

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

Board Meeting

Wednesday, February 27, 2008, 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, February 27, 2008 at the COMM Fire District, Centerville, 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
Bob Canevazzi	Town of Dennis
Dave Withrow	Town of Orleans
Gerry Panuczak	Town of Chatham
Phyllis Curley	Cape Cod RTA
Marcia Templeton	Nauset RSD
Lisa Vitale	Town of Brewster
Marie Buckner	Town of Sandwich
Pamela Nolan	Town of Truro
Judy Sprague	COMM Fire District
Karen Scichilone	Cape Cod Lighthouse Charter School
Joan Plante	Town of Eastham
Linda O’Brien	Town of Provincetown
Agnes Murray	Cotuit Fire District
Karen Walden	Mashpee Water District
Robert Howard	Bourne Recreation Authority
Nancy Ward	Bourne Water District
James Weiss	Martha’s Vineyard RSD
Barbara Meehan	Upper Cape Cod Regional Voc-Tech School
Robert Sanborn	Cape Cod Regional Technical School
Robert Cecil	Barnstable Fire District
Verna LaFleur	Hyannis Fire District
Debra Blanchette	Town of Barnstable
A. Francis Finnell	Dennis-Yarmouth RSD
Joseph Cucinotta	Dennis-Yarmouth RSD

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Coordinator (mainland)
Hans Baumhauer	Nauset RSD
Irene Wright	Town of Yarmouth
Mary McIsaac	Barnstable Fire District
Matthew Bearnse	Yarmouth IAC
Craig Mayen	Town of Sandwich
Michelle LaCasse	Barnstable County
Beverly Haley	Dennis-Yarmouth RSD
Kathleen Moore	Town of Mashpee
Bill Rowbottom	Blue Cross Blue Shield
William Hickey	Harvard Pilgrim Health Care

Anne Boisvert
Fred Winer
Carol Cormier
Karen Carpenter

Delta Dental Plan of Massachusetts
Tufts Health Plan
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Chair, Noreen Mavro-Flanders called the meeting to order at 9:43 a.m.

Wellness Committee Report:

Deanna Desroches said that over 1,500 members from 28 units participated in the walking program and each was given a free pedometer.

Ms. Desroches reported that 5 governmental units participated in the Cancer Screenings. She said employees who scheduled colonoscopy testing were given the day off with pay and those who scheduled mammograms were given ½ day off with pay to be screened.

Ms. Desroches said 136 employees participated in the worksite screenings.

Ms. Desroches said the Anti-smoking program is a six-week program with monthly support meetings. She said there is a \$500 monetary incentive for those who are smoke-free for one year. Each participant is required to pass a nicotine test at the end of the program to be eligible for the incentive.

Investment manager's Report - Rockland Trust:

Jason Lily distributed and reviewed the Rockland Trust investment report. Mr. Lily said that the total return on investment was \$707,000 as of December 31, 2007.

Joe Cucinotta arrived at the meeting at 10:00 a.m.

Skip Finnell said if anyone was interested in joining the Investment Committee to contact him.

Treasurer's Report:

Treasurer Richard Bienvenue, CPA, reviewed the financial statements of December 31, 2007 (unaudited figures). He said that there was a cash loss in December of approximately \$7.7 million. He said the loss is because of the one-month Premium Holiday in December. Mr. Bienvenue said that the Group is on track to reduce the fund balance by \$9 to \$10 million as planned. He reported an unreserved fund balance on December 31 of almost \$10.9 million.

Rich Bienvenue said that the FY07 audit was completed and resulted in an unqualified opinion with the same numbers as he had presented in the June 2007 financial reports. Mr. Bienvenue said the auditor reviewed the Management Letter with the Steering Committee at the February 20th Steering Committee Meeting. It was recommended to regularly monitor investments and to address the segregation of financial duties.

Noreen Mavro-Flanders said if anyone wanted a copy of the audit reports to contact Rich Bienvenue.

Approval of the minutes of the meeting of January 23, 2008:

Bob Whritenour moved to approve the Board meeting minutes of January 23, 2008 as written.

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

Motion

Steering Committee Report:

Bob Whritenour said that he wanted give the Board an overview of the topics the Committee had been discussing. Mr. Whritenour said that the Steering Committee had spent a great deal of time reviewing and analyzing the claims and rating data in order to recommend the new FY09 rates.

Bob thanked Carol Cormier of GBS for the work she did in preparing the rate proposals.

Mr. Whritenour said the Committee continued to communicate with the towns of Harwich and Bourne regarding membership.

Bob Whritenour explained to the Board that the Steering Committee spent a lot of time with Bill Fraher, CPA reviewing the FY07 Audit Report and the Management Letter. He said that the CCMHG was lean and efficient with no staff and therefore segregation of duties is an issue that the Committee will address. He said that he, Noreen Mavro-Flanders, and Skip Finnell volunteered to work on answering the management letter recommendations on Internal Controls with Rich Bienvenue. He said that there is an ongoing risk assessment process.

Mr. Whritenour said that the Committee had reviewed and approved a 3-year contract with Group Benefits Strategies (GBS).

Mr. Whritenour told the Board that the Steering Committee would also be recommending new Medicare plans today.

GBS Reports:

Funding Rate Analysis by Plan – Carol Cormier asked the Board to look at page 10 of the analysis and pointed out that it would look quite different if there had been funding received in December. She said there was no funding in December because of the Premium Holiday.

Ms. Cormier said that the standard reports were in the Board packet. She said that there are a great many claimants on the stop loss report. She said that is because the policy deductible is very low for a group the size of the CCMHG. She said that the CCMHG should increase the specific deductible in the next policy year. She said about \$1.4 million is owed to the CCMHG in reinsurance reimbursements.

Vote to set FY09 Health Plan Rates:

Noreen Mavro-Flanders said that the Steering Committee was recommending Scenario D and asked Carol Cormier of GBS to speak to the rates.

Carol Cormier that the health plans and GBS did independent claims projections. Ms. Cormier explained the differences between the health plans methodology and that of GBS. She said that she added the expected reinsurance policy's aggregating specific deductible and alternative Prescription Purchasing program expenses into the rates. Ms. Cormier said the Steering Committee requested the rates to be rounded up to the next nearest dollar.

Bob Whritenour said he felt very confident in the process of determining and deciding on the new rates. Mr. Whritenour said that there would not be a Premium Holiday in FY09 since the fund balance is expected to be within the targeted range at the end of this year.

Hans Baumhauer asked why the Steering Committee chose Scenario D over Scenario E.

Bob Whritenour explained that there was more smoothing of the rates and that it reflected rising costs of the indemnity plans.

Skip Finnell made a motion to adopt the rates in Scenario D with the dollars rounded up.

Motion

Gerry Panuczak seconded the motion. The motion was approved by unanimous vote.

Vote to set FY09 Dental Plan Rates:

Bob Whritenour made a motion to adopt the Contributory and Voluntary Dental Plan rates with a child orthodontic benefit added to the Voluntary Dental plan and all rates rounded up to the nearest dollar. The

Motion

proposed rates for the Voluntary Dental plan were \$37 for the Individual plan and \$93 for the Family plan (0% increase). The proposed rates for the Contributory Dental Plan were \$32 for the Individual plan and \$90 for the Family plan. The dental plans will continue to be rated separately.

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

Medicare Private Fee for Service (PFFS) Plans:

Blue Cross Blue Shield - Bill Rowbottom, BCBS, said he was filling in for Suzanne Donahue who was not able to be present. He presented the features of the Blue Medicare Private Fee for Service (PFFS) plan and explained that PFFS plans are Medicare Advantage plans in which Medicare pays the health plan to provide Medicare-covered services and additional services. He described benefits of the Blue Medicare PFFS plan.

Harvard Pilgrim Health Care - Bill Hickey said he would mail a Harvard Pilgrim First Seniority Freedom PFFS Plan packet to each governmental unit. He explained that with PFFS plans there are no contracts with physicians or hospitals. He said that the providers may accept or reject coverage at the Point of Service. He said most providers accept the coverage since the payment amount is the same as Medicare pays. He said that Harvard Pilgrim would pay the providers and not Medicare. Mr. Hickey said there are no referrals or primary care physicians required. Mr. Hickey explained that the co-pay to see a physician is fifteen dollars and the monthly premium would be \$214. Mr. Hickey said it would be a good idea for the units to have meetings with the retirees to explain the plan and be able to answer their questions.

Tufts Health Plan – Fred Winer reviewed the Tufts Medicare Preferred PFFS plan and reiterated what Bill Hickey stated. Mr. Winer added that there was also an unlimited prescription drug benefit and a disease management program. Mr. Winer said there was a deductible of \$200 for an inpatient hospital stay and emergency co-pay of \$50. He said the CY09 monthly premium for the Tufts PFFS plan would be \$165.

Noreen Mavro-Flanders said there were benefit choices with the Blue Medicare PFFS plan and that the Steering Committee recommends the option with the lowest inpatient hospital copay (\$100/day for days 1-5 with a \$500 annual max), \$15 co-pay for office visits and the \$10/\$20/\$35 Prescription Drug copays. She said the monthly premium would be \$175 for this option. (The Blue Cross Account Executive was not able to be present at this meeting.)

Bob Whritenour said the plans are simple, affordable and would be attractive to the seniors. Mr. Whritenour said he thought these plans would be good companions to the rich array of plans the CCMHG now offer the seniors and would work well for units that have adopted Section 18.

Noreen Mavro-Flanders made a motion to add all three PFFS plans to the current offerings.

Gerry Panuczak seconded the motion. The motion was approved by unanimous vote.

Motion

Other Business:

Marie Buckner said there were extra pedometers from the walking program available if anyone wanted them.

The next Board meeting was set for Wednesday, July 23, 2008 at 9:30 a.m. at COMM Fire District.

Skip Finnell moved to adjourn the meeting.

Motion

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

Noreen Mavro-Flanders adjourned the meeting at 11:45 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*