

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

**Board Meeting**

Wednesday, January 21, 2009, 9:30 AM  
COMM Fire District, Centerville, MA

**MEETING MINUTES**

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, January 21, 2009 at 9:30 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

**Committee Members Present:**

Noreen Mavro-Flanders, Board Chair	County of Dukes County
Bob Whritenour, Steering Committee Chair	Town of Falmouth
David Withrow	Town of Orleans
A. Francis Finnell	Dennis-Yarmouth RSD
Joe Cucinotta	Dennis-Yarmouth RSD
Nan Balmer	Town of Harwich
Gerry Panuczak	Town of Chatham
Rex Peterson	Town of Wellfleet
Barbara Meehan	Upper Cape Cod Regional VTS
Joan Plante	Town of Eastham
Lisa Vitale	Town of Brewster
Debra Blanchette	Town of Barnstable
Phyllis Curley	Cape Cod Regional Transit Authority
Nancy Ward	Bourne Water District
Joyce Mason	Town of Mashpee
Karen Walden	Mashpee Water District
Sue Milne	Town of Yarmouth
Judy Sprague	COMM Fire District
James Weiss	County of Dukes County/Martha’s Vineyard School District
Karen Scichilone	Cape Cod Lighthouse Charter School
Linda O’Brien	Town of Provincetown
Robert Howard	Bourne Recreational Authority

**Guests Present:**

Janice Hagberg	Town of Sandwich
Beverly Haley	Dennis-Yarmouth RSD
Erin Orcutt	Cape Cod Regional Technical School
Irene Wright	Town of Yarmouth
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Lenna Bablozian	Blue Cross Blue Shield of MA (BCBS)
William Rowbottom	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Elizabeth Lewis	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan
Nina Conroy	Delta Dental of MA
Jason Lily	Rockland Trust
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 9:45 a.m.

**Approval of the minutes of the October 22, 2008 Board meeting:**

James Weiss motioned to approve the minutes of the Board meeting of October 22, 2008.

Linda O'Brien seconded the motion. The motion passed by unanimous vote.

Motion
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**Investment manager's Report - Rockland Trust:**

Jason Lily discussed the current economic environment and distributed and reviewed the Rockland Trust investment report for the year ending 12/31/08. Mr. Lily said that the total return on investment was negative \$1,335,094 as of December 31, 2008. Mr. Lily said that the portfolio balance is \$8,700,488 and the original investment was \$8M. He said the prior year balance on December 31<sup>st</sup> was \$10,035,581.

Mr. Lily said Rockland Trust would continue to rebalance the portfolio which has helped the portfolio recover quicker in 2008. Mr. Lily said that agency bonds were moved to treasury bonds which have done well.

**Treasurer's Report:**

Noreen Mavro-Flanders said that the Treasurer Richard Bienvenue, CPA, was not able to attend the meeting but said copies of the financial statements were distributed.

**Wellness Committee Report:**

Beverly Haley said that the Health Improvement Project (HIP) Program has started and said that the screenings for the HIP program held in Brewster, MA were very successful. Ms. Haley said that over 95 employees were screened.

Noreen Mavro-Flanders said that there was so much interest at the Brewster site, the Steering Committee has approved the Wellness Committee's request to postpone the Martha's Vineyard program and run a second HIP program in Brewster.

Ms. Haley said that the Walking Program has started for FY09.

Beverly Haley said that the Wellness Committee is looking for volunteers and would welcome anyone who would like to join the Committee.

**Steering Committee Report:**

Bob Whritenour said that the Steering Committee has spent a lot of time analyzing the data to make recommendations to the Board on the FY10 health plan rates. Mr. Whritenour said that for the preparation of data for the analysis provided by Carol Cormier of Group Benefits Strategies (GBS) is an extensive process. He explained that the health plans send in their projections and GBS does separate projections. Mr. Whritenour said that the methodologies used are different yet the projection results came in very close to each other.

Mr. Whritenour said that the Committee has been working on a dispute with BCBS over a high cost claim that was not processed properly. He said that there was an independent outside audit and that the Group tried to resolve the dispute with BCBS but could not. Mr. Whritenour said that the Steering Committee is moving forward with getting legal advice.

Mr. Whritenour said that the Wellness Committee's HIP Programs are very successful and the Steering Committee continues to support expansion of wellness programs while watching the budgets. He said that the Steering Committee is supportive of programs which help members to make lifestyle changes to keep them healthy.

Mr. Whritenour said that Section 18A was added to Chapter 32B which if adopted, will grandfather the enrollment of current retirees while requiring new retirees to switch to one of the appropriate retiree plans available.

Carol Cormier said that employers that have adopted Section 18 should not consider 18A because it would cause many problems.

Mr. Whritenour said the new vision plan with EyeMed will be an option available to CCMHG employers to offer their employees on an employee-pay-all basis on July 1, 2009.

**GBS Reports:**

Noreen Mavro-Flanders said that the GBS reports were included as part of the meeting packet and said that page 10 of the Funding Rate Analysis will be a good tool to review when looking at rate setting.

Carol Cormier explained that the GBS reports in the packet reflect five months of funding and said that the Board would get an idea of the current activity. She said that the Steering Committee is analyzing the trends of two years of past data when determining the rate recommendations.

**Alternative Health Plan Options – Rate Saver Plans:**

Ms. Cormier said that since the Rate Saver plans cannot be rated based on their claims experience, the Steering Committee is considering setting the rates for these plans between 9% and 10% lower than the legacy plans which reflects the difference in the actuarial values of the two types of plans. Ms. Cormier said that the recommended rates will be sent out following the Steering Committee's meeting set for February 11, 2009.

Carol Cormier explained to the Board that any unit that is going to offer the Rate Savers would need to notify GBS by May 15<sup>th</sup> or sooner.

Noreen Mavro-Flanders asked if there were any other questions regarding the Rate Saver plans.

Linda O'Brien asked if the units would be required to bargain with the unions to be able to add the plans.

Carol Cormier said that the units would need to send out a written notice to union presidents and meet with their Insurance Advisory Committees (IAC). Ms. Cormier said that Section 3 outlines the IAC requirements and said that if any unit needed help to contact her.

Carol Cormier said that Section 18A information was sent to the CCMHG Board and said that the new section may not be a good option, but that the decision would need to be made by each unit.

Ms. Cormier said if any unit is contemplating the adoption of the Section 18, that she would be happy to help with materials or speaking at informational meetings if possible.

**Preliminary Information about FY10 Rates:**

Bob Whritenour said that he knows that everyone is very concerned with setting the rates this year and understands this is most likely the most difficult year for budget planning.

Mr. Whritenour said that the Steering Committee may be able to use approximately \$2M of the Trust Fund balance to subsidize the FY10 health plan rates. Mr. Whritenour said that the Steering Committee is hoping to be able to present around a 7% composite increase but that it may be closer to an 8% - 9% increase for those units that have high enrollment numbers in the Indemnity and Network Blue health plans. Mr. Whritenour said that the overall goal is to try to use some of the trust fund reserves to lower the FY10 rates and to plan ahead to avoid a rate spike in FY11.

Mr. Whritenour said that at its February 11<sup>th</sup> meeting the Steering Committee will be working on finalizing its recommendations to the Board regarding setting the rates . He said that the Committee will propose finalizing the vote at the February 25, 2009 Board meeting.

Mr. Whritenour said that the Rate Saver plan rates would be finalized at the same time as the legacy plan rate setting.

Mr. Whritenour invited the Board members to the February 11, 2009 Steering Committee to be held at 9:00 AM at 16 Jan Sebastian Road in the Sandwich Municipal Office Park in Sandwich, MA.

Noreen Mavro-Flanders said that there was an article included in the meeting packet about a \$32M cut in the GIC budget and the possibility of mid-year changes to their health plans. Ms. Mavro-Flanders said that the CCMHG is fortunate not to have the funding issues of the GIC.

Skip Finnell said that there is a big distinction between the GIC and the Joint Purchase Groups.

### **Health Plan Reports:**

#### Delta Dental-

Nina Conroy, the Delta Dental Account Executive, said that Delta Dental had completed the student certification process. Ms. Conroy said that she emailed a list to each employer of those students that did not send in a student verification form. Ms. Conroy said those dependents were termed effective September 1<sup>st</sup>. Ms. Conroy asked those who have not received the mailing to notify her.

Ms. Conroy said she would bring the Delta Dental Health Benchmark on Oral Health to the next Board Meeting.

Joan Plante asked if students need to be re-certified each year and said she did not receive a copy of the Delta Dental certification process.

Nina Conroy confirmed that a student certification was required each year until age 25 unless they graduate or leave school prior to reaching age 23, at which time they would be terminated from the plan.

#### Harvard Pilgrim Health Care (HPHC) –

Elizabeth Lewis, Senior Analyst at HPHC reviewed the Cost and Utilization report for plan year 2008. Ms. Lewis said that membership remained steady and said the average member age is 36.2. Ms. Lewis said there are fewer Individual contracts relative to Family contract than the HPHC plan or Industry due in part to the CCMHG's rich benefit design. Ms. Lewis said that the claim drivers are musculoskeletal, aftercare, neoplasms, symptoms and injuries and poisonings. Ms. Lewis said there is high emergency room (ER) utilization but noted that utilization decreased over last year. She said high ER utilization is usually attributed to having too low of a co-pay, but she said there may be a question of physician accessibility on Cape Cod. Ms. Lewis recommended continuing with wellness initiatives and to increase cost sharing with members.

#### Blue Cross Blue Shield -

Suzanne Donahue introduced Lenna Bablozian who reviewed the BCBS CCMHG Annual Report. Ms. Bablozian said her goal was to focus on the drivers of the claims that were actionable. Ms. Bablozian said that the membership was continuing to grow steadily and that there was a younger population in the HMO and an older population in the PPO plan. Ms. Bablozian said member cost sharing was lower in the Network Blue HMO and higher in the PPO. Ms. Bablozian said that the generic prescription drug usage has increased from 67% to 70%. Ms. Bablozian said that the Disease Management program savings for a three year time frame is \$2.7M and that enrollment and participation has increased. She said that ER utilization for non-urgent visits have decreased and that the Blue Care line usage has increased, possibly due to the BCBS Televox Campaign of November 2008. Ms. Bablozian said that the top five health risks are inappropriate level of care, stress, injury and cardiovascular disease and said that some could be attributed to lack of physical fitness. Ms. Bablozian recommended that the CCMHG continue to support healthy lifestyle choices.

**Other Business:**

Noreen Mavro-Flanders said that the next Board meeting is scheduled for February 25th at 9:30 a.m. to be held at COMM Fire District, Centerville, MA following the Steering Committee meeting. She said that David Withrow, Vice President of the Board would be presiding over the meeting since she would be unable to attend.

Noreen Mavro-Flanders adjourned the meeting at 11:43 a.m.

*Prepared by Karen Carpenter  
Group Benefits Strategies*