

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

STEERING COMMITTEE

Wednesday, March 7, 2007, 8:45 AM
Centerville Osterville Marstons Mills Fire District Building
Centerville, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, March 7, 2007 at 8:45 AM at the Centerville Osterville Marstons Mills Fire District Building, Centerville, 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
Maggie Downey	Barnstable County
Francis “Skip” Finnell	Dennis-Yarmouth RSD
Bob Canevazzi	Town of Dennis
Marie Buckner	Town of Sandwich
Bud Breault	Town of Barnstable

Guests Present:

Rich Bienvenue	CCMHG Treasurer
Pam Hudson	Town of Provincetown
Linda O’Brien	Town of Provincetown
William Hickey	Harvard Pilgrim Health Care (HPHC)
Paul Lazar	Harvard Pilgrim Health Care (HPHC)
Bill Rowbottom	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 8:50 a.m.

Approval of the minutes of February 7, 2007 and the minutes of February 15, 2007:

Skip Finnell motioned to approve the minutes of the meeting of February 7, 2007.

Motion

Noreen Mavro-Flanders seconded the motion. Bud Breault, Town of Barnstable, abstained. The motion was passed by majority approval.

Skip Finnell motioned to approve the minutes of the meeting of February 15, 2007.

Motion

Noreen Mavro-Flanders seconded the motion. Marie Buckner, Town of Sandwich, and Bud Breault, Town of Barnstable, abstained. The motion was passed by majority vote.

Delta Voluntary plan proposal:

Carol Cormier reviewed the Delta Dental Voluntary plan options and said that Delta Dental and GBS agree that the best value for the members of the Voluntary plan would be Option 4, the ASO voluntary plan without orthodontics. She said she would caution against pooling the voluntary plan with the contributory plan for rating purposes until

claims history is available. She said she recommends looking at the voluntary plan claims experience for a year or two or year three and making a decision of whether or not to pool the risk based on the data.

Bob Whritenour said he is willing to keep the Voluntary and Contributory dental plans separate and review in a year or two.

Carol Cormier said the Voluntary pool is a creditable group because there are over 1200 contracts. She said she suggested rounding the monthly rates to \$37.00 for Individual and \$93.00 for the Family plan. She reviewed the current rates and proposed FY08 rates for the Contributory plan.

Bob Whritenour said even at the rates Delta Dental is suggesting the Voluntary plan has less benefits than the Contributory but the rate difference is substantial.

Carol Cormier said it is appropriate that the rates are different. She said when the employee pays all of the costs, as is the case with the Voluntary plan, typically those anticipating significant utilization of dental services are more likely to join the plan.

Skip Finnell motioned to accept the new Voluntary plan, Option 4 as presented by Delta, on a self-insured basis while keeping the claims experience separated from that of the Contributory plan.

Motion

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

FY08 RDS application – GBS Account Management proposal:

Carol Cormier reviewed the Memorandum of Understanding and the Hold Harmless Agreement for Account Management of the Retiree Drug Subsidy (RDS) applications. She said the fee of \$8,000 is for one year for account management of the RDS applications on the senior plans. She said if the Group wishes to file for subsidies for Medicare eligible retirees on the active employee plans there would be an additional fee of \$2,000 per plan.

Skip Finnell motioned to accept the Medicare Part D Drug Subsidy Account Management Memorandum of Understanding as written.

Motion

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

Carol Cormier called attention to the email received from Suzanne Donahue, BCBS, with regard to the ESI fee.

There was a discussion regarding the proposed Hold Harmless Agreement.

Ms. Cormier said that the proposed Hold Harmless letter is identical to the one signed by the CCMHG last year.

Bob Canevazzi said if there were no previous experience then it would be necessary to add the wording that would indemnify the CCMHG as well as having the wording that indemnifies GBS. He said that since there is a working history with GBS he believe it is not necessary.

Bob Whritenour said from a contractual standpoint contracts should indemnify each other from various acts. He said the contract as written appears to be a one-way indemnification and it should offer a 2 two-way indemnification.

Skip Finnell said that Carol Cormier should talk to Jack Sharry, President of Group Benefits Strategies, about the language to change it to a 2-way indemnification.

Carol Cormier said that she believes GBS's attorney drafted the Hold Harmless letter.

Skip Finnell said he has faith in Carol Cormier and in Jack Sharry but that if anything happened where they were not there any longer, CCMHG would have to have faith in GBS.

Bob Whritenour said he would not sign the new Hold Harmless agreement as it stands. He said there is one on file already from last year and the new one should be discussed with Mr. Sharry for consideration of revising the language.

Mr. Whritenour asked for an explanation of Suzanne Donahue's e-mail regarding the proposed ESI fees.

Carol Cormier said that BCBS is going to bill for the RDS filing and make it retroactive to January 1, 2007 but will not require any payment until CCMHG has received its Retiree Drug Subsidy for BCBS plans.

Bob Whritenour said he will not consider retroactive payment back to January 2007.

Carol Cormier said this is an example of where the Hold Harmless Agreement would come into play for GBS because she said BCBS is saying that ESI will not provide cost reports if the Group doesn't pay.

Rich Bienvenue asked why the fee could not be put into the Administrative Service fee.

Carol Cormier said BCBS doesn't want to do that because some of the plans are not affected by the RDS filing. She said that this doesn't seem like a convincing argument.

There was a discussion.

Carol Cormier said another issue is the service. She said that a number of plans couldn't be filed for because of errors in retiree data. She said the corrections were made months ago, and ESI has not done anything on their end since December 7, 2006. She said she was told that ESI viewed the FY06 applications as inactive, but since the CCMHG has not received its money for these applications they are definitely not old business. She said ESI is costing the Group interest income on money it should have had long before now. Ms. Cormier said the Master Agreement should be reviewed regarding BCBS's ability to make changes without 60-day prior notice to the CCMHG.

Skip Finnell said BCBS should be put on notice. He said BCBS should know that the Master Agreement will be reviewed beginning April 1, 2007 and a request made that they hold any billing on the ESI issue until the CCMHG has an opportunity to do this.

Bob Whritenour said the Steering Committee needs to figure out the RDS issue first and then review the Master contract. He said if the Group is disputing the charge then it needs to send out a letter stating that the Group is not satisfied with the service of ESI and that it has been costing the CCMHG interest income on money it should have had. He said Ms. Donahue should advise BCBS that the CCMHG does not want to pay the January and February fees.

Skip Finnell reviewed the timing of notifications from BCBS and concluded that the CCMHG should not have to pay ESI fees for January through March 2007.

Noreen Mavro-Flanders said there are two separate agreements, the Master Contract and the RDS agreement. She said Suzanne Donahue stated that the RDS agreement was purposely vague on notices and fees.

Bob Whritenour asked Carol Cormier to draft a letter to BCBS advising that the CCMHG is not satisfied with the service of ESI and include the amount of money the Group lost due to the delay in filing. He said new language should be suggested to clarify procedures for changes in the future and to advise BCBS that the CCMHG will not pay for January or February ESI fees.

Noreen Mavro-Flanders said the entire first quarter should be denied based on the delay of ESI in filing.

Carol Cormier said she would draft a letter to be reviewed by the Steering Committee.

Noreen Mavro-Flanders motioned to compose a letter to BCBS outlining the above issues.

Motion

Skip Finnell seconded the motion. The motion was passed by unanimous approval.

BCBS Weight Loss benefit:

Bill Rowbottom explained the BCBS weight loss reimbursement benefit. He said it is available to members of the BCBS EPO and PPO plans only when they enroll in a qualified Weight Watchers® or a hospital-based weight loss program.

Carol Cormier said that in the past the CCMHG Steering Committee had decided not to add this benefit until it would be part of a benefit change proposal; however, she said that given the Group's focus on wellness, it would seem wise to adopt this benefit.

Maggie Downey motioned to approve the BCBS Weight Loss reimbursement benefit for the BCBS EPO and PPO plans.

Motion

Marie Buckner seconded the motion.

Skip Finnell said remains concerned about adding benefits without negotiating other benefit changes along with the added benefit.

After brief discussion, the motion to approve the BCBS Weight Loss reimbursement benefit was approved by unanimous vote.

Update on the meeting with Lieutenant Governor Tim Murray:

Bob Whritenour said he has a meeting scheduled for March 21, 2007 where he, Skip Finnell, and Bob Canevazzi will meet with Lieutenant Governor Tim Murray and/or the Lt. Governor's staff. He said there is still some work to be done to focus the mission and goal of the CCMHG. He said he met with Atty. Kevin Feeley regarding this last week. He said Atty. Feeley is currently working with the WSHG and has already talked about provisions for a partnership, amending Section 19 and the Coalition bargaining. Mr. Whritenour asked Atty. Feeley to make some suggestions that the CCMHG can make to obtain more authority for the Joint Purchase Groups. He said he was asked if the Group would consider reconstructing the Board to allow labor representatives on the Board.

Carol Cormier said she thinks it is a good idea.

Bob Whritenour said he would like to be able to give the State House a brief overview of what and who the CCMHG is and what it offers as well as how successful the CCMHG has been. He asked Carol Cormier to assist him in getting this type of information together.

Carol Cormier agreed.

Skip Finnell reminded the Steering Committee that the message and the method of delivery are key.

Maggie Downey said it would be important to let them know that this is replicable, too.

There was a discussion.

Carol Cormier said the history of the fund balance and claims per member per month (PMPM) charts are included in the packet per a request of the last meeting.

Other business:

Maggie Downey said the CHIP Contract with Dr. Flaherty needed to be approved. She said Dr. Flaherty made a significant change to the contract requesting that the provider be reimbursed \$37.50 per person per screening. She said this was the first she had heard of his request for an increase. She said Dr. Flaherty told her that he submitted it to GBS directly but that a new contract had not yet been signed.

Carol Cormier said she did not recall receiving anything from Dr. Flaherty.. She said if CCMHG goes along with the proposed change, it should be worded differently stating that the provider will be reimbursed the cost of the screenings of \$37.50 or whichever is lower.

Bob Whritenour said he'd like to table the discussion until next meeting to discuss it further.

There was no other business.

Maggie Downey motioned to adjourn the meeting.

Skip Finnell seconded the motion. The motion was passed by unanimous approval.

Motion

Bob Whritenour adjourned the meeting at 9:45 a.m.

*Prepared by Lisa Trombly
Group Benefits Strategies*