

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

**Board Meeting**

Wednesday, March 22, 2006, 9:30 a.m.  
COMM Fire District Building  
Centerville, MA

**MEETING MINUTES**

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, March 22, 2006 at the Centerville, Osterville, Marstons Mills Fire District Building, Centerville, MA. The following people attended the meeting:

**Board Members and Alternates Present:**

Noreen Mavro-Flanders, Board Chair	Dukes County
Robert Whritenour, Steering Committee Chair	Town of Falmouth
Wendy Cahoon	Town of Brewster
Marcia Templeton	Nauset Regional School District
Robert Cecil	Barnstable Fire District
Karen Walden	Mashpee Water District
Robert Sanborn	Cape Cod Reg. Tech School
Paula Ainsworth	Cape Cod Regional Transit Authority
Judy Sprague	COMM Fire District
Agnes Murray	Cotuit Fire District
Laura Scroggins	Town of Barnstable
Francis “Skip” Finnell	Dennis-Yarmouth RSD
Peter Bettencourt	Town of Edgartown/Dukes County
Marie Buckner	Town of Sandwich
Barbara Meehan	Upper Cape Cod Regional Vocational Technical School
Walfred Lundstrom	Town of Yarmouth

**Guests Present:**

Richard Bienvenue, CPA	CCMHG Treasurer
Michelle LaCasse	Barnstable County
Beryl O’Brien	Town of Brewster
Robert Howard	Bourne Recreation Authority
Katherine Milligan	Town of Mashpee
Thomas Connolly	Town of Mashpee
Brian Heaslip	Town of Yarmouth
Anne Hart-Davies	Blue Cross Blue Shield of MA
Bill Rowbottom	Blue Cross Blue Shield of MA
William Hickey	Harvard Pilgrim Health Care
Anne Boisvert	Delta Dental Plan
Deanna Desroches	CCMHG Wellness Coordinator
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

Chair, Noreen Mavro-Flanders called the meeting to order at 9:35 a.m.

**Minutes of the Board meeting of January 25, 2006:**

Skip Finnell moved to accept the minutes of the January 25, 2006 meeting as written.

Motion
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Peter Bettencourt seconded the motion. The motion passed by unanimous vote.

**Treasurer's Report:**

Rich Bienvenue reviewed the financial statements of February 28, 2006 (unaudited figures). He reported a fund balance of \$18,960,009, which is up from \$16M last year.

Mr. Bienvenue stated that the deposits were up due to an increase in the claims but that CCMHG was owed \$267,657 from Blue Cross Blue Shield.

Rich Bienvenue said that total estimated claims IBNR is \$14M and that the consulting fees are up due to the alternative prescription drug program. He reviewed the February Actuals for the Trust Fund only and said that there was an ending cash balance of \$25,780,211 including investments.

Skip Finnell asked for an explanation as to why the cash figures looked to be about \$615K ahead since beginning of the year but the Fund Balance appears to be \$4.6M ahead.

Mr. Bienvenue explained that there were a few variables causing this, which were settle-ups, changes in IBNR, and monthly deposits.

Skip Finnell motioned to accept the Treasurer's Report.

Motion
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Bob Whritenour seconded the motion. The motion was approved by unanimous vote.

**Rockland Trust Investment Report:**

Jeff Smith, Rockland Trust, introduced the team from Rockland Trust. He stated that the diversified portfolio for CCMHG was designed for preservation of principal with low-risk investing.

Mr. Smith stated that the account is up 1.77% for the first two months of CY2006 and exceeds the composite benchmark.

Jeff Smith reviewed the product vs. peer group comparison as of February 28, 2006.

Mr. Smith reviewed the Portfolio Appraisal and said the account is up again at a market value of \$8.7M.

**Steering Committee Report:**

Bob Whritenour thanked Carol Cormier and Group Benefits Strategies, for their continued work and efforts on behalf of the CCMHG.

Mr. Whritenour stated that the Steering Committee has been working closely with the Investment Committee on rewriting the investment policy.

Bob Whritenour said that a previously delinquent account has been resolved and employer's payments are now up-to-date. He said that the overall financial stability of the Group is being worked on utilizing the financial audit, reviewing new software options, reviewing steps that can be taken with regard to potential fraud, and that a new 3-year engagement with the financial auditor, Bill Fraher, CPA, was approved and signed.

Mr. Whritenour said that the Steering Committee approved and signed a new contract with Dr. Robert Flaherty for medical oversight of the CHIP program and that the CHIP programs are moving forward.

With regard to the prescription drug benefit programs, Mr. Whritenour said that the Steering Committee is reviewing ways of getting a better handle on the rising costs of prescriptions, evaluating financial projections of the programs that address the issues of the rising costs. He said that the committee is looking into pharmacy carveout programs and also working with BCBS ad HPHC regarding prescription drug programs tailored to the CCMHG.

Mr. Whritenour said the Steering Committee is still reviewing alternative program options for myMedicationAdvisor.

Bob Whritenour said that the Steering Committee also approved recommending adding the HPHC Fitness Reimbursement benefit for an effective date of July 1, 2006. He said the Committee is looking for approval from the Board.

### **Healthcare Reports:**

Noreen Mavro-Flanders announced that Anne Hart-Davies, Blue Cross Blue Shield, will be assuming a new job within Blue Cross Blue Shield and that this is her last meeting of the CCMHG Board.

#### Blue Cross Blue Shield of Massachusetts

Anne Hart-Davies said that in her new role with BCBS she would be working on programs with Medicare Part D.

Ms. Hart-Davies said that she had nothing new to report to the Group other than stating that Bill Rowbottom would be covering the upcoming health fairs and Mark Meunier will be helping out with the Joint Purchase Groups of Ms. Hart-Davies territory.

#### Harvard Pilgrim Health Care

Bill Hickey explained the Fitness Benefit of HPHC stating that every HPHC subscriber will have the option of getting the reimbursement of \$150 for membership to a full service fitness center after having 4 months in a HPHC plan and a 4-month contract with the fitness center. He stated that the reimbursement is based on a calendar year and it is \$150 per subscriber.

Carol Cormier stated that the cost impact to CCMHG was projected at around \$20K, which assumes that 6% of HPHC subscribers take advantage of the benefit.

Skip Finnell motioned to add the HPHC Fitness Reimbursement benefit per the recommendation of the Steering Committee.

Motion
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Marie Buckner seconded the motion. The motion was approved by unanimous vote.

Bill Hickey brought a supply of Three Tier Drug Program Brochure to be made available to anyone and stated that he would be covering the upcoming health fairs.

#### Delta Dental

Anne Boisvert said that she would be covering all possible health fairs.

She stated that the Voluntary Plan has a new Table of Allowances. She said that Delta payments to the providers are going up 10% on July 1, 2006. Ms. Boisvert said that the plan benefits are not changing.

Anne Boisvert said that Delta Dental is also coming out with new formats for benefit descriptions that will be uniform across the board to more clearly identify Delta Dental.

### **GBS Reports:**

Carol Cormier said that the standard GBS reports are in the Board packet.

Ms. Cormier said that she provided a comparison of FY07 rates and enrollments by plan type of the various joint purchase groups. She said that the CCMHG rates and Berkshire She said that in terms of number of employees and retirees the most comparable group is the West Suburban Health Group. She said that she noticed that the overall projected costs for CCMHG were higher than for WSHG and that WSHG is in a higher cost healthcare delivery system area. She said the reason that CCMHG costs are higher than those of WSHG is that CCMHG has 30.5% of its members on traditional indemnity plans and 19.4% on the PPO plans; whereas, WSHG has 97.7% of members on HMO plans. She said she did two hypothetical funding scenarios: one in which all CCMHG indemnity plan members moved to the PPOs and one in which they moved to the HMOs. She said that this was a “quick and dirty” analysis, so she assumed no changes in rates per plan which was not a realistic assumption; however, she said under this assumption the CCMHG would save \$8.2 million in FY07 in the PPO switch scenario and \$12.6 million in the HMO switch scenario. She said she did this to show the Board that there was a great deal of room for cost savings within its existing menu of health plans if employers could get employees to move to the more cost effective plans.

Ms. Cormier said that Bill Hickey, HPHC, and Anne Hart-Davies, BCBS, have been very good about making themselves available to employees to explain about PPOs and HMOs and what it would mean for the employees to move to better plans with possibly lower costs. She urged employers to consider inviting the health plan representatives to their worksites to meet with employees.

#### **Wellness Committee Report:**

Deanna Desroches said the CHIP program in Falmouth just ended with 40 participants. She said Rob Flaherty, MD, told her there were marked improvements and that perhaps Dr. Flaherty could be invited to the next Steering Committee meeting to review results.

Ms. Desroches said that the supermarket program, in which participants are taught how to read labels in order to make healthy selections, went well.

Deanna Desroches stated that the screenings held for the CHIP program in Dennis had a disappointing turnout of only 15 people of the first of two screenings. She said they were holding another screening session later this evening and asked employers to encourage their employees to attend. Ms. Desroches said that the next CHIP program in Dennis begins on April 4, 2006 and that they are currently looking for a location somewhere in the lower Cape area to host the fall CHIP program.

Ms. Desroches reported that the Family Wellness Day on April 1, 2006 would be held at the Nauset Regional High School from 10 a.m. to 2 p.m. She said that both BCBS and HPHC representatives would be there. She stated that the next Family Wellness Program will be held somewhere on the Vineyard.

Deanna Desroches said the *Go Walking @ Work* program is going well. She said it was reported that participants like the new pedometers and they are working out well. She said her only complaint was that there weren't enough of them because of late enrollees.

#### **myMedicationAdvisor®:**

Carol Cormier stated that the *myMedicationAdvisor*® (MMA) program was not doing as well as expected financially. She said Canadian Rx purchasing started out ahead of projections but the slowed down considerably. Ms. Cormier asked the Board assist *myMedicationAdvisor*® staff when they attempt to schedule more informational sessions with employees and retirees. She further stated that the MMA staff would be available for health fairs as well.

There was a discussion regarding MMA mailers.

Carol Cormier said that there have been some seized shipments of prescription drugs coming from Canada as was reported on a local TV news program recently. She said that if this occurs the member would get a letter from the FDA. She said that the member could then send this letter to CanaRx if they

wish to have the drug provided through Canada, and CanaRx will process another shipment of the medication.

**Medicare Items:**

Medicare Part D

Carol Cormier advised that all data has been sent to the actuaries in order for them to do the attestations to qualify for the Retiree Drug Subsidy (RDS). She advised employers to let her know immediately of any contribution changes they may have in FY07 and have not already reported.

Adopting MGL Ch. 32B, Section 18

Carol Cormier stated that adopting Section 18 could save the governmental units money because it shifts costs of healthcare to Medicare. She said that depending on the employer contribution strategy for retirees, the retiree may save money but sometimes it could cost the retiree more. She said the actual costs of covering Part B benefits is about four times the Part B premium. She said that this statistic refers to costs paid at Medicare rates. She said the CCMHG is now paying for Part B-covered benefits for some people who have Medicare. She said that these are being paid for at rates higher than what Medicare pays. Ms. Cormier advised that employers in other groups are adding this to their town meeting warrants for the spring and that CCMHG employers should consider adopting Section 18, too. Ms. Cormier further stated that employers could take lists of employees aged 65 and older to the social security office and, with waiver forms signed by these retirees, can find out who on the list is actually Medicare eligible.

Noreen Mavro-Flanders asked if the Chapter 32B, Section 18 handout should be distributed to all employers.

Ms. Cormier stated that she thinks the materials are helpful to town officials and other decision-makers regarding the advantages of Section 18.

Anne Hart-Davies advised that if an employer currently offers Master Health Plus and the town adopts Section 18 they would then have to offer Medex with OBRA.

Carol Cormier said that was a good point since Section 18 requires that the Medicare plan must be actuarially comparable to the active employee plan. She then stated that she would send the documents explaining Chapter 32B, Section 18 to everyone.

**Other Business:**

Noreen Mavro-Flanders said that the next Board meeting is scheduled for July 26<sup>th</sup> at 9:30 a.m. She asked if the Board was interested in returning to the original quarterly meeting months of January, April, July, and October rather than January, March, July and October. It was agreed that this would be taken under consideration.

With no other business, Noreen Mavro-Flanders adjourned the meeting at 10:55 a.m.

*Prepared by Lisa Trombly  
Group Benefits Strategies*