

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

STEERING COMMITTEE

Wednesday, April 25, 2007, 9:00 AM
Town of Sandwich Municipal Offices
16 Jan Sebastian Dr., Sandwich, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, April 25, 2007 at 9:00 AM at the Town of Sandwich Municipal Offices, 16 Jan Sebastian Dr., Sandwich, MA. The following people attended the meeting.

Committee Members Present:

Bob Whritenour, Chair	Town of Falmouth
Noreen Mavro-Flanders, Vice Chair	Dukes County
Francis “Skip” Finnell	Dennis-Yarmouth RSD
Marie Buckner	Town of Sandwich
Sheryl McMahon	Dennis Water District
Maggie Downey	Barnstable County
Bob Canevazzi	Town of Dennis
Bud Breault	Town of Barnstable

Guests Present:

Rich Bienvenue	CCMHG Treasurer
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

Chair, Bob Whritenour called the meeting to order at 9:10 a.m.

Approval of the minutes of March 28, 2007:

Skip Finnell motioned to approve the minutes of the meeting of March 28, 2007.

Motion

Bob Canevazzi seconded the motion. The motion was passed by majority approval. Noreen Mavro-Flanders and Bud Breault abstained from voting.

Treasurer’s Report:

Treasurer Rich Bienvenue reviewed the income statements of March 31, 2007 (unaudited figures). Mr. Bienvenue said the fund balance as of March 31, 2007 was \$20,268,178. He said the balance was better than what was planned or budgeted. Mr. Bienvenue said the Retiree Drug Subsidy (RDS) receivables of \$400K was included in the cash flow projection but not yet received.

Carol Cormier said the Retiree Drug Subsidy should be received soon and that another payment of approximately \$500K would also be arriving soon for the BCBS filing.

Rich Bienvenue said he has received approximately \$800K already from the HPHC RDS filing.

There was a brief discussion regarding the cash flow projections.

Mr. Bienvenue said the net income continues to decrease as expected and is currently at \$1.8M. He said an Investment Committee meeting is scheduled for Friday, April 27, 2007 and will include members Sheryl McMahon, Sue Milne, Rockland Trust representatives, and himself.

Carol Cormier asked what the MMDT return was.

Rich Bienvenue said the 30-day yield is at 5.33% and the Sovereign Bank account is 4.3%.

Wellness Committee Report: Maggie Downey said the Wellness Committee has revised the budget for the FY08 Wellness programs. She said the Committee would like to send a letter to the unit heads to see if they'd like to participate in screening programs on work time. She said this would allow the facilitators to focus on the employers who are interested and give the consultants better direction.

Bob Whritenour said this would be a good way to find out who is really interested since there are so many employers within the CCMHG.

There was a discussion.

Maggie Downey said she would draft a letter to be reviewed by Bob Whritenour, Noreen Mavro-Flanders and Carol Cormier. She asked Carol Cormier if GBS could provide a list of all the Town Managers/Administrators for each unit.

Noreen Mavro-Flanders said she would work on the list for Martha's Vineyard.

Carol Cormier asked why the post screenings had more money allocated on the preliminary budget than the pre-screenings.

Ms. Downey said the Wellness Committee is attempting to incent participants to come back for the screenings.

Ms. Cormier said the pre-screenings should include everyone.

Ms. Downey said she would review the budget again and let the Steering Committee know of any changes. She said the Vineyard screenings would be conducted all at one time using the Vineyard Nursing. She said the Martha's Vineyard walking program ends on April 30th and the Martha's Vineyard Wellness day will be held on May 4th. She said this event would be in competition with two other big events so they are not sure about participation. She said the prizes for the Walking program would be drawn for the Vineyard, as well.

Ms. Downey said the mainland Walking program had 1800 participants and ends on May 31st. She said the prizes will be drawn for this program and will be the end of the FY07 Wellness Program.

Premium Holiday and fully insured plans:

Bob Whritenour said there was much discussion via e-mail with regard to allowing the Premium Holiday for the insured plans but that a vote needed to be taken.

Carol Cormier explained that there are three retiree plans that are insured. She said one way to look at this issue is that the insured senior plans are cost effective and should not include disincentives just because people chose them over the self-insured plans. She said the West Suburban Health Group had received a legal opinion several years ago that it is okay to issue a Premium Holiday for all plans, even the insured ones and that employees do not choose a plan based on whether the plan is insured or self-insured. She said the e-mails she received from the Steering Committee indicated a close decision.

Skip Finnell asked what the rate increases were for FY08 on all plans.

Ms. Cormier reviewed the rate increases for each of the plans.

Mr. Finnell said he didn't see where the members of the insured plans were losing any benefit by not participating in the Premium Holiday based on the rate increases and the modest premiums of those plans.

There was a lengthy discussion.

Skip Finnell motioned to not apply the Premium Holiday to the insured plans.

Motion

Sheryl McMahon seconded the motion. The motion was passed by majority vote. Bud Breault and Marie Buckner opposed the motion.

Town of Harwich health benefits information:

Suzanne Donahue said the Town of Harwich is already committed to BCBS for FY07 and FY08; therefore, would not be looking to join the CCMHG until after FY08.

Carol Cormier reviewed the Account Reporting and Analysis summary for each plan the Town of Harwich currently has compared to the same data for CCMHG.

Bob Whritenour said the Town of Harwich appears to be doing better on the Master Health Plus and Master Medical plans than the CCMHG.

Carol Cormier agreed.

Bob Whritenour said it almost makes more sense to bring them in with the same rates as the CCMHG rather than to adjust the rates for Town of Harwich. He said he would like to see what their current premiums are.

There was a discussion.

Bob Whritenour said the CCMHG should be there for the town because this is what the CCMHG was set up for. He said he would like to give the town the option of joining the CCMHG and is in favor of sending a letter to the Town Manager to that effect. He said the CCMHG offers a stability factor.

Skip Finnell asked if there were any specific things the CCMHG would ask of the Town of Harwich and said the terms should be told to them.

Carol Cormier said that the town would be responsible for paying its run-out claims under its current self-funded agreement while paying monthly funding rates into the CCMHG. She said the first year could be costly to the town because of this. She said the Town does not own any part of the CCMHG's fund balance and should not be given the premium holiday.

Bob Whritenour said the only issue he could see would be that of the CCMHG's trust fund surplus. He said the Town of Harwich would need to ramp into the rates with having three years of higher rates.

There was additional discussion.

Skip Finnell said the CCMHG might want to exempt them from participating in the surplus for a certain number of years.

Carol Cormier said she would send the Steering Committee a copy of the Trust agreement section regarding joining the Group and the Trust Fund.

Blue Cross Blue Shield issues:

Carol Cormier said a meeting was set up with BCBS for Tuesday, May 1, 2007 at 1:00 p.m. to discuss issues of contracts and timely notifications.

Suzanne Donahue said the representatives from Contracts and Legal departments would be there to discuss these issues.

Carol Cormier said there is also the issue of lifetime maximums. She said Master Health Plus has a \$2M lifetime maximum and people are concerned about this.

Suzanne Donahue said members could call customer service at any time to see where they are in relationship to the Lifetime Maximum. She said they could always switch to a PPO at open enrollment or their next qualifying event.

Harvard Pilgrim Health Care:

Bill Hickey said the health fairs are going well and that there is a lot of interest at them.

Carol Cormier said she heard that the Martha's Vineyard RSD is incenting members to move off of the indemnity plans by paying them a stipend of \$500 to switch from Master Medical to a PPO.

Section 18 actuarial comparability study proposal from Segal Company:

Carol Cormier said The Segal Company has proposed conducting the Section 18 actuarial study for a fee of \$5,000.

Bud Breault motioned to approve hiring Segal Company for the Actuarial study.

Motion

Bob Canevazzi seconded the motion. The motion was unanimously approved.

Reinsurance issue:

Carol Cormier explained that GBS has been working with the reinsurance carrier on an issue from the FY05 policy period where a claim for reimbursement was being denied because the member was being considered a seasonal employee. She explained that the member worked 9 months per year at 40+ hours per week and was not a seasonal employee. She said the Group may want to consider retaining an attorney to dispute the denial or for a legal opinion.

Bob Canevazzi motioned to retain legal counsel, specifically Atty. Kevin Feeley, for the purpose of disputing the decision of the reinsurance carrier.

Motion

Marie Buckner seconded the motion. The motion was passed by unanimous approval.

Bob Canevazzi suggested that the employer, the Town of Brewster, be notified.

Skip Finnell said if the case is won by CCMHG that legal costs should be reimbursed to the Group.

Proposed PBS contract extension for 5/16/07 – 5/15/08:

Carol Cormier noted that there were no fee increases proposed.

Maggie Downey motioned to approve the PBS contract as written.

Motion

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

Nauset RSD request to join voluntary dental plan, 7/1/07:

Carol Cormier said that Nauset Regional School District is requesting to move from their current voluntary dental plan to the CCMHG voluntary dental plan.

Skip Finnell motioned to allow Nauset RSD to join the CCMHG Voluntary Dental Plan.

Motion

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

Update on the meetings with Lieutenant Governor Tim Murray and State Senator O’Leary:

Bob Whritenour said the meeting with Lieutenant Governor Tim Murray took place on April 11, 2007 at 1:15 p.m. He said it lasted almost an hour and was very well received. He said the Lt. Governor offered to hold a second larger meeting with Leslie Kirwan, Secretary of the Executive Office of Administration & Finance and Robert Nunes Deputy Commissioner of Revenue & Director of Municipal Affairs. to hear more from the CCMHG and other Joint Purchase Groups. Mr. Whritenour said he would work on scheduling this for some time in May. He said the packet that was put together for this meeting was also given to the delegation. He said he would get a copy of the packet sent to Carol Cormier.

Skip Finnell said he had an agreement with the staff in State Senator O’Leary’s office that they would meet with representatives of CCMHG on April 30, 2007 at 1:00 p.m. in Hyannis, Barnstable Town Hall.

Noreen Mavro-Flanders said as soon as others at the State House learned that the Lt. Governor took time to hear about this they were all eager to hear what the representatives of the CCMHG had to say.

Bob Whritenour said this was a great start and there is a need to continue pushing the message. He said it is definitely going better then it did the first time around.

Carol Cormier asked if Atty. Kevin Feeley should be invited to the meeting with the Lt. Governor.

Bob Whritenour said he thought that was a good idea. He said Atty. Feeley has already been to the State House on similar issues and is a good resource.

There was a discussion.

Health Plan Reports:

Blue Cross Blue Shield – Suzanne Donahue said she, Carol Cormier, and Bill Hickey went to Mashpee and Barnstable Fire District to discuss Section 18. She said these meetings went very well.

Carol Cormier said there were two issues that came up at meetings like these. She said retirees were in tuned to the fact that the Towns are allowed to contribute to the Medicare Part B premium. She also said that the issue of retirees with a dependent child came up. She said a number of employers permit the Medicare eligible retiree to maintain a Family plan until the dependent child loses eligibility or disenrolls. She said the Town of Wellfleet adopted Section 18 recently.

Other Business:

Sheryl McMahon said the Investment Committee meetings are supposed to be “open” meetings and follow the open meeting rules. She said either the rules apply to all meetings or the Joint Purchase Agreement needs to be changed.

After a discussion, Sheryl McMahon motioned to prepare changes to the Joint Purchase Agreement to follow the open meeting law for the Board and Steering Committee meetings only.

Motion

Maggie Downey seconded the motion. The motion was passed by unanimous approval.

Bob Whritenour said the upcoming Steering Committee meeting schedule was as follows:

May 30, 2007 at 9:00 a.m. in Sandwich, June 20, 2007 at 9:00 a.m. in Sandwich, July 25, 2007 at 9:00 a.m. prior to the Board meeting of 9:30 a.m. and September 18, 2007 at 10:00 a.m. in Martha’s Vineyard.

With no other business, Bob Whritenour adjourned the meeting at 11:00 a.m.