

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

**STEERING COMMITTEE**

Wednesday, February 7, 2007, 9:00 AM  
Town of Sandwich Municipal Offices  
16 Jan Sebastian Dr., Sandwich, MA

**MEETING MINUTES**

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, February 7, 2007 at 9:00 AM at the Town of Sandwich Municipal Offices, 16 Jan Sebastian Dr., Sandwich, MA. The following people attended the meeting.

**Committee Members Present:**

|                                    |                     |
|------------------------------------|---------------------|
| Bob Whritenour, Chair              | Town of Falmouth    |
| Noreen Mavro-Flanders, Board Chair | Dukes County        |
| David Withrow                      | Town of Orleans     |
| Marie Buckner                      | Town of Sandwich    |
| Maggie Downey                      | Barnstable County   |
| Francis “Skip” Finnell             | Dennis-Yarmouth RSD |

**Guests Present:**

|                 |                                     |
|-----------------|-------------------------------------|
| William Hickey  | Harvard Pilgrim Health Care (HPHC)  |
| Suzanne Donahue | Blue Cross Blue Shield of MA (BCBS) |
| Carol Cormier   | Group Benefits Strategies (GBS)     |
| Lisa Trombly    | Group Benefits Strategies (GBS)     |

Chair, Bob Whritenour called the meeting to order at 9:15 a.m.

**Approval of the minutes of January 24, 2007:**

Skip Finnell motioned to approve the minutes of the meeting of January 24, 2007.

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| Motion |
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Dave Withrow seconded the motion. The motion was passed by unanimous approval.

**Investment Committee Report and enlistment of members:**

Bob Whritenour said that it might be necessary to have the Steering Committee also be the Investment Committee since there have been no volunteers and there is already an Investment policy in place.

Maggie Downey said that makes sense.

Dave Withrow suggested waiting a little bit longer to see if anyone comes forward.

The Committee agreed and said they could revisit the idea in two months.

**Wellness Committee Report:**

Maggie Downey said the FY08 Wellness budget is not done yet. She said she is still waiting for a few of the vendors to get back to her with regard to pricing. She said she would wait until it is completed before addressing the Steering Committee. She said she believes it will be done prior to the March 7, 2007 meeting. Ms. Downey said once the Steering Committee decides which programs to do she will give the coordinators the budget and ask them to set their schedules.

Ms. Downey said the Wellness Committee has been discussing healthcare costs and copay changes. She said this is probably just cost shifting.

Carol Cormier said it is more of cost balancing, not shifting. She explained that the Berkshire Health Group (BHG) is doing just that. She said the Group is giving its members 3 years to adopt the new copays. She said the Group sought a legal opinion and still came up against obstacles. She said the Massachusetts Teachers Association (MTA) is pushing all of the unions to refuse to accept the copay changes so that it cannot be done.

Bob Whritenour asked Maggie Downey about the Wellness Fair. He said the VNA is being paid a lot of money to do cholesterol screenings and asked if there were any other options.

Maggie Downey said Barnstable County could do the screenings at no cost but that it has been refused by some employers.

There was a discussion.

Dave Withrow asked how often the services are offered.

Maggie Downey said they are available on CCMHG Wellness Days as well as 13-15 other health fairs. She said some schools and districts have screening services that last 2-3 days because of how large they are. She said the police and fire departments sometimes have the screenings available weekly.

Bob Whritenour said the Town of Falmouth has about 70 police officers employed. He said the Police Department has some of the worst health risks and the Town is currently negotiating their contract. He said he wanted to make some kind of Wellness initiative and is proposing to incent members through union contracts to adopt a holistic program. He asked Ms. Downey if the Town of Falmouth could require members to go to CHIP and graduate from the program in order to go on the incentive program and get the incentive. He said they would be required to maintain a certain level of fitness in order to be eligible. He proposed that the CCMHG would pay for the CHIP program and the Town of Falmouth would pay the incentive.

Maggie Downey said she thought Mr. Whritenour was going down the right path. She said the payoff is lower healthcare costs and more productivity. She said the program they would be enrolled in would be the new HIP program, which is less vegetarian emphasis. She said it might be a good idea to have the Town of Falmouth run it as a pilot program.

There was a discussion with regard to funding.

Maggie Downey said she needed to get in touch with Dr. Flaherty to see about the cost for the HIP program.

Carol Cormier said the CCMHG Wellness budget is very low for a group this size. She said the Steering Committee should consider increasing it.

Maggie Downey said she received an email from the Town of Yarmouth. She said they are looking to purchase a treadmill and thought the Wellness Committee could fund it as a donation.

Bob Whritenour said the Group could not make a donation but could make a recommendation of where to purchase the equipment.

**ESI fee for Retiree Drug Subsidy Cost Reporting:**

Suzanne Donahue, Blue Cross Blue Shield, said she spoke to the legal department with regard to the Group's concerns. She said she has a formal letter and Amendment for distribution.

Carol Cormier said she sent Ms. Donahue an email with regard to other options to defraying the costs.

Ms. Donahue acknowledged receiving the email and said she is currently reviewing those suggested options.

Carol Cormier said the Health New England (HNE) has the same vendor, ESI, as BCBS and does not charge the Group, SVRHT, for the Retiree Drug Subsidy cost reporting. She said HNE sends the data to GBS and GBS enters it. She asked why BCBS could not do the same thing. Ms. Cormier said she asked the HNE representative to find out if HNE is paying a fee to ESI.

Suzanne Donahue said HNE does not have the volume that BCBS has and she stated that she was sure there was still a fee.

Ms. Cormier said she would let the Group know what she learned. She said Harvard Pilgrim Health Care and Tufts Health Plan both do the same service as BCBS and don't charge the Group.

Ms. Donahue distributed the letter of explanation from BCBS and a contract Amendment.

Noreen Mavro-Flanders asked Carol Cormier if she had an opportunity to review the contract.

Carol Cormier said she had. She said the original contract may be renewed each year.

Bob Whritenour said he would wait to hear more information. He said he would not sign the Amendment at this time.

There was additional discussion with regard to the ESI fee.

#### **Health Plan Reports:**

*Harvard Pilgrim Health Care* – Bill Hickey said he would be submitting a proposal on the Disease Management Program and Analysis of those participating. He said they are not quite ready but would be soon.

*Blue Cross Blue Shield* – Suzanne Donahue said BCBS is offering a new Weight Loss Benefit and distributed brochures explaining it. She said the cost would be per member per month and is separate from the weight loss reimbursement incentive.

Carol Cormier asked that Suzanne Donahue get back to her with the cost but says she believes it would be of minimal cost.

Suzanne Donahue said she would get the cost. She then distributed additional riders with regard to pregnancy termination, coverage after subscriber death, and coverage for employment related illness or injury.

Carol Cormier said she believed the Group had already reviewed these and selected the rider that removed the restrictions. She said she would check into this.

Ms. Donahue said she did not have a record of the Group choosing the removal of the restriction but would also check her records to be sure. She asked if it was the wish of the Group to have the restriction removed.

There was a brief discussion.

#### **Proposed meeting with legislators at the State House:**

Bob Whritenour said that it was discussed at the last meeting to go to the State House to meet with the Lt. Governor, and he still thinks this is a good idea. He said the time is right given the GIC proposal and there needs to be talk about alternative ways that regionalization can work. He said he agrees with Maggie Downey in developing an informational packet with a target message.

Carol Cormier said that Maggie Downey also suggested getting a delegation together. She said she has been talking to the other Joint Purchase Groups and they are interested.

Maggie Downey said she would support a motion to allocate funds to have a professional put the material together.

Carol Cormier said the first thing to do would be to figure out what the target message will be.

Ms. Downey said she thought the target was to explain that there are other options available other than going to the GIC. She said the GIC is a good idea for some but would not work for the Joint Purchase Groups.

There was a discussion.

Bob Whritenour suggested that the Group start by explaining who it is, what it does, and what it can offer. He said a change is necessary to make the program modernized.

Skip Finnell asked if they were going straight to the Lieutenant Governor.

Bob Whritenour said it is necessary to go straight to the Lieutenant Governor because the other route did not work last time. He said the Lt. Governor needs to know how the Joint Purchase Groups feel and what they want.

Dave Withrow suggested that the Steering Committee members begin working on an outline and schedule a deadline.

Carol Cormier said the Steering Committee may want to set up another meeting in order to brainstorm, inform other Groups, and get the other Groups to meet together.

Maggie Downey said once the presentation is together, and possibly as a back up to going to the Lt. Governor, they may want to consider presenting at the Selectman's Breakfast.

Bob Whritenour said everyone should start putting things together and meet in small groups. He said he would schedule time with Carol Cormier.

Carol Cormier said the Board should be advised in case there is any legal concern. She said the Board should direct any inquiries to GBS or the Steering Committee or to solicit legal advise. She said they do not want another Dennis Decision.

Noreen Mavro-Flanders said she will contact Tim Bassett (Essex) and Ralph White (Retirement White Paper) regarding the paper they wrote jointly.

### **GBS Reports:**

Carol Cormier said the Funding Rate Analysis report and the Level Monthly Deposit report is in the packet for review.

*Stop Loss Report* – Lisa Trombly reviewed the Stop Loss Report for the FY06 policy. She said there were 15 claimants who exceeded the stop loss deductible of \$150,000 with claims totaling \$3.7M. She said there are no reimbursements due at this time as the policy is now complete.

Ms. Trombly reviewed the Stop Loss Report for the FY07 policy. She said there were 7 claimants who exceeded the stop loss deductible of \$150,000 with claims totaling just over \$1M. She said the Aggregating Specific Deductible has not been met at this time. She said there were 26 claimants with claims at 50% of the stop loss deductible totaling \$2.7M. She said the reports included in the last meeting packet did not reflect the full month of December.

**Preliminary Rate Projections:**

Carol Cormier reviewed the rate projection packet. She said the first page shows the proposed Administrative fees of Blue Cross Blue Shield, Harvard Pilgrim Health Care, and Delta Dental. She said BCBS is proposing a 3.5-4% increase, HPHC is proposing a 4% increase and Delta Dental is remaining the same again for the fourth year.

Skip Finnell asked if these fees were high or standard.

Carol Cormier said she believes they are standard increases.

Bill Hickey stated that 4% is actually better than the standard which is running at about 5%.

Carol Cormier continued reviewing the projections. She said GBS and the health plans do independent claims projections. She said GBS uses paid claims for two years and the health plans use incurred and paid claims. She said that in building the rates, she used the lower of the two projections since the Group has exceeded its target range for the fund balance.

Dave Withrow asked if there is a risk factor built in.

Bill Hickey said the actuaries are very conservative.

Skip Finnell asked if GBS is conservative as well.

Carol Cormier said that the trend figures are based off the health plan trends, which she said she has been told are reasonably conservative. She said she does not recommend using the CCMHG trend because it does not take into account future changes in provider contracting, etc.

There was a discussion regarding trends.

Bob Whritenour said he wanted to make sure everyone understands the numbers. He said Carol Cormier should continue to review the preliminary figures and then if there are additional questions or comments a more in-depth review can be done.

Ms. Cormier continued reviewing the projected figures for each health plan.

Bob Whritenour said he is concerned that the Network Blue plan has a higher rate increase in percentage terms than the indemnity plan.

Ms. Cormier explained that high cost claims and claims pooling plays a factor in this.

Skip Finnell added that last years rates were subsidized to be lower.

Carol Cormier said she would redo the numbers for the PPO plan to add a corridor of increase, as requested.

There was discussion regarding a one-month Premium Holiday and when it should be done.

Marie Buckner asked how it should be explained that years ago the Group said they would never do another Premium Holiday and now the Group is choosing to do one.

Bob Whritenour explained that the Group never had a fund balance policy before and since getting one and establishing a power band with standards to the fund balance this allows the Trust Fund Balance to be more stable. He said the Group is also getting the Retiree Drug Subsidy (RDS) back and that claims experience was better this past year. He also said that the auditor recommended a premium holiday over a rate reduction since the reduction would have to be large.

Carol Cormier reviewed the Trust Fund Balance of the Dental plan. She said it was approximately \$825K.

Skip Finnell asked if a Premium Holiday should be considered for the dental plans too.

Carol Cormier suggested reviewing the balance with Rich Bienvenue and having another Steering Committee meeting to discuss this and the PPO plan rates further. She said she would redo the figures.

Skip Finnell motioned to go with the funding with one-month Premium Holiday, outlined on page 25 of the preliminary funding projections.

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| Motion |
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Noreen Mavro-Flanders seconded the motion. The motion was passed by unanimous vote.

**Other business:**

Bob Whritenour said the next Steering Committee meeting would be held on February 15, 2007 at 9:30 a.m. to brainstorm and continue with the rates. He said the Board meeting would be held on March 7, 2007 at 9:30 a.m. at COMM Fire District. He said there would be a Steering Committee meeting scheduled for March 28, 2007 at 9:00 a.m. and April 25, 2007 at 9:00 a.m. He said the locations would be announced.

There was no other business.

Dave Withrow motioned to adjourn the meeting.

Skip Finnell seconded the motion. The motion to adjourn was unanimous.

Bob Whritenour adjourned the meeting at 12:17 p.m.

*Prepared by Lisa Trombly  
Group Benefits Strategies*