

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

STEERING COMMITTEE

Wednesday, April 27, 2011, 9:00 AM
Sandwich Municipal Office Building, Sandwich, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, April 27, 2011 at the Sandwich Municipal Office Building, 16 Jan Sebastian Drive, Sandwich, MA. The following people attended the meeting:

Committee Members Present:

A. Francis (“Skip”) Finnell, Chair	Dennis-Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	County of Dukes County
Marie Buckner	Town of Sandwich
Debra Blanchette	Town of Barnstable
Sue Milne	Town of Yarmouth
Heather Harper	Town of Falmouth
Gerry Panuczak	Town of Chatham
Erin Orcutt	Cape Cod Regional THS

Guests Present:

Rich Bienvenue, CPA	CCMHG Treasurer
Ernie Holcomb	Falmouth Teacher’s Association
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Nina Conroy	Delta Dental of MA
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 9:10 a.m.

Approval of the Minutes of the March 30, 2011 meeting:

Noreen Mavro-Flanders motioned to approve the minutes of the March 30, 2011 meeting.

Marie Buckner seconded the motion. The motion passed by unanimous vote.

Motion

Wellness Committee Report:

Marie Buckner said that Dr. Robert Flaherty, who facilitates the HIP Wellness Program, has taken another position in Georgia, MA. Ms. Buckner said that she does not have information on who will be replacing him. She said that Dr. Flaherty will be assisting in finding someone to fill his position. Ms. Buckner said that Sue Bjork will be staying with the program.

Debra Blanchette suggested that it would be nice to do something for Dr. Flaherty in appreciation for the work he did for the HIP.

The Steering Committee agreed.

Carol Cormier said that she would work on a draft for a plaque and said that she would need to receive the final statistics and recommendations for the program. Ms. Cormier suggested inviting Dr. Flaherty to the May or June Steering Committee meeting.

Marie Buckner said that the Committee would be meeting with Judie Jardin, Martha's Vineyard Wellness Consultant on May 13th to go over the Wellness Surveys received back from the CCMHG units with their suggestions for future wellness programs. Ms. Buckner said that they already met with Deanna Desroches, Cape Cod Mainland Wellness Consultant.

Rich Bienvenue joined the meeting.

GBS Reports:

ERRP Update and filing decision – Carol Cormier said that under the advisement of an ERRP representative, she filed one ERRP application combining both the HPHC and BCBS health plans. Ms. Cormier said that GBS received the claims information from BCBS back in January and is waiting to receive the HPHC information to file for both health plans together. Ms. Cormier said that another option would be to file for the BCBS reimbursement now and submit for the HPHC with the second filing.

There was a discussion and it was agreed that if the HPHC data was expected within the next couple of weeks, to wait and file for reimbursement for both health plans together.

Retiree Drug Subsidy (RDS) – Carol Cormier said that she expects to receive the RDS attestations from the actuary tomorrow. Ms. Cormier said that the deadline to file the applications is on Monday and asked if Noreen Mavro-Flanders her availability. Ms. Mavro-Flanders said that she would be available Thursday, Friday and Monday.

Carol Cormier reviewed the Funding Rate Analysis with data through February. She noted that the Harvard Pilgrim EPO was under-funded by \$2.4M, but said the overall expense-to-funding ratio was 96.7%. Ms. Cormier said that the Delta Dental plan was sufficiently funded through the rates.

Report on Reinsurance Premium payments- Carol Cormier reviewed the history of reinsurance premium payments from July 2005 through June 2010 against the claims reimbursements received.

FY12 Reinsurance RFQ – Carol Cormier said that the reinsurance RFQ would be going out early in May and asked the Committee if it wanted the quotes based on the same specifications as FY11.

There was a discussion.

Debra Blanchette made a motion to obtain quotes at the current levels, \$300K Specific Deductible and \$500K Aggregating Specific Deductible.

Motion

Marie Buckner seconded the motion. The motion passed by unanimous vote.

Stop Loss Reports- Karen Carpenter said there were no changes to the FY10 Stop Loss report since the last meeting. Ms. Carpenter reviewed the FY11 Stop Loss report with claims paid through March and said that there are 7 claimants that have exceeded the deductible. She said the total paid claims on these seven members is \$3.29M. Ms. Carpenter said that the Aggregating Specific Deductible has been met. Ms. Carpenter said that reimbursements of \$317K are due the group. Ms. Carpenter said that there are 18 claimants that have reached 50% of the deductible with claims totaling \$3.7M.

State Autism Mandate for HPHC:

Carol Cormier said that BCBS has a policy that all MA State Mandates must be followed by all municipalities including those that self-fund, which includes the State Autism Mandate. Ms. Cormier said that BCBS will be adding the mandate to the CCMHG BCBS active health plans on July 1, 2011.

Bill Hickey said that the new autism mandate requires a change of limitations regarding testing of ABA applied behavioral health. He said that the new mandate provides expanded benefits for testing, diagnostic and assessment services. It also specifies services as being available for services rendered by home care providers, psychologists and other providers. Mr. Hickey said that HPHC is estimating the impact of the added services based on an actuarial study to be around 0.6%.

Carol Cormier said that there is a letter from a member included in the packet requesting that CCMHG add the mandate.

Bill Hickey said that most of HPHC's clients are adding the coverage and said that the psychiatrists dealing with patients affected will be telling them that these services are now covered. He added that the children affected will benefit from the added coverage. Mr. Hickey said that unless CCMHG notifies HPHC otherwise, the expanded coverage will automatically go into effect on July 1, 2011.

Heather Harper said that she favored approving the mandate for the HPHC plans because BCBS will be adding it regardless of what CCMHG decides.

There was a discussion about BCBS making the determination that all State Mandates be added to their health plans while all of the other health plans believe they're not required to do so.

Carol Cormier said that these concerns will be brought up at the May 26th lunch meeting with the BCBS President and CEO.

The Committee agreed not to take any action at this time and to bring it up at the next Board meeting.

Adult Child Eligibility and coverage of dependents of dependents:

Carol Cormier said that up to two weeks ago, BCBS said that it was up to CCMHG as to whether or not it would cover dependents of dependents. Ms. Cormier said that covering dependents of dependents is not required under the Patient Protection & Affordable Care Act (PPACA). Ms. Cormier said that BCBS has since reversed its position. Ms. Cormier said that the CCMHG voted to not cover grandchildren of employees and said so now it is up to the Benefit Administrators to communicate that to the employees when asked. Ms. Cormier said that they can print off the PPACA Q & A where it states that it is not required.

Skip Finnell suggested writing a letter to BCBS in protest of its policy on MA State Mandates. Mr. Finnell said that it is an inappropriate response to cutting costs for taxpayers.

Gerry Panuczak made a motion to authorize Skip Finnell and Noreen Mavro-Flanders to write a letter to BCBS. Mr. Panuczak suggested sending the letter to other Joint Purchase Groups to send out on their own if they agree with CCMHG.

Motion

Heather Harper seconded the motion. The motion was passed by unanimous vote.

Treasurer's Report:

Treasurer, Rich Bienvenue, CPA reviewed the financial statements through February 28, 2011 (unaudited figures). He said that the total operating cash was \$20.2M which was down almost \$600K from this time last year. He noted that the one town that was past due is now paying as billed, but said that they still owe

approximately \$200K for past discrepancies. He said that it has been difficult for the town to reconcile the records going back so far.

The Committee discussed the issue and asked Mr. Bienvenue to write a letter to the town with a history of the account and showing the past due amount.

Skip Finnell said that he will make a phone call to the Town Manager to discuss the past due amount.

Mr. Bienvenue said that the Health Trust Fund Balance was \$23.9M at the end of February 28. He reported assets at \$33.2M and liabilities of \$9.2M. Mr. Bienvenue said that the Medicare Part D Reimbursement is an estimate and said that the amounts due BCBS and HPHC adjustments on the last settlement did not get into this report.

Sue Milne commented that the letters to the town managers advising of the 2007 RDS reimbursement have not gone out yet.

Carol Cormier said that she would send the letter and will state that if she does not hear back by May 10th, that the reimbursement will be paid out in FY11.

There was a discussion about the rate projections and if there was a way to make them closer to the actual numbers.

Rich Bienvenue said that one reason that CCMHG has break-even years is that the investment earnings are not figured into the rates. He said that there was \$1.3M in earnings this year.

Gerry Panuczak said that there is not a policy on use of the investment earnings and said that the Committee may want to work on a policy that would advise when to liquidate the earnings and transfer them into the trust account.

CCMHG Website:

Erin Orcutt said that there was nothing new to report. She said that there was no response to her request for volunteers to form a committee to work on this project. Ms. Orcutt said that she is willing to help with the project, but cannot assume the responsibility for the entire project.

Carol Cormier asked Ms. Orcutt to send her the names of the web designers that she contacted.

Noreen Mavro-Flanders asked to add this topic to the next agenda and said that she may be able to help.

State legislative proposals for municipal health benefits reform and Coalition of Joint Purchase Groups meeting:

Bill Hickey said that the original bill said that copays could increase up to the GIC levels. He said that there would be a 30-day window to bargain and if they failed to agree, the unions would share in 20% of the savings. He said if they agreed, they would share in 10% of the savings. He said the incentive is limited.

Carol Cormier said that letters and emails need to be sent to the legislators. She said that the CCMHG/GIC benefit comparison chart would be ready soon.

Health Plan Reports:

Delta Dental- Nina Conroy said that April is Oral Cancer Month. She said that the dentists check for signs of cancer, but mentioned that the insurance would not cover the black light testing. Ms. Conroy said that student certification notices will be sent out in July. She said if the certifications are not received back to Delta Dental by the end of August, that the dependent would be cancelled.

Harvard Pilgrim Health Care- Bill Hickey said that President and CEO Eric Schultz would be happy to attend a Steering Committee and/or Board meeting.

Other Business:

There was no other business.

Noreen Mavro-Flanders made a motion to adjourn.

Motion

Marie Buckner seconded the motion.

Chair, Skip Finnell adjourned the meeting at 11:45 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*