

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

**Board Meeting**

Wednesday, January 26, 2011, 9:30 AM  
Barnstable Town Hall, Hyannis, MA

**MEETING MINUTES**

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, January 26, 2011 at 9:30 AM at the Barnstable Town Hall, 2<sup>nd</sup> Floor Hearing Room, Hyannis, MA. The following people attended the meeting:

**Board Members Present:**

Noreen Mavro-Flanders, Chair  
Marie Buckner, Vice-Chair  
A. Francis (“Skip”) Finnell  
Margaret Downey  
Gerry Panuczak  
Erin Orcutt  
Joan Plante  
Susan Milne  
Irene Wright  
Laura Scroggins  
Susan Stolz  
Joyce Mason  
Mary McIssac  
Judy Sprague  
Pam Nolan  
Craig Mayen  
Karen Walden  
Lisa Vitale  
Linda O’Brien  
Pam Hudson  
Dawn Rickman  
Robert Cecil  
James Weiss

County of Dukes County  
Town of Sandwich  
Dennis-Yarmouth RSD  
Barnstable County  
Town of Chatham  
Cape Cod Regional Technical High School  
Town of Eastham  
Town of Yarmouth  
Town of Yarmouth  
Town of Barnstable  
Barnstable Fire District  
Town of Mashpee  
Town of Harwich  
COMM Fire District  
Town of Truro  
Town of Sandwich  
Mashpee Water District  
Town of Brewster  
Town of Provincetown  
Town of Provincetown  
Town of Wellfleet  
Barnstable Fire District  
Dukes County/Martha’s Vineyard RSD

**Guests Present:**

Richard Bienvenue, CPA  
Deanna Desroches  
Heather Harper  
Deborah Heemsoth  
Susan Wallen  
Cynthia Slade  
Christopher Olsen  
Suzanne Donahue  
Bill Hickey  
Fred Winer  
Nina Conroy  
Linda Loiselle

Treasurer, CCMHG  
CCMHG Wellness Coordinator  
Town of Falmouth  
Town of Dennis  
Nauset RSD  
Town of Truro  
Cotuit Fire District  
Blue Cross Blue Shield of MA (BCBS)  
Harvard Pilgrim Health Care (HPHC)  
Tufts Health Plan, Retiree products  
Delta Dental  
The Abacus Group

Jason Lily  
Robert Whritenour  
Carol Cormier  
Karen Carpenter

Rockland Trust  
Former CCMHG Steering Committee Chair  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Board Chair, called the meeting to order at 9:35 a.m.

**Approval of the minutes of the October 27, 2011 Board meeting:**

Jim Weiss made a motion to approve the minutes of the October 27, 2010 Board meeting as written.

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

Motion
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**Steering Committee Vacancy:**

Ms. Mavro-Flanders said that there is a Steering Committee vacancy. She said that Hans Baumhauer, Business Manager for Nauset Regional; Heather Harper, Acting Town Manager, Falmouth; and Joyce Mason, Town Manager, Mashpee have expressed their interest.

Mr. Baumhauer, Ms. Harper and Ms. Mason spoke to the Board and told them why they would like to be a member of the Steering Committee.

Ballots were distributed to the Board Delegate or Alternate for each entity present. Ms. Mavro-Flanders said that each entity present was allowed one vote.

The investment report was presented while the ballots were collected and counted.

**Investment Manager's Report:**

Jason Lily from Rockland Trust distributed and reviewed the report on investments with year end data ending 12/31/10 and said it was a very good quarter. He said that Portfolio #1 (conservative with 70% in fixed income/30% in stocks) had a 12-month 9.94% return and Portfolio #2 (balanced/aggressive with a 50/50 balance of fixed income and equities) had a 12-month return of 13.04%. He said both funds outperformed their benchmarks.

In response to a request by the Board to consolidate the peer and benchmark pages onto one page, Mr. Lily reviewed the sample report format.

The Board was pleased with the sample report format and asked Mr. Lily to use it going forward.

Skip Finnell thanked Mr. Lily for attending the meeting and Mr. Lily left the meeting.

Gerry Panuczak thanked Skip Finnell for his leadership as the former Investment Committee Chair.

**Steering Committee Vacancy Vote:**

Noreen Mavro-Flanders said that the ballots for the Steering Committee vacancy were counted and said that Heather Harper, Town of Falmouth was elected to serve on the Committee.

**Wellness Committee Report:**

Noreen Mavro-Flanders said that the second quarterly Wellness Newsletter, Wellness Matters was distributed and said that it is great.

Deanna Desroches thanked members of the Wellness Committee for their support in making the newsletter a success. Ms. Desroches said that one-third of the Town of Falmouth staff members have completed their Biometric Screenings. Ms. Desroches said to contact her if any of the entities were interested in doing the screenings.

Ms. Desroches said that there weren't enough sign-ups for the Kick Butts smoking program in the Town of Provincetown. She said that they will try to offer it there again in the future and said that the Town of Sandwich is interested in participating.

Maggie Downey said that 23 of the 52 CCMHG entities are taking advantage of the Wellness Grants. She said that the grants can be used for a wide variety of wellness programs and said that food is the only item that they cannot be used towards.

Carol Cormier suggested sending out a list of what types of programs and uses for which the units are using the grants. She said that low participation may be due to a lack of ideas. Ms. Cormier suggested adding program ideas to the newsletter may help.

Pam Hudson said that one of the other reasons for low participation could be a lack of time and resources.

**Diabetes Rewards Program :**

Linda Loiselle said that the Diabetes Rewards Program is continuing for FY11. She said that of the 1,193 members that are eligible for the program, 244 are registered to participate. She said that the growth has been steady, but noted that the goal is to enroll 400 members. Ms. Loiselle said that participants of the program will get their diabetic supplies and medications free if they complete the five requirements of the program. Ms. Loiselle said that the Abacus Group communicates with the participants to see if they can help the member attain their goals. Ms. Loiselle said that they will repeat the \$50 incentive program to increase the participation.

Ms. Loiselle said that to better understand why the CCMHG participation growth is slower than expected, Abacus organized a physician focus group to see how they could best support them in helping their patients meet the goals of the diabetes program. Ms. Loiselle said that the focus group was comprised of 13 physicians. She said that 2 were endocrinologists and the remainder were either primary care, internal or family medicine physicians. Ms. Loiselle said that the limited access to endocrinologists on the Cape may be a problem. Ms. Loiselle said that some of the participants of the focus group indicated that there was confusion about what they are being asked to do to assist the members in the program. She said this prompted Abacus to send a targeted mailing to all non-registered Cape Cod diabetic members who might want Abacus to contact their physician for assistance in meeting the program requirements. She said that 20 physician offices have been contacted to date.

Linda Loiselle said that another reason for the slower participation growth may be due to the member's current low co-pay of \$5 in some cases. They may not think that free supplies and medications is much of an incentive.

Joanne Ford gave testimony about the program and said that she also loves the Good Health Gateways website. She said that the program makes it easier for her to meet her goals and she gets her medications free. Ms. Ford noted that there may be a concern about the expiration date of the eye exam due to the health plan restriction of one exam per year. She said that if two-weeks could be added to the expiration dates, it may avoid a gap.

Linda Loiselle said that she thought that this had already been taken care of and said that she would check on it and would make the change if it wasn't.

Suzanne Donahue said that both HPHC & BCBS have no restrictions on number of eye exams if there is a medical disease such as diabetes.

Ms. Cormier asked Ms. Loiselle to add this information to the materials that are sent out.

Ms. Loiselle said that she would and said that there are Diabetes Kits available at the back of the meeting room that contained posters and brochures that the employers can use on-site.

Ms. Loiselle said that the myMedicationAdvisor® program is doing very well and said that new medication lists would be coming out on Monday.

Noreen Mavro-Flanders said that these programs benefit the CCMHG members greatly.

Linda Loiselle said that representatives from the Abacus Group are available to attend the Health Fairs. She said to contact her if anyone is interested.

**Steering Committee Report:**

Steering Committee Chair, Skip Finnell thanked the Steering Committee candidates and said that they were three very qualified people. He congratulated Heather Harper on her appointment to the Committee.

Mr. Finnell said that in keeping with the Open Meeting Law, a permanent posting was sent to each town clerk or secretary to notify readers that all future Steering Committee and Board meeting postings and agendas can be found on the CCMHG website at [www.ccmhg.com](http://www.ccmhg.com).

Mr. Finnell thanked Carol Cormier for the work she did on the FY12 rate projections and funding scenarios.

Mr. Finnell said that the Steering Committee received additional information after the Board made a decision to not Grandfather their plans under the Patient Protection and Affordable Care Act. Mr. Finnell said that the Committee met with the town managers and supervisors to discuss and to get their input. He said that the Committee then received information that the cost of not Grandfathering the plans was less than originally expected. Mr. Finnell said that the Committee is standing by its original recommendation to the Board, i.e. not to grandfather the plans.

Mr. Finnell said that the Committee reviewed reports regarding the recruiting and marketing efforts of UMass hospital to obtain bone marrow donors. He said that the costs of these efforts were extremely higher than normal due to their marketing strategy. Mr. Finnell said that the Committee would be sending a letter to UMass regarding its affiliate, the Caitlin Raymond Bone Marrow Registry outlining CCMHG's disapproval of their practices and pricing. He said that there is an investigation at the state level looking into the practice.

Bill Hickey said the marketing practice has since ceased.

**GBS Reports:**

Carol Cormier said that the GBS reports are reviewed by the Committee at each meeting and are now being emailed to the Board per the request of the Board.

**FY12 Rate Projections:**

Noreen Mavro-Flanders said that the Steering Committee reviewed the rate projections last week and said that the final scenarios were included in the Board meeting packet.

Carol Cormier said that if anyone would like to have a copy of the full rate projection packet to let her know. Ms. Cormier said that a copy of the Treasurers report has been distributed to the Board and said that the fund balance is still higher than the power band despite setting FY11 rates with the expectation of using \$6 million of the Fund Balance to cover expenses.

Ms. Cormier explained the projection calculation process noting that the health plans and GBS make independent projections. She said she used the lower of the two projections in the FY12 funding scenarios and that the Rate Saver plan rates are 15% below the Legacy plan rates in all scenarios. She said the CCMHG applied \$6M of trust fund monies to reduce the FY11 rates. Ms. Cormier reviewed the GBS and health plan

projections for each plan. Ms. Cormier noted that the Master Medical plan will lose its *no-student-over age 18* version July 1, 2011 due to the health care reform's Adult Child Eligibility rule.

Ms. Cormier said that the page numbered 27 is the current funding scenario and rates. She said that the FY12 projections are compared against the current funding scenario.

Ms. Cormier reviewed the following 3 funding scenarios:

Scenario 1(a) – Projected rates without subsidy with a 14.1% composite increase for the health plans and 0.6% increase for the dental plans.

Scenario 2(a) - Assuming current enrollment on Rate Saver plans and using \$3 Million of Fund Balance (11.8% increase for health and 0.6% for dental);

Scenario 3(b) - Assuming current enrollment on Rate Saver plans and using \$6 Million of Fund Balance (9.5% increase for health and 0.6% for dental).

Skip Finnell said that the Committee reviewed all of the scenarios and is recommending Scenario 3(b) to the Board. Mr. Finnell said that the self-funded retiree plans have the lowest increases. He said that the fund balance projection for the end of the current fiscal year is expected to be between \$18M to \$20M which is above the Fund Balance Policy's power band. Mr. Finnell said that using \$6M to lower the FY12 rates will bring the fund balance down between \$12M to \$14M.

Mr. Finnell said that the Committee is also proposing to give approximately \$1M of the FY2007 Retiree Drug Subsidy (RDS) payments received into the trust fund back to the towns as cash disbursements. He said that the allocation to each entity will be based on the Medicare-eligible retiree enrollments as of January 2007.

Carol Cormier said that if the entities would like to estimate how much they can expect to receive, they should look at their January 2007 senior plan enrollments and multiply the number times \$500.

Skip Finnell made a motion to approve the FY12 health and dental plan rates as described on Scenario 3(b).

Motion
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Craig Mayen asked how the health reform act impacted the rate increases.

Carol Cormier said that implementing the \$0 co-pay for preventative services accounted for approximately 1% of the increase. She said that another 1% to 1.5% was due to implementation of the other parts of the law, which included the Adult Child Eligibility up to age 26 and the removal of benefit dollar limits. She said that those benefit increases were mandatory.

Noreen Mavro-Flanders said that the December and January Steering Committee meetings are the months that the Committee reviews all of the rate information and works to recommend rates to the Board. She said that the meetings are open to anyone who would like to attend.

Jim Weiss seconded Mr. Finnell's motion. The motion passed by unanimous vote.

Skip Finnell made a motion to recommend approval of dispersing the RDS FY2007 payments received back to the entities of CCMHG based on the FY2007 January enrollments within the next two months.

Carol Cormier said that the Centers for Medicaid & Medicare Services (CMS) ruled that CCMHG is the RDS Plan Sponsor and not obligated to return the payments to the employers and said that the disbursement is a one-time action.

There was a discussion about how the entities can use the disbursement and whether or not they could receive it in one year or half in FY11 and half in FY12.

Rich Bienvenue said that there is no reason why each entity could not split up the disbursement, but said that it would be financially easier to do it all at once.

Skip Finnell amended his motion to include that each entity will be able to determine which fiscal year they would like to receive the disbursement.

Motion
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Jim Weiss seconded the amended motion. A vote was taken and the motion was passed by unanimous vote.

**Treasurer's Report:**

Treasurer, Rich Bienvenue, CPA reviewed the financial statements through December 31, 2010 (unaudited figures). He said that the total operating cash was \$22.9M which was down almost \$300K from this time last year. He noted that the one member that was past due is now up to date and only one month is due. He said that the Health Trust Fund Balance was \$22.9M at the end of December 31. He reported assets at \$36.2M and liabilities of \$13.3M. Mr. Bienvenue said that the IBNR adjustment brought the calculation down to approximately 0.8 of an estimated average month of claims.

**Tribute to Robert L. Whritenour:**

Noreen Mavro-Flanders invited Bob Whritenour, former CCMHG Board member and Steering Committee Chair, to join her up front. Ms. Mavro-Flanders said that on behalf of all of the Board members, she would like to thank Mr. Whritenour for all of his work as Steering Committee Chair for ten plus years. She said that Bob Whritenour has been a leader beyond compare and that everyone will miss him. Ms. Mavro-Flanders presented Mr. Whritenour a plaque recognizing the many years of service as a Board member and Steering Committee Chair.

Mr. Whritenour thanked the Board and read the plaque aloud. He said that his service to the CCMHG was a labor of love. Mr. Whritenour said that the Group's mission to provide reasonably priced, quality health insurance to its members is critically important. He said his service was very rewarding. Mr. Whritenour said that the CCMHG is an exceptional regional organization providing each entity a vote on issues. He said that the Group is very successful and makes great decisions. He also thanked Carol Cormier and Group Benefits Strategies for educating the Group in health insurance and providing highly skilled services.

**Health Plan Reports:**

*Harvard Pilgrim Health Care (HPHC)*- Bill Hickey, Account Executive for HPHC, distributed the HPHC Annual Report to the Board and asked the Board to review the utilization and demographics information. He said to contact him with any questions. Mr. Hickey said that Tufts Health Plan and HPHC have signed a Memo of Understanding to discuss a possibility of a merger between the two health plans.

Subsequently it was announced that the Tufts and HPHC discussions ended, deciding that it was in the best interest of their customers and members to continue to operate independently.
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*Blue Cross Blue Shield (BCBS)* - Suzanne Donahue, Account Executive for BCBS said that it is the goal of BCBS and the other health plans to provide health benefits at the lowest cost to its members. Ms. Donahue said that the purpose of BCBS's Alternative Cost and Quality Provider Contracts is to improve the health of members and to cut costs. Ms. Donahue said that Tufts Medical Center is one of the facilities that has signed such a contract.

Ms. Donahue said that the BCBS Annual Report will be available for distribution at the next Board meeting.

Bill Rowbottom said that the new Medex benefit summaries are now available. He said that if anyone would like to discuss the possibility of combining their health fairs, to let him know.

*Tufts Health Plan*- Fred Winer, Account Executive for the Tufts Senior Plans, said that there is new Tufts Medicare HMO and Supplement plans literature.

*Delta Dental*- Nina Conroy, Account Executive for Delta Dental, said to contact her for supplies and health fair representation.

**Other Business:**

The next Board meeting was scheduled for March 30, 2011 at 9:30 a.m. to be held at COMM Fire District, if available.

The next Steering Committee meetings were scheduled; March 2, 2011, March 23, 2011 and April 27, 2011, all to be held at 9:00 a.m. at the Sandwich Municipal Office Building, Sandwich, MA.

The March 23, 2011 meeting was subsequently re-scheduled to take place at 8:30 a.m., prior to the March 30 Board meeting.

There was no other business.

Skip Finnell moved to adjourn the meeting.

Motion

Pam Hudson seconded the motion.

Chair, Noreen Mavro-Flanders adjourned the meeting at 11:55 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*