

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

STEERING COMMITTEE

Wednesday, March 2, 2011, 9:00 AM
Town of Sandwich Municipal Office Building
Sandwich, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, March 2, 2011 at the Town of Sandwich Municipal Office Bldg., 16 Jan Sebastian Drive, Sandwich, MA. The following people attended the meeting:

Committee Members Present:

A. Francis (“Skip”) Finnell, Chair	Dennis-Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	County of Dukes County
Marie Buckner	Town of Sandwich
Maggie Downey	Barnstable County
Debra Blanchette	Town of Barnstable
Sue Milne	Town of Yarmouth
Heather Harper	Town of Falmouth

Guests Present:

Richard Bienvenue	CCMHG Treasurer
Bill Fraher, CPA	Bill Fraher, Auditor
Bill Rowbottom	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan (THP)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 9:09 a.m.

Approval of the Minutes of the January 19, 2011 and January 26, 2011 meetings:

Marie Buckner motioned to approve the minutes of the January 19, 2011 and January 26, 2011 meetings.

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

Motion

Independent Auditor’s Report on the FY10 financial statements:

Rich Bienvenue, CCMHG Treasurer introduced Bill Fraher, CPA and said Mr. Fraher would review the FY10 financial statements.

Bill Fraher reviewed the final draft of the “FY10 audited Financial Statements and Management Discussion and Analysis with required supplementary information years ended June 30, 2010 and 2009”. He reported year-end Net Assets of \$23,241,222 which, he said was up 27.5.% from the prior year. Mr. Fraher said the total unpaid claims and claim adjustment expenses at the end of year was \$10,223,395.

Mr. Fraher reviewed his two-page Trend Summary of Key Financial Information. Mr. Fraher said that the Cash and Investments went down by \$2M because of accrual timing issues. He said that there was a

prepayment of \$2M to either BCBS or HPHC. Mr. Fraher said that the Medicare Part D subsidy accruals are now where they need to be and said that the last two years have been stable. Mr. Fraher said that the Operating Expenses have not varied too much over the past years and said the expenses are similar to that of the health claims expenses.

Debra Blanchette joined the meeting.

Mr. Fraher said that there is nothing new reported in the Management Letter and noted that the Committee has implemented additional internal controls.

The Committee thanked Mr. Fraher and he left the meeting.

There was a discussion about the Governor's proposed legislation affecting health benefits for municipalities .

Investment Committee Report:

Skip Finnell said that there was nothing new to report.

Treasurers Report:

Treasurer, Rich Bienvenue, CPA briefly reviewed the financial statements through December 31, 2010 (unaudited figures) and said the projections through June are on target. He said that the preliminary January financial statements look good. Mr. Bienvenue noted that while the HPHC plan is under-funded, as a whole the group is doing very well. He said that he reviewed the financial reports through December 31, 2011 at the last meeting.

Wellness Committee Report:

Maggie Downey said that the Wellness Committee last met in February and said that all programs are running well. Ms. Downey said that Wellness Grant participation is up, but said that the Committee needs to work on implementing some guidelines. She said that she received a grant request from a town and the school of that same town requesting separate grants. Ms. Downey said that towns are eligible to receive one grant to be used for the town and schools.

Maggie Downey said that the Barnstable County Health Improvement Program (HIP) has concluded. Ms. Downey said that 25 participants finished the program. She said that the next HIP program will start this month in the Town of Sandwich.

Ms. Downey said that Biometric Screenings are continuing, and said that she had a request from Barnstable County regarding the Weight Watchers® (WW) program offered at work. She said the participants of the program wanted to know if HPHC would consider offering a \$150 reimbursement similar to what some other health plans offer.

Bill Hickey said that WW was not interested in offering a reimbursement through HPHC at the same time as BCBS. Mr. Hickey said that HPHC waives the WW enrollment fee and said that the HPHC reimbursement is restricted to fitness activities, such as gym memberships. He said that HPHC offers other member discounts and health programs.

Ms Downey asked Bill Rowbottom if in the case where the town budget pays for the WW program per individual, would the town be eligible to receive the \$150 WW reimbursement?

Bill Rowbottom said that he had not heard that this has been done before, but said that he would inquire about it.

Maggie Downey said that the Committee will be sending a Wellness Questionnaire out to the CCMHG units to obtain feedback on the types of programs that they are most interested in.

GBS Reports:

Carol Cormier said the Funding Rate Analysis was in the meeting packet with data through December. She noted that the Harvard Pilgrim EPO was under-funded by \$2.5M, but said the expense-to-funding ratio across all plans was 96.5%. Ms. Cormier said that the Delta Dental plan was sufficiently funded through the rates.

Stop Loss Reports- Karen Carpenter said that there were no updates to report since the last meeting.

GBS Proposed Contract- Carol Cormier said that the contract between GBS and CCMHG expired on January 31, 2011 and said some changes have been made. She said that some of the changes reflect the removal of some reports that are no longer run due to system changes and new reports. Ms. Cormier said that the proposed fees are a 2.5% increase for each of the three years.

Skip Finnell asked if the services that GBS provides under other agreements such as the Retiree Drug Subsidy Account Management could be rolled into the main consulting and benefit management contract.

It was agreed that the GBS contract would be put on the next agenda after the Committee members have had a chance to review it.

Heather Harper asked Ms. Cormier if Group Benefits Strategies has a succession planning strategy.

Carol Cormier said that if she were to leave GBS, that Jack Sharry, Kate Sharry or Ginger Hastings would assume her position with CCMHG. She said alternatively GBS could hire another Consultant. Ms. Cormier said that GBS is the only Consultant company that she knows of that provides the full suite of services to joint purchase groups including general consulting, central benefits administration, COBRA administration, RDS account management, and ERRP account management.

In response to the Governor's legislative proposal, Noreen Mavro-Flanders asked the Committee if they thought it was time to organize another Coalition of Joint Purchase Groups meeting.

Rich Bienvenue said that the Committee may want to re-visit the possibility of adding labor representation to the Group. He said that the GIC does not return Retiree Drug Subsidy monies to the participating municipal employers.

Carol Cormier briefly explained the Governor's proposal. She also noted that the GIC does not offer Wellness activities or COBRA Administration.

Noreen Mavro-Flanders said that she is concerned about possible local aid cuts if the towns do not join the GIC.

Skip Finnell recommended meeting with the other JPGs to develop goals and objectives. He said that Jack Sharry's company, GBS, is involved with all of the JPGs and would have the contacts.

Patient Protection & Affordable Care Act (PPACA) – Early Reinsurance Reimbursement Program (ERRP):

Carol Cormier said that the Board signed a Memo of Understanding (MOU) in regards to processing the ERRP application and said that GBS is proposing a 1% contingency fee for ERRP account management.

Noreen Mavro-Flanders said that she would like the 1% fee to be incorporated into the GBS 3-year contract..

The Committee also asked that the COBRA fee be added to the agreement.

It was suggested by Bill Hickey that they may want to have the basic fees built into the agreement and the other fees be added as an attachment.

The Committee agreed with Mr. Hickey and asked Carol Cormier to send a draft by email to be reviewed and commented on prior to the next meeting.

Distribution of the FY2007 Retiree Drug Subsidy:

Carol Cormier said that a spreadsheet outlining the proposed FY07 RDS distributions to each entity is included in the meeting packet.

Rich Bienvenue said that the total amount appeared to be correct.

Sue Milne asked if all of the towns that are receiving a distribution have passed Section 18.

Carol Cormier said no and said that each entity receiving a reimbursement had enrollments in the plans for which the subsidy was received.

Rich Bienvenue said that he would send a DOR advisory on how the money can be used to Carol Cormier for distribution to the entities.

Skip Finnell suggested giving a press release.

The Committee agreed with Mr. Finnell.

In response to a question about splitting the money between two fiscal years, Rich Bienvenue said that the Board will need to decide how the money is distributed. He recommended choosing one year.

Tufts Senior Health Plan Renewal rates:

Fred Winer distributed and reviewed the July 2011 Tufts Health Plan Retiree plan rate package. Mr. Winer said that the Medicare Preferred HMO rate would be increasing to \$242 from \$207, and he said that the Medicare Supplement Prime plan would be increasing to \$333 from \$309. Mr. Winer said that routine physicals will be covered at 100% with no co-pay and the fitness and eyewear reimbursements will remain at \$150 per calendar year for each. He said that eight smoking cessation visits over a 12-month period will now be at a \$0 co-pay.

FY12 Managed Blue for Senior rate was subsequently received. It is \$439.25, a decrease from \$460.75.

Mr. Winer said that the new rates have been approved by CMS.

Carol Cormier said that she would ask BCBS for the Managed Blue for Seniors rate.

Noreen Mavro-Flanders made a motion to approve the FY12 Tufts Senior Health plan rates as described.

Maggie Downey seconded the motion. The motion was approved by unanimous vote.

Motion

Health & Dental Plan Annual Reports:

Presentations of the Health & Dental Plan Annual reports were deferred.

Health Plan Reports:

Harvard Pilgrim Health Plan- Bill Hickey said that HPHC is offering a limited network tiered product to the public effective July 2011. He said they are offering it as a single benefit plan option in Worcester only and will rate it on utilization.

Carol Cormier asked Mr. Hickey to send her a list of the hospital tiers.

Tufts Health Plan – Fred Winer said that Tufts Health Plan will purchase Cambridge Health Alliance.

Blue Cross Blue Shield – Bill Rowbottom said that BCBS is offering a 3-tiered Rx copay and double mail order benefit with a closed formulary as an option for the Medex plans. He said that the product will be available for July 2012.

Carol Cormier said that another client chose to change its Medex plan to a closed formulary in January 2011 and then add the 3-tiers effective January 2012. She said that they notified the retirees of both changes this year.

Bill Rowbottom said that retiree meetings are necessary to communicate the changes to the members well in advance. He said the meetings went well with other clients.

CCMHG Website:

Carol Cormier said that this item would be added to the next meeting as Erin Orcutt was not in attendance. She said that Ms. Orcutt is researching the Virtual Town Hall and will give information about updating the design of the CCMHG website.

Other Business:

Heather Harper said that the Benefit Administrator for the Town of Falmouth was leaving to take a position with the Town of Bourne. She asked the Committee to let her know if they knew of a resource that could be used while the town recruited for the position.

The following meetings were scheduled; The Steering Committee meeting previously scheduled on March 23rd, was moved to March 30th at 8:30 a.m. prior to the Board meeting held the same day at COMM Fire District at 9:30.

The Steering Committee is scheduled to meet on April 27th, May 25th, and June 22nd at 9:00 a.m. in Sandwich, MA.

Steering Committee and Board meetings were scheduled for July 27th at 8:30 a.m. and 9:00 a.m. respectively at COMM Fire District.

There was no other business.

Maggie Downey made a motion to adjourn.

Marie Buckner seconded the motion.

Chair Skip Finnell adjourned the meeting at 11:20 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*