

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

**Board Meeting**

Wednesday, March 14, 2012, 10:00 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, March 14, 2012 at 10:00 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

**Board Members Present:**

Noreen Mavro-Flanders, Board Chair	County of Dukes County
A. Francis (“Skip”) Finnell, Steering Committee Chair	Dennis-Yarmouth RSD
Marie Buckner	Town of Sandwich
Craig Mayen	Town of Sandwich
Debra Blanchette	Town of Barnstable
Laura Scroggins	Town of Barnstable
Susan Milne	Town of Yarmouth
Gerry Panuczak	Town of Chatham
Maggie Downey	Barnstable County
Pam Hudson	Town of Provincetown
Robert Cecil	Barnstable Fire District
Susan Stoltz	Barnstable Fire District
Judy Sprague	COMM Fire District
Joan Plante	Town of Eastham
Dawn Rickman	Town of Wellfleet
Lisa Vitale	Town of Brewster
Robert Howard	Bourne Recreation Authority
David Withrow	Town of Orleans
Deborah Heemsoth	Town of Dennis
Karen Scichilone	Cape Cod Lighthouse Charter School
James Weiss	Martha’s Vineyard Regional School District
Jim Brown	Cape Cod Collaborative
Cynthia Slade	Town of Truro
Renie Dumont	Nauset Regional School District
Karen Walden	Mashpee Water District
Linda Landry	Cape Cod Regional Transit Authority

**Guests Present:**

Rich Bienvenue	Treasurer, CCMHG
Beverly Haley	Dennis-Yarmouth RSD
Susan Wallen	Nauset Regional School District
Stephen J. Pacheco	Town of Barnstable
Beth Nichols	Town of Barnstable
Ginger Farrell	Town of Harwich
Jacki Rivero	Town of Yarmouth
Katelyn Bruster	Monomoy Regional School District
Nina Conroy	Delta Dental of MA
Bill Hickey	Harvard Pilgrim Health Care (HPHC)

Suzanne Donahue  
Fred Winer  
Carol Cormier  
Karen Carpenter

Blue Cross Blue Shield (BCBS)  
Tufts Health Plan (THP)  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 10:10 a.m.

**Approval of the Minutes of the January 18, 2012 meeting:**

James Weiss motioned to approve the minutes of the January 18, 2012 meeting.

Motion

Skip Finnell seconded the motion. The motion passed by unanimous vote.

**Eric Schultz, President & CEO, Harvard Pilgrim Health Care:**

Noreen Mavro-Flanders introduced Mr. Eric Schultz to the Board and welcomed him.

Eric Schultz thanked the Board for the invitation. Mr. Schultz said that all members of the health plans are consumers, and the Board represents the employees. He said that a one-size-fits-all insurance plan does not fit all and HPHC is trying to create options. But, he said, options can create confusion. He said that this country cannot afford to continue as it is. He said that there are solutions, and HPHC is developing solutions.

Mr. Schultz said that four drivers of health care costs include(1) no competition as is the case on Cape Cod, (2) the system not acting like a system because the communication flow is not adequate. He said that infrastructure is a vision for the future. Mr. Schultz said that another driver is the (3) health reform impact of the requirement to provide certain services and (4) the cost of care.

Mr. Schultz said that HPHC wants to keep insurance transparent and wants to engage members and providers differently. He said that providers used to be paid as they billed. Now, HPHC wants to capitate or prepay physicians to make them think more about how they provide services. He said HPHC will be looking at each provider separately for capability.

Another way HPHC is looking to lower the cost of care is to engage the consumer, using benefit plan designs that will change the way members use their insurance. He said that the plans will incentivize members to change their health behaviors and utilization of care, with a focus on wellness. Mr. Schultz said that HPHC created the “Value of Wellness” tool to measure their efficiency and effect.

Mr. Schultz spoke about Tiered Network plans and Limited Network plans. He also spoke about a new program called “Save On”, where members can call and ask member services where they can obtain services at the least expensive high quality facility. He said that members on this plan will receive cash back for utilizing low cost facilities.

Mr. Schultz said that HPHC appreciates the CCMHG business and its work to stay connected to the communities. Mr. Schultz thanked the Board and left the meeting.

**Treasurer’s Report:**

Treasurer, Rich Bienvenue, CPA, reviewed the financial statements through January 31, 2012 (unaudited figures). He said that the total operating cash was \$26.7M which was down slightly from this time last year. He said that the Health Trust Fund Balance was \$29.2M on January 31. He reported assets at \$41.9M and liabilities of \$12.7M.

Mr. Bienvenue said that the FY11 financial audit is underway.

**Investment Manager’s Report:**

Gerry Panuczak, Investment Committee Chair, said that there was a gain on returns of \$428K over the last 3 months. He said that all the asset funds are in compliance with the CCMHG Investment Policy.

Jason Lily from Rockland Trust distributed and reviewed the report on investments with data ending 02/2/12 and said that the economy seems to be improving. He said that Portfolio #1 (conservative with 70% in fixed income/30% in equities) had a 12-month return of 5.81% and Portfolio #2 (balanced/aggressive with a 50/50 balance of fixed income and equities) had a 12-month return of 5.57%. He said both funds outperformed their benchmarks slightly.

Noreen Mavro-Flanders thanked Mr. Lily for attending the meeting, and Mr. Lily left the meeting.

**Wellness Committee Report:**

Noreen Mavro-Flanders said that there is no Wellness Committee report.

**Steering Committee Report:**

Skip Finnell said that the Committee agreed to continue with Milliman as the RDS actuary at a fee of approximately \$4K.

Mr. Finnell said that the Committee is looking at re-designing the CCMHG website and has asked the current webmaster to use her own computer during the interim at a fee of \$30 per month. He said that the Committee met with a web designer this morning who will be providing a proposal.

Mr. Finnell said that the Committee is reviewing and will update the CCMHG Strategic Plan to include the progress made in getting everyone into more cost effective health plans.

Mr. Finnell said that the Committee agreed to keep Lipitor on the alternative drug program list since the generic cost in the US is still greater than the Lipitor brand cost imported through the alternative program.

Carol Cormier said that there are three additional sources that the CCMHG members can obtain their prescriptions at lower or no cost. She said that there is the alternative and generic drug program through myMedicationAdvisor® program, the BCBS \$9 generic drug program, the mail order program for both BCBS and HPHC, and also the Diabetes Rewards Program for eligible diabetic members.

**GBS Reports:**

Carol Cormier said that the GBS reports are included in the packets for the Board's review. She said there is an excess of \$6.3M of funding over expenses as of January 31, 2012. She said that the enrollments into the Indemnity plans continue to decrease and said that the Board adopted a policy for FY13 and future years to not subsidize the Indemnity plans.

Ms. Cormier reviewed the Retiree Drug Subsidy receipts and said that all years have been reconciled through FY10.

Early Retiree Reinsurance Program (ERRP) Update-- Karen Carpenter said that a notice was received from ERRP stating that the \$5 billion dollars in funding for the ERRP program reimbursements has been exhausted. She said that the reimbursement requests were paid out on a first-come-first-serve basis and that the CCMHG did not receive a reimbursement from the program. Ms. Carpenter said that the program is continuing to process claims reports and may receive overpayments back into the program that will also be paid out to those in line for a reimbursement. Ms. Carpenter said that she is not confident that the CCMHG will receive monies from this program.

**Request to have rollover provision on PPO out-of-network deductibles for first year of new plan designs:**

Noreen Mavro-Flanders said that the Steering Committee took no action on this item pending receipt of additional information.

**State Mandates – meeting with Attorney General’s representative:**

Noreen Mavro-Flanders said the result of the meeting was that the AG’s office will not write an opinion unless the governor or legislature asks them to do so. She said that they have not written an opinion in the last 10 years. Ms. Mavro-Flanders said that BCBS has a different policy from the other health plans regarding state mandates and self-funded municipal plans including the CCMHG plans. She said that BCBS’s policy is to apply all of the mandates to all of their plans, while HPHC gives the self-funded employer group the option to add or not add the mandates. Ms. Mavro-Flanders said that she, Mr. Finnell and Carol Cormier met with representatives from the Attorney General’s office on February 16, 2012. She said that this will probably not be pursued further.

**Health Plan Reports:**

Tufts Health Plan – Fred Winer distributed and reviewed the new Medicare Part D high income premium information and said that this is new for 2012. He said that the higher premium for those retirees with incomes exceeding \$170K is similar to what Medicare does for the Medicare Part B premium.

Mr. Winer said that Tufts Health Plan has contracted with more physicians in the Cape Cod area.

Delta Dental of MA – Nina Conroy said that there is an article in the CCMHG wellness newsletter, Wellness Matters about a raffle that Delta Dental is going to have at the end of all of the health fairs. She said that mouth guards will be awarded to the winning employer for their sports teams.

Blue Cross Blue Shield – Medicare HMO Blue - Suzanne Donahue said that the new BCBS Summaries of Benefits are now available on the CCMHG website at [www.ccmhg.com](http://www.ccmhg.com). She said that the new group numbers will be distributed soon. Ms. Donahue said that about two summers ago the Caitlyn Raymond bone marrow registry hired models wearing blue hair to promote people to sign up and take a swab test and be listed on the registry. She said that they overcharged the members through their health plans, and a law suit determined that they utilized unfair practices. Ms. Donahue said that a settlement will be made to the health plans and a credit may be due CCMHG. She said she is unsure of the amount.

Noreen Mavro-Flanders said that the Steering Committee wrote to UMass Memorial’s Medical Center’s President and CEO at that time and expressed their dissatisfaction with their actions. She said that the bone marrow registry is part of the UMass Memorial system.

Harvard Pilgrim Health Care – Bill Hickey said that HPHC will be present at all of the health fairs and said that he is looking forward to Open Enrollment events. Mr. Hickey said that CCMHG will not receive a credit from HPHC regarding the Caitlyn Raymond registry because the HPHC investigating unit noticed the overcharge on their explanation of benefit statements at the time of the charges. He said that they went to UMass and negotiated a rate for that service and made it a part of their contracts retroactive to January 1, 2010. He said that their accounts were credited back then. He said the prevailing rate was \$730 as opposed to the \$3K to \$4K that was charged to other health plans.

**Other Business:**

Noreen Mavro-Flanders said that Andrew Drefus, the President and CEO of BCBSMA will be speaking at the July CCMHG Board Meeting.

There was no other business.

Skip Finnell made a motion to adjourn.

Motion
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James Weiss seconded the motion. Noreen Mavro-Flanders adjourned the meeting at 12:10 p.m.