

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

STEERING COMMITTEE

Thursday, April 27, 2006
Dennis Yarmouth RSD Administration Building, South Yarmouth, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Thursday, April 27, 2006, at the Dennis Yarmouth RSD Administration Building in South Yarmouth, MA. The following people attended the meeting.

Committee Members Present:

Robert Whritenour, Chairman	Town of Falmouth
Noreen Mavro-Flanders, Board Chair	Dukes County
David Withrow	Town of Orleans
Marie Buckner	Town of Sandwich
Francis “Skip” Finnell	Dennis Yarmouth RSD
Robert Canevazzi	Town of Dennis
Roland “Bud” Breault	Town of Barnstable
Margaret Downey	Barnstable County
Sheryl McMahon	Dennis Water District

Guests Present:

Rich Bienvenue, CPA	CCMHG Treasurer
William Hickey	Harvard Pilgrim Health Care (HPHC)
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

Chairman, Robert Whritenour called the meeting to order at 9:10 a.m.

Minutes of the Steering Committee meetings of February 23, 2006:

Marie Buckner moved to accept the minutes of the February 23, 2006 meeting as written.

Motion

Sheryl McMahon seconded the motion. The motion passed by unanimous vote.

Treasurer’s Report:

Treasurer Rich Bienvenue reviewed the financial statements of March 31, 2006 (unaudited figures). He said the ending balance for investments as of March 2006 was \$8.6M. He said that receivables were up this month.

Mr. Bienvenue said there is a claims payable amount due to CCMHG of \$486,632 from BCBS but that CCMHG owes HPHC \$395,857. He reported that there was a balance of approximately \$3M in advanced payments and the health Trust Fund balance as of March 31, 2006 was \$18,681.567.

Carol Cormier asked where the CanaRx claims were showing up on the financial statements.

Rich Bienvenue said they were included with deposits and then the claims would be applied against it.

Bob Whritenour asked that Rich Bienvenue combine agenda item #7, Anti-fraud measures, with his treasurer's report. Mr. Whritenour said that he and Rich Bienvenue had recently met to discuss controls and anti-fraud measures as recommended by the auditor.

Rich Bienvenue gave an overview of some of the items discussed at the anti-fraud measures meeting he had with Bob Whritenour. He said some of the topics were:

- Handling of cash and how it is reported
 - Must be reconciled
 - Receipts and disbursements must be recorded
 - Receipts must be reconciled with bills/invoices

Mr. Bienvenue explained that he records all transactions but only the reinsurance checks are handled physically by him. He said that all other receipts are directly deposited into the CCMHG accounts. He said a very detailed report is compiled each month and is available for review at any time.

Bob Whritenour added that Rich Bienvenue has an ongoing record of every transaction that had occurred and that it was very specific and detailed. He said all reconciliations are documented and are done in a timely manner. He said he felt the only vulnerability of the CCMHG is that there are only a few people who do the checks and balances of the CCMHG, but that the CCMHG has a reputable, professional CPA and a reputable, professional consulting firm.

Bud Breault asked Rich Bienvenue if he is bonded.

Rich replied that he is bonded for \$1M.

Noreen Mavro-Flanders asked if the Committee had ever thought of assigning someone who would get duplicate bank statements in order to do spot checks.

Bob Whritenour said that would be supportive of adding an internal control if someone was interested in receiving the duplicate statements and comparing financial statements and balances. He said that the CCMHG does have an annual independent audit conducted as well.

Mr. Bienvenue said he did not have a problem with someone else in the Group receiving the duplicate statements.

Noreen Mavro-Flanders volunteered to receive the duplicate statements and review the accuracy of the records.

Rich Bienvenue reviewed the Cash Flow Projections as of March 2006 and said the ending balance was \$27M. He said he expected the year to end at about \$26M.

Ms. Cormier said that the issue of a small outstanding balance for Town of Chilmark needs to be resolved and that she would recommend the Group writing off the \$682 at this point since there is no paperwork to document this amount. She said it is difficult after all these years during which the balance due has been carried to research and confirm the debt.

Rich Bienvenue said that all cash is reconciled now and that in most cases if there is a balance due, then it is accurate.

Sheryl McMahon asked if there were balances with any other units.

Mr. Bienvenue said there are outstanding balances but that all units are notified when they have a balance. Mr. Bienvenue said that the units should receive their bills, pay them as is, and if they disagree they can dispute it with GBS.

Carol Cormier suggested sending written notification to the CCMHG employers regarding the payment policies of the Group.

There was a discussion regarding writing the payment policy and establishing a timeframe for disputes.

Bob Whritenour noted that there are two issues in front of the Steering Committee today; the money owed by the Town of Chilmark and a policy addressing payments.

Bud Breault motioned to dissolve the Chilmark outstanding balance of \$682.

Motion

Sheryl McMahon seconded the motion.

Dave Withrow asked if reasonable effort was made to verify the amount owed.

Both Rich Bienvenue and Noreen Mavro-Flanders confirmed that great effort was made.

The motion was then passed by unanimous approval.

There was further discussion regarding the policy on payments and late payments and drafting a letter enforcing that CCMHG participating employers must pay as billed.

Bob Whritenour summarized the discussion and said that anytime there is a disagreement about the amount on the invoice, the unit will be given a specific amount of time to dispute the bill.

It was agreed that a letter would be sent with the next member invoices informing employers about the policy on paying as billed and what an employer should do if it disputes the amount billed.

Skip Finnell suggested that GBS and the treasurer work together to identify any unit that has an outstanding balance at which time it will be brought to the attention of the Steering Committee and voted on what to do.

Bob Whritenour agreed.

Warrant Summaries for April and May 2006:

Bud Breault motioned to accept the Warrant Summary of April 2006.

Motion

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

Dave Withrow motioned to accept the Warrant Summary of May 2006.

Motion

Sheryl McMahon seconded the motion. The motion was approved by unanimous vote.

Investment Committee Report:

Skip Finnell asked if the Investment Policy had been voted on yet.

Sheryl McMahon said that it had not been voted upon yet because it was not complete. She said she had some questions she needed clarified but that she had not yet been able to discuss it with Wally Lundstrom, Investment Committee Chair.

Bob Whritenour advised Ms. McMahon to keep working on it with Mr. Lundstrom.

There was a brief discussion.

Skip Finnell said that the Investment Committee should give a report to the Steering Committee at each meeting.

Sheryl McMahon said she would have a report ready for the next meeting on May 24th.

Harvard Pilgrim Health Care Report:

Bill Hickey said HPHC is seeing a lot of people moving from the indemnity plans to the PPO and EPO plans.

Mr. Hickey said that the current Level Monthly Funding amount is too low resulting in large amounts due to HPHC in settle-up each quarter. He said HPHC proposes a new Level Monthly amount for FY07. Mr. Hickey said that actual claims for the last 12-month period were \$19,239,518 and that the monthly average claims are 1,603,293. He said the projected claims increase is 10%, so HPHC is proposing a Level Monthly Payment beginning on 7/1/06 of \$1,650,000.

Carol Cormier said that GBS would like to review these figures so the vote on the increase of the Fund Balance should not be taken until the next Steering Committee meeting.

Ms. Cormier then stated that BCBS is requesting an increase of \$1M to the level monthly payment for FY07.

Rich Bienvenue said that BCBS currently owes CCMHG money and expressed surprise at the proposed increase.

Ms. Cormier said that was correct and that BCBS used the January figures to estimate this increase. She said BCBS would need to update their figures.

Bill Hickey informed CCMHG that Harvard Pilgrim Health Care has an exclusive arrangement with the Harvard Vanguard physicians relative to the First Seniority plan which is not offered on Cape Cod. He said that the Vanguard arrangement will terminate on December 31st and Vanguard will enter into an exclusive arrangement with the Tufts Medicare Preferred Plan. He said that the current HPHC members enrolled in First Seniority and going to a Harvard Vanguard provider would be affected by this; however, he said it will not affect the CCMHG. Mr. Hickey said that members may think that this applies to the regular HPHC plans rather than just to First Seniority. He said if any employers receive calls or questions from members, they could refer them to HPHC.

Bob Canevazzi asked if CCMHG had any participating First Seniority members.

Carol Cormier said there were none on Cape Cod so they really didn't need to worry about this.

CHIP Program:

Bob Whritenour said having a second Coronary Health Improvement Project (CHIP) program right after the Falmouth program really helped, and he said that the program got great reviews.

Maggie Downey said there was one attendance issue she wanted to address. She said one member was in the program when she suffered a heart attack and therefore missed 2 classes. She said the member still wanted to receive the \$200 stipend since missing the two classes was out of her control. Ms. Downey said the Wellness Committee had reviewed the issue and recommends strictly adhering to the policy which would make her ineligible to receive the stipend.

There was a discussion, and the Steering Committee agreed with the Wellness Committee's position but concluded that the Attendance Policy needed to be revised.

Maggie Downey motioned to amend the current Attendance Policy to include: "there are no exceptions to the existing policy".

Motion

Skip Finnell seconded the motion. The motion was passed by majority vote. Bob Whritenour abstained.

Bob Whritenour read a proposal from Dr. Rob Flaherty. Dr. Flaherty is requesting to increase the CHIP frequency in a given geographical area.

Carol Cormier said that Dr. Flaherty is suggesting this in conjunction with what is already being run in other parts of Cape Cod, he is not suggesting to eliminate the CHIP program from a specific area in order to increase it somewhere else.

There was a discussion.

Bob Whritenour asked that the Wellness Committee review the current programs and develop recommendations.

Maggie Downey said that the Wellness Committee met two weeks ago and everything was going well. She said Dr. Flaherty is working out very well and that the CHIP programs are well attended. She said that Sue Bourque will focus on CHIP for the next 2-3 years. Ms. Downey said that Deanna Desroches is also doing very well with implementing the other wellness programs.

Bob Canevazzi asked if there were any follow-up plans with the CHIP attendees to see how they are doing. He said it would be nice to see if there were long-term improvements because of the program participation.

Maggie Downey said that under the roles and responsibilities of the CHIP medical oversight provider, there is supposed to be follow-up and post-program screenings of participants.

Bob Canevazzi said he'd like to see the Group spend more money on long-term analysis and tie incentives into post-program screenings.

Maggie Downey suggested having a "healthy reunion" for those who have completed the CHIP program. Ms. Downey said she will meet with the Wellness Committee and report back to the Steering Committee with suggestions.

Martha's Vineyard and the Wellness Programs:

Noreen Mavro-Flanders suggested that Judie Jardin could work with Deanna Desroches on any of the Island wellness programs. She said that this would cut down on travel expenses that Ms. Desroches might otherwise incur.

Maggie Downey said that splitting the tasks would be difficult and that it may be a better idea to split the budget and have a wellness coordinator for the Island.

Ms. Mavro-Flanders said that Deanna Desroches has the knowledge so there is really only a need for an extension of herself on the Island, not a replacement.

Ms. Downey agreed saying that it may drive the costs up. She said she will take this to the Wellness Committee for review.

Sheryl McMahon asked Ms. Downey what the Wellness Committee thought about the recent emphasis in schools with regard to obesity in children and if any programs were planned around this.

There was a brief discussion.

Noreen Mavro-Flanders suggested having programs that focus around nutrition, which would help children make healthy choices.

Skip Finnell suggested coordinating it with the mandate. He said the current programs are Statewide Laws.

GBS Reports:

Carol Cormier reviewed the GBS Annual Report to the CCMHG for October 2004 – September 2005. She reviewed the recommendations. She said the main recommendation is to continue to move members from the indemnity plans to the PPOs and primarily to the HMOs.

There was a discussion.

Ms. Cormier noted some of the topics of the Annual Report, which included adoption of Section 18; review of benefits to include splitting co-pays; Prescription drug options including generic drugs/MMA, carving out Rx, and high deductible plans; disease management and screening programs; and risk reduction programs.

Carol Cormier also suggested that the Wellness Committee look into the Personal Health Assessments (PHAs) and incentive programs to encourage employees to take the PHAs.

Skip Finnell said that focus should also be placed on the retirees and older employees.

Maggie Downey said she would take the suggestions and recommendations back to the Wellness Committee for review.

Bob Whritenour said that the recommendations were great, and he would like to have some kind of a scorecard created to chart the progress on them. He said he would work with GBS to keep the items on the agenda in order to check their status.

Benefit Issues:

Carol Cormier said the CCMHG should consider looking at some lower option plans or possible co-pay adjustments to current plans.

Maggie Downey asked if GBS or the health plans could make any suggestions.

Ms. Cormier said they would bring them to the next Steering Committee meeting.

CCMHG Website:

Skip Finnell asked if the CCMHG website was ready to upload.

Carol Cormier said that it is not ready at this time but looking at June for a target date. She said she has reviewed its progress and it is coming along nicely.

Maggie Downey motioned to approve the contract between CCMHG and Lisa Trombly for a service fee of \$4,000 to create and upload the CCMHG website.

Motion

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

Prescription Drugs: myMedicationAdvisor® Report and Update:

Carol Cormier reviewed the report from Prescription Benefits Services for the alternative drug-purchasing program through March 2006. She said the Group has had a cumulative loss of approximately \$58,000; whereas, a savings of \$94.8K had been projected through March. She said the drug purchasing from Canada had started off strong but tapered off and was falling far short of the projections.

Bob Whritenour said the Group should give it a year and then review the situation to decide if it is beneficial to keep the program going. He suggested that nothing be added to it in the meantime.

Skip Finnell asked if this issue should be combined with the other prescription issues to be addressed in September.

Mr. Whritenour explained that the contract with PBS is for one year and began in June 2005. He said he would like to review the contract again.

Carol Cormier said she would bring it to the next meeting.

Bob Whritenour said that if the current trend continues, he will be in favor of terminating the contract. He said the May data should be reviewed.

Mr. Finnell said that if the program is to continue a different fee schedule should be established.

Other Business:

Maggie Downey said that Cape Care is asking the County to hold a series of meetings regarding its proposal for a program for the uninsured on Cape Cod. She expressed concern that this program would require funding through income tax. She said she would keep the CCMHG informed.

Sheryl McMahon motioned to adjourn the meeting.

Motion

Maggie Downey seconded the motion. The motion to adjourn was passed by unanimous vote.

The meeting was adjourned at 12:15 p.m.

*Prepared by Lisa Trombly
Group Benefits Strategies*