed premiums.

Skip Finnell made a motion to accept the proposed separation of the GBS central benefit administration fee from the EyeMed rates and adopt the billing arrangements proposed by GBS.

Marie Buckner seconded the motion. The motion was approved by unanimous vote.

Motion
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**Preliminary Discussion of FY10 Rates:**

Carol Cormier explained that the Rate Projections packet was a first pass and a very preliminary draft.

Ms. Cormier reviewed the health plan administrative costs and asked Mr. Hickey to have HPHC re-visit the fees for a reduction.

Suzanne Donahue said that BCBS is working very hard to cut administrative costs so that members will see future savings.

Bill Hickey said that HPHC is also working to cut costs in several areas. Mr. Hickey said HPHC has had a few layoffs and reorganizations to eliminate inefficiencies within the organization. Mr. Hickey said he is also seeing membership numbers drop due to external layoffs. Mr. Hickey mentioned that COBRA enrollments are also decreasing now that the lower costing health plans with MA Connector is an option.

Fred Winer of Tufts Health Plan agrees and said that he is seeing people in the private sector enrolling in individual non-group health plans without a prescription benefit to obtain a plan with a lower premium.

Nina Conroy from Delta Dental said that she will have the dental rates available for January 14<sup>th</sup> and said she is not expecting to see a significant increase in the rates.

Carol Cormier asked Mr. Hickey to explain why the administrative fees for Harvard Pilgrim Medicare Enhanced plan is increasing by 3.6%, higher than the increases for the fees for the other HPHC plans.

Mr. Hickey said that the Medicare Enhanced plan is priced differently.

Suzanne Donahue said one of the reasons is that Medicare supplement plans are more difficult to administer because of the coordination of benefits with Medicare.

Carol Cormier said that the CanaRx claims were not added into the rates and asked the Steering Committee if they would like them to be added. Ms. Cormier said that the CanaRx claims for FY10 are expected to increase by approximately \$667K. She said she also did not add in the reinsurance Aggregating Specific Deductible of \$500K.

Noreen Mavro-Flanders said she remembered that these claims were not usually added into the rates since the claims amount was offset by reimbursement received for the Medicare Retiree Drug Subsidy (RDS).

There was a discussion and the Committee agreed that the Retiree Drug Subsidy of over \$1 million offset the CanaRx claims and ASD and that these did not need to be added into the rate calculations.

Carol Cormier reviewed the rate packet and said that some of the information did not compute into the fields of the rate package and said she would correct them and send out the updated package to the Steering Committee.

Carol Cormier said that she and the Steering Committee will also need to look at the Treasurer's financial reports before making a decision on setting the rates.

Dave Withrow said he understood why the CanaRx claims and the Medicare RDS were not calculated into the rates but said he would favor adding all contributing factors into the calculations.

Bob Whritenour said he was not in favor of changing the existing methodology and preferred to be consistent.

Carol Cormier said she would add a page of assumptions to the rate package which would include the CanaRx claims and the Medicare RDS. Ms. Cormier also said that the Rate Saver plans were not included in the projections since there are no claims upon which to project rates. She said she assumes the Committee plans to rate the Rate Saver plans 9–10% lower than the legacy plans.

**Other Business:**

Noreen Mavro-Flanders spoke about the Sheriffs Bill and its requirement for the current employer to cover the sheriffs for 4 months after they leave county employment. She discussed other features of the bill including a statement about returning money in the trust fund

Carol Cormier said that CCMHG employers don't have claims trust funds. She said the CCMHG has a trust fund but the employers pay fixed rates into it as they would with an insured plan.

Bob Whritenour scheduled the following CCMHG Steering Committee and Board meetings: January 21, 2009 at 8:30 AM to be held prior to the CCMHG Board Meeting at COMM Fire District. He also scheduled February 11, March 18, April 29, May 20, and June 17 all to start at 9:00 AM and all to be held at the Sandwich Municipal Office Building, Sandwich, MA.

The Committee also scheduled a CCMHG Board meeting for February 25<sup>th</sup> at 9:30 AM to be held at COMM Fire District. Noreen Mavro-Flanders said that she would not be able to attend this meeting. A Steering Committee meeting will be held on February 25<sup>th</sup> an hour prior to the Board meeting.

Karen Carpenter said that she received a call from the Human Resource Department at the Town of Mashpee. Ms. Carpenter said that they wanted her to ask the Steering Committee to consider adding the Rollover Max benefit to the Delta Dental plans.

Bob Whritenour said that the meeting was running late and into the Investment Committee's time and asked Carol Cormier to add this topic to the next agenda.

Suzanne Donahue said that the BCBS contract with a physician group from Tufts Medical Center that was scheduled to terminate on February 1, 2009 would affect four CCMHG members. Ms. Donahue said that BCBS would be contacting each member and would be providing them with a special toll free number and will be providing them with a transition of their care.

Bill Hickey said that HPHC is negotiating with Cape Cod Hospital.

Nina Conroy said that there is nothing new to report from Delta Dental and said she would be prepared to discuss the Rollover Max benefit at the next meeting.

**High Cost Claim Audit:**

Bob Whritenour said he would entertain a motion to go into Executive Session to discuss litigation.

Noreen Mavro-Flanders made a motion to go into Executive Session to discuss litigation pertaining to the BCBS high cost claim audit results.

Motion
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Skip Finnell seconded the motion.

There was a roll call vote on the motion as follows:

David Withrow, Town of Orleans	- Yes,
Bob Whritenour, Town of Falmouth	- Yes,
Debra Blanchette, Town of Barnstable	- Yes,
Marie Buckner, Barnstable County	- Yes,
A. Francis "Skip" Finnell, Dennis-Yarmouth RSD	- Yes,
Noreen Mavro-Flanders, County of Dukes County	- Yes,
Gerry Panuczak, Town of Chatham	- Yes

Mr. Whritenour asked the health plan representatives to leave at this time. He said that the Committee would not return to Open Session.

Bob Whritenour adjourned the Open Session meeting at 11:15 a.m. and declared the Committee to be in Executive Session.

*Prepared by Karen Carpenter  
Group Benefits Strategies*