

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

Board Meeting

Wednesday, January 31, 2007, 9:30 a.m.
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 31, 2007 at the Barnstable Town Hall, Hyannis, MA. The following people attended the meeting:

Board Members and Alternates Present:

Noreen Mavro-Flanders, Board Chair	Dukes County
Bob Whritenour, Steering Committee Chair	Town of Falmouth
Dave Withrow	Town of Orleans
Roland “Bud” Breault	Town of Barnstable
Marie Buckner	Town of Sandwich
Beverly Haley	Dennis-Yarmouth RSD
Laura Scroggins	Town of Barnstable
Bob Canevazzi	Town of Dennis
Margaret Downey	Barnstable County
Marcia Templeton	Nauset Regional School District
Christine Ezersky	Nauset Regional School District
Barbara Meehan	Upper Cape Cod Regional Technical School
James Weiss	Martha’s Vineyard Public Schools/Dukes County
Beth Fletcher	Town of Chatham
Paula Ainsworth	Cape Cod Regional Transit Authority
Pam Nolan	Town of Truro
Robert Cecil	Barnstable Fire District
Walfred Lundstrom	Town of Yarmouth
Linda O’Brien	Town of Provincetown
Karen Walden	Mashpee Water District
Joan Plante	Town of Eastham
Robert Howard	Bourne Recreation Authority

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Lisa Vitale	Town of Brewster
Nancy Geiger	Town of Chatham
Matthew Bearnse	Yarmouth IAC
Irene Wright	Town of Yarmouth
Judie Jardin	Martha’s Vineyard Wellness Coordinator
Suzanne Donahue	Blue Cross Blue Shield of MA
Bill Rowbottom	Blue Cross Blue Shield of MA
William Hickey	Harvard Pilgrim Health Care
Anne Boisvert	Delta Dental
Eileen Kaplan	Blue Cross Blue Shield of MA
Amy Travers	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

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

Minutes of the Board meeting of October 25, 2006:

Maggie Downey moved to accept the minutes of the October 25, 2006 meeting as written.

Motion

Bob Whritenour seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Rich Bienvenue, Treasurer, reviewed the financial statements of December 31, 2006 (unaudited figures). He reported a fund balance of \$21,725,491. He said the Group is in an excellent cash position, which is expected to improve slightly with an unremarkable year.

Mr. Bienvenue stated that the Medicare Part D reimbursement started coming in during the month of December for Harvard Pilgrim. He said the FY06 Independent Financial Audit has been completed and will be posted on the website. He said an electronic version could be sent to anyone who wishes to receive it. He said the audit report indicated that the IBNR is slightly overestimated and can be adjusted but that this too would increase the fund balance. Mr. Bienvenue said the only issues of the audit were to focus on the IBNR and to have an on-going effort to evaluate internal controls, which the Group has. He said other than that there were no recommended changes and no findings.

Rockland Trust Investment Report:

Jason Lily, Rockland Trust, introduced the team from Rockland Trust. He reviewed the performance of the Targeted Portfolio Structure of the original portfolio, Fund 1 – Moderate Growth, and the new Fund 2 – Balanced Growth, which began in April 2006.

Mr. Lily stated that the performance for calendar year 2006 for Fund 1 was 8.96%, exceeding the composite benchmark and that since inception the performance was up 7.62%, which also exceeds the composite benchmark of 6.38%. Mr. Lily said the Fund 2 performance for six months ended 12/31/06 was 9.31%, exceeding the composite benchmark and that since inception the performance was up 7.54%. He said the composite benchmark since inception was 8.42%.

Investment Policy:

Noreen Mavro-Flanders said the written policy was not included in the packet but will be brought to the next meeting. She said the Investment Committee is looking for volunteers to join the Committee and help edit the policy.

Wally Lundstrom said the Committee meets infrequently. He said he is retiring on March 31, 2007 so will no longer be on the Committee. He said the Investment Policy has been drafted and there is not much left to do but that only Sheryl McMahon and Rich Bienvenue are currently on the Committee.

Ms. Mavro-Flanders asked if there were any volunteers for the Committee. There were no responses.

Steering Committee Report:

Bob Whritenour said the Steering Committee continues to monitor the trust funds. He said a policy for the Trust Fund Balance was developed a few years ago and will be taken into consideration in the rate-setting process.

Mr. Whritenour said the Committee has had discussions regarding the rates but have not received the preliminary projections yet. He said it is possible that they will be set around or under 10%. He said the auditor has suggested using the Fund balance through a premium holiday to lower the rates. He said this would be discussed in more detail by the Steering Committee. He said the Steering Committee has spend a great deal of time reviewing the Group finances with the auditor and happy to report that the Group remains financially solid, which he attributed in great part to the efforts of Rich Bienvenue, Treasurer.

Bob Whritenour said the Investment Policy would be reviewed again by the Steering Committee. He said the Investment Committee and Rockland Trust are doing a great job.

Mr. Whritenour said the Wellness programs are going very well. He said the Wellness Workshop would be held on February 23, 2007. He said there was a special open enrollment granted to the Town of Yarmouth to assist them in eliminating the Indemnity plan. He said the Town did a great job with this.

Bob Whritenour said it was always believed that it was required to adopt the Health Care Reform Act mandates. He said the Steering Committee recently learned that for self-funded municipal groups it is optional based on a response to Carol Cormier from the Division of Insurance. He said the current benefit options are very rich and the Steering Committee has recommended declining recent mandates associated with the Mass. Health Care Reform Legislation.

Mr. Whritenour said the CCMHG website has been received very well. He said the Group has a new contract with Lisa Trombly to maintain the site. Mr. Whritenour said the Steering Committee encourages all units to adopt Section 18. He further stated that the Steering Committee is reviewing a new initiative with Delta Dental to possibly self-insure the Voluntary dental plan. He said this would fundamentally change the financial arrangement and the benefits. He said the Town of Harwich has shown interest in joining the CCMHG and information will be reviewed by the Steering Committee.

Mr. Whritenour thanked GBS and Carol Cormier for their continued hard work.

Wellness Committee Report:

Maggie Downey, Wellness Committee Chair, said the Wellness Family Day was held on January 20, 2007 in Hyannis. She said there were 125 participants. She said although that sounds like a good number it is actually quite low. She said the Wellness Committee is proposing to eliminate this program again next year, FY08. Ms. Downey said the Committee is currently working on the proposed FY08 programs. She said one of the programs they are currently working on is on-site preventive screenings.

Ms. Downey said the Wellness Workshop will be held on February 23, 2007 and there is a registration form included in the packet as well as available on the CCMHG website. She said there were 50 members screened for the CHIP program and 37 participants. She said another CHIP program would be held in the Fall 2007 for Martha's Vineyard.

Maggie Downey stated that the Wellness Committee is still looking for volunteers.

Health Plan Reports:

Harvard Pilgrim Health Care – Bill Hickey introduced Amy Travers and said Ms. Travers would present the HPHC Review of Plan Performance.

Amy Travers reviewed the Powerpoint presentation. She said the total claims cost PMPM for the CCMHG EPO in policy year 2006 was 9.9% higher than in the 2005 policy year. She said the cost for medical services increased by 9.2% PMPM and the pharmacy costs increased 12.9% PMPM. Ms. Travers said the total PMPM claims cost was 14.2% lower than industry and 1.4% lower than the HPHC HMO plan. Ms. Travers said the PMPM claims cost for PPO in policy year 2006 was \$309.54, a decrease of 6.4% over policy year 2005.

Ms. Travers said the medical cost trend was driven by increases in utilization, partially offset by a decrease in unit prices. She said there was a 10.6% decrease in hospital inpatient PMPM costs driven by a decrease in price and utilization. She said there were fewer admissions and a change in the mix of services.

Ms. Travers said the rate and impact of high cost claimants increased in policy year 2006. She said the impact and rate for the EPO was lower than that of Industry but higher than the HPHC HMO plan. She said the pharmacy PMPM costs for the EPO increased 12.9% in policy year 2006. Ms. Travers said the pharmacy increase is driven by increases in both cost and utilization and that the PMPM cost is 2.4% higher than that of Industry.

Amy Travers said within the entire CCMHG population, neoplasms accounted for the largest share of medical costs in policy year 2006 totaling 17.1%. She said musculoskeletal accounted for 11.1%. She said the cost distribution by primary diagnosis in policy year 2006 was similar to that of policy year 2005 and that the health of the population in terms of risk of resource utilization increased in year-end 6/30/06 but is still running 14% lower than Industry.

Bob Whritenour asked if HPHC could come up with any recommendations for the Group based on this data.

Ms. Travers said they could take a look at that.

Bill Hickey said that HPHC does have programs that can work with this report and give a recommendation.

There was a brief discussion regarding the Wellness programs and lifestyle issues.

Blue Cross Blue Shield - Suzanne Donahue introduced Eileen Kaplan and said Ms. Kaplan would present the BCBS review of plan performance.

Eileen Kaplan said both the indemnity programs showed decreases in their subscriber base over the 2-year period reviewed while the Blue Care Elect Preferred program increased 20.6% and the Network Blue plan increased 12.9%.

Ms. Kaplan said the indemnity programs financial impact lessened while costs in the Network Blue and PPO programs increased. She said the components of overall medical costs PMPM for impact of Network Blue went from 22% in policy year 2005 to 25.1% in policy year 2006. She said the Master Health product medical costs PMPM went from 43% in policy year 2005 to 35% in policy year 2006 and the Master medical product medical costs decreased from 14.1% in policy year 2005 to 13.1% in policy year 2006. She said the percent of impact of the PPO product medical costs increased from 20.9% in policy year 2005 to 26.7% in policy year 2006.

Ms. Kaplan reviewed the total pharmacy PMPM costs stating there was an expected increase in the EPO and PPO plans with a decrease in the indemnity plans due to transitioning. She said the outpatient facility costs dominated all types of costs for all programs in both plan years and that outpatient professional costs followed for each product. She said the prescription and inpatient facility costs shifted by product and year. She said total outpatient facility expenses rose 6.7% over the review period and all products saw an increase.

Ms. Kaplan said the percentage change in overall drug payment PMPM over the review period was 5.8% and that the percent change in overall drug utilization was 2.6%. She reviewed the top ten clinical cost drivers stating that joint degeneration, coronary artery disease, depression, and cancer were in the top five.

GBS Reports:

Carol Cormier said the GBS reports were in the file for review.

M.G.L. 32B Section 18:

Noreen Mavro-Flanders gave an overview of the Steering Committee discussion about Section 18. She said it is important to do some cost shifting from the employers to the federal government if the retiree is Medicare eligible. She said each unit should be attempting to adopt Section 18. She stated that there is additional information available on the CCMHG website under the *For Employers* category or that employers may contact Carol Cormier for additional information.

Other Business:

Carol Cormier said there are two bills in the Legislature regarding the GIC option now circulating. She said there are still some questionable aspects but that some employers are interested. She said with lower costs there are also a lower level of benefits and the GIC does not offer BCBS.

Beverly Haley asked about the HIRD form.

Ms. Cormier explained that employees would be required to have health insurance and to prove that they do. She said that if an employee opts out of the town or district's insurance, the employee would have to fill out the form indicating that they do have insurance from another source. She asked the health plan representatives to elaborate for the employers.

Bill Hickey, HPHC, said there is still very little information out. He said the benefit packages proposed to be purchased through The Connector are very costly based on the initial proposals and the state is working at getting the rates down.

Linda O'Brien asked how this would affect seasonal employees.

Carol Cormier said that Chapter 32B says that seasonal employees are not eligible. She said that would mean that they would have to be insured through another source and it could be through The Connector. She said there remain a lot of unanswered questions as this time.

Bill Rowbottom requested that employers contact him relative to health fairs. He said the fairs should be posted on the CCMHG website.

Anne Boisvert, Delta Dental, said Delta is launching a new program called "Healthy Mouths for Life". She said members would be receiving flyers soon. She said there is a new brochure being distributed regarding cavities and periodontal disease beginning in April 2007. She said all annual cleanings would be covered at 100%. She said she will submit flyers to be posed on the CCMHG website.

Judie Jardin said February 2, 2007 is National Wear Red Day to create an awareness of heart disease, which is the number one killer of women.

Noreen Mavro-Flanders said the next Board meeting would be held on March 28, 2007 at a location to be announced.

There was no other business.

Bob Whritenour motioned to adjourn.

Motion

Bud Breault seconded the motion. The motion was passed by unanimous approval.

Noreen Mavro-Flanders adjourned the meeting at 11:55 a.m.