

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

**STEERING COMMITTEE**

Wednesday, April 30, 2008, 9:00 AM  
Sandwich Municipal Office Building  
16 Jan Sebastian Drive, Sandwich, MA

**MEETING MINUTES**

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, April 30, 2008 at 9:00 AM at the Sandwich Municipal Office Building, 16 Jan Sebastian Drive, Sandwich, MA. The following people attended the meeting:

**Committee Members Present:**

Bob Whritenour, Chair	Town of Falmouth
Noreen Mavro-Flanders	Duke’s County
Bob Canevazzi	Town of Dennis
Gerry Panuczak	Town of Chatham
Marie Buckner	Town of Sandwich
David Withrow	Town of Orleans
A. Francis Finnell	Dennis-Yarmouth RSD
Debra Blanchette	Town of Barnstable
Maggie Downey	Barnstable County

**Guests Present:**

Richard Bienvenue, CPA	CCMHG Treasurer
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care
Dr. Robert Flaherty	Health Improvement Project (HIP)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Bob Whritenour, Chair, called the meeting to order at 9:08 a.m.

**Wellness Committee Report:**

Dr. Robert Flaherty distributed the Summary of health risk measures from the Health Improvement Project (HIP) held in Yarmouth. Dr. Flaherty said HIP continues to put its emphasis on cardiovascular health and disease prevention through healthy diet and exercise. Dr. Flaherty said the recommended diet is high in fiber, fruits, vegetables and legumes. Dr. Flaherty said while the former Coronary Health Improvement Project (CHIP) strongly encourages vegetarianism, HIP strongly encourages fish and recommends small servings of poultry and is okay with smaller amounts of red meat.

Dr. Flaherty said 32 individuals completed pre-program screening with 23 individuals completing the post-program screening. He said 3 others attended most of the programs but did not complete their post-program screening.

Dr. Flaherty reported the most encouraging result was the dramatic drop in average blood pressure, both systolic and diastolic. He said there were no data provided regarding smokers since there were no smokers in the class.

Among Dr. Flaherty’s recommendations were to continue with the new HIP, to try to attract higher risk participants for greater impact, to have larger classes and to complete follow-up screenings of past graduates in the fall.

Carol Cormier told Dr. Flaherty about the CCMHG website and suggested he may be able to use it for posting information about HIP. Carol Cormier said she would send him the webmaster's contact information.

Bill Hickey of HPHC and Suzanne Donahue of BCBS said they would check to see if there was a way to communicate the HIP program to those members at risk for cardiovascular disease without violating the HIPAA privacy regulations.

There was a discussion about whether or not the sessions should take place during work hours or after hours. In the case of the Police and Firefighters, Dr. Flaherty suggested sessions might work best during the shift changes.

Noreen Mavro-Flanders signed the Maxim Health Care Contract and the Cape Cod Health Care Kick Butts Contract. A copy of the Cape Cod Health Care Kick Butts Contract was given to Maggie Downey.

**Approval of the minutes of the March 25, 2008 Steering Committee meetings:**

Gerry Panuczak motioned to approve the minutes of the meeting of March 25, 2008.

Motion

Dave Withrow seconded the motion. The motion passed by unanimous vote.

**Treasurer's Report:**

Treasurer Richard Bienvenue, CPA distributed the financial statements and stated that there was nothing remarkable to report. Mr. Bienvenue said there were quarterly settle-up payments of \$107K due to Blue Cross Blue Shield and \$254K due to Harvard Pilgrim Health Care.

Rich Bienvenue distributed the Responses to the FY07 Audit Management Letter and said that the formation of a sub-committee to monitor risk assessment on an on-going basis would adequately address comment number 2 of the Management Letter.

Mr. Bienvenue said the prior approval of the warrants would now take place before the Steering Committee Meeting and should be effective for the June 2008 warrant.

Carol Cormier asked how the new warrant approval process would work.

Rich Bienvenue said it could be as easy as having one member of the Steering Committee approving the warrant.

Rich Bienvenue said he was going to redesign the financial reports to include identifying the bank statements and to show payment of the warrants.

Rich Bienvenue said the Treasurer will provide the Steering Committee with a documented risk assessment process by June 30, 2008, that it can adopt as part of its financial policies.

Mr. Bienvenue said he would bring the Peachtree Application documents to the next meeting to discuss.

Skip Finnell motioned to formally adopt the Management Letter Responses prepared by Rich Bienvenue and have them forwarded to Bill Fraher, the Group's auditor.

Motion

Maggie Downey seconded the motion. The motion passed by unanimous vote.

**Investment Committee Report:**

Skip Finnell said the investments continue to increase in value but not to the extent they would in a better market. He asked the Steering Committee if he could postpone the next meeting scheduled for June 9, 2008 until the Board Meeting since it is scheduled in mid-July. The Steering Committee members agreed.

**Warrant Summary of May 2008:**

Skip Finnell made a motion to approve the May 2, 2008 Warrant Summary.

Motion

Bob Canevazzi seconded the motion. The motion passed by unanimous vote.

**GBS Reports:**

**Funding Rate Analysis by Plan** – Carol Cormier said that the report shows data through March. She said that expenses were 107.4% of the funding for the health plans. Ms. Cormier said that the dental plans were doing very well with an expense-to-funding ratio of 92.1%.

**Level Monthly Deposit Accounting** - Ms. Cormier said that the settlement amount due BCBS for expenses in the 3<sup>rd</sup> quarter of FY08 is approximately \$1.4M. She said the settle-up payment due HPHC is approximately \$169K.

**myMedicationAdvisor report** - Ms. Cormier noted that the myMedicationAdvisor report was in the packet with data through March. She said that the alternative generics savings program utilization fell below projections.

Noreen Mavro-Flanders asked if the Group should do another promotion.

Carol Cormier asked if another letter sent out by MMA would be beneficial.

Ms. Mavro-Flanders asked Carol to have The Abacus Group send out another letter about the alternative generics savings program.

**Stop Loss Reports** –

Carol Cormier noted that Companion Life Insurance would not be participating in quoting on re-insurance to municipalities and said the main reason was the high claims and the number of retirees on the plans.

Maggie Downey asked it would be an incentive to adopt Section 18 to shift the claims costs.

Carol Cormier said reducing the average age of the insured pool would help.

Karen Carpenter said the FY08 Stop Loss Report with claims paid through February was in the meeting packets but that the Stop Loss Report with claims paid through March was completed. Ms. Carpenter distributed and reviewed the FY08 Stop Loss Report with claims paid through March. Ms. Carpenter said that there are fifteen claimants who had exceeded the \$150K specific deductible with an outstanding reimbursement due to the Group of approximately \$1.58 million after the aggregating specific deductible of \$500K is deducted. Ms. Carpenter said there are 45 claimants on the Report of claims at fifty percent with total paid claims through January of approximately \$4.69 million.

For the FY07 policy Ms. Carpenter said the policy run-out period ended December 31, 2007 and that there were thirty-eight claimants with total claims of over \$9.1 million. She said there is an outstanding reimbursement due to the Group of approximately \$1.2 million.

Carol Cormier suggested eliminating seeking quotes on a \$150K deductible and getting quotes for \$200K, \$250K and \$300K with a \$500K Aggregate Specific Deductible. She said a \$150K deductible is low for a group the size of the CCMHG.

Bob Canevazzi made a motion to request re-insurance quotes with deductibles of \$200K, \$250K and \$300K with a \$500K Aggregate Specific Deductible.

Motion

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

**Update on the Town of Harwich:**

Bob Whritenour said everything is settled and the town will become a member of CCMHG on July 1, 2008.

Maggie Downey asked if Harwich has already adopted Section 18.

Bob Canevazzi said the adoption of Section 18 to the Town of Harwich was defeated.

Mr. Canevazzi asked if Harwich would need to appoint members to the Board of Directors.

Carol Cormier said that they would and that they are aware that they have until the end of June to make the appointments.

**Request for Special Open Enrollment for Town of Brewster:**

Ms. Cormier said that the town of Brewster requests a special open enrollment for Master Medical members because the town has successfully negotiated a lower contribution to this plan.

Skip Finnell made a motion to approve the Special Open Enrollment for the Town of Brewster as requested.

Dave Withrow seconded the motion. The motion was passed by unanimous vote.

Motion

**Adding plans with higher co-pays/lower rates for FY10:**

Carol Cormier said in the proposal to add plans with higher co-pays and lower rates for FY10, the plans would be rated on actuarial value rather than on claims experience since the membership of those plans would be low in the early years.

Ms. Cormier distributed examples of higher co-pay/lower rate plans using those of the West Suburban Health Group (WSHG). She said these were named Rate Saver plans by WSHG. She reviewed the benefit comparison chart of the WSHG Rate Saver plans and the current CCMHG EPO plans. She explained that the WSHG's BCBS and Tufts Rate Saver plans are tiered network plans. She asked Suzanne Donahue from BCBS to explain the BCBS provider network tiering.

Suzanne Donahue said the BCBS Rate Saver plan providers are rated based on quality and cost and are assigned into three tiers. She said the high quality/low cost providers are in Tier 1, and if members use these providers, they pay the lowest co-pays. She said high cost/low quality providers are Tier 3, and members using these providers pay the highest co-pays. She said BCBS uses a national matrix to determine which tier the physicians and hospitals fall into. Ms. Donahue noted that Cape Cod Hyannis Hospital is a middle tiered (Tier 2) hospital.

Ms. Donahue said that education on cost and quality is key when trying to promote the tiered Rate Saver Plans.

Dave Withrow asked how often the tiers change.

Suzanne Donahue said the tiers are updated on an annual basis.

Carol Cormier said that CCMHG may want to look at a three-year strategy and suggested offering the Rate Saver Plans with no provider tiering for the first year or two. She also said that since people living on the Cape don't have access to a wide range of providers as the people in the Boston area do, the tiering may not be a good concept for CCMHG.

Ms. Cormier discussed the approach the WSHG used giving employers flexibility in how they introduce and offer Rate Saver plans. She gave an example of how the Towns of Wayland, Shrewsbury and Wayland are introducing the Rate Saver plans.

Skip Finnell made a motion to recommend to the Board adding Rate Saver plans in addition to the existing plans no later than July of 2009.

Debra Blanchette seconded the motion. The motion was passed by unanimous vote.

Motion

Carol Cormier said that if it is acceptable to the committee she would work with the health plan representatives to develop benefit packages that result in monthly rates that are about 10% lower than the current rates.

The Committee agreed that the plans should be at least 10% less costly than current plans.

Skip Finnell said that a letter of communication with examples should be sent out to the town managers, school superintendents and other local officials as soon as possible. Mr. Finnell suggested having a meeting to which town managers in one or more of the WSHG towns who have gone through collective bargaining regarding Rate Saver plans could be invited to speak on the subject.

Carol Cormier offered to draft the letter to the Board and local officials on the Committee's recommended course of action..

**Discussion about requiring all units to adopt all CCMHG Plans:**

Bob Canevazzi said he is not in favor of mandating that all employers adopt all of the CCMHG health plans.

Carol Cormier said that the Town of Dennis' letter would need to be drafted with different language.

Bob Whritenour said that he was in favor of requiring towns that offer a limited selection of the CCMHG health plans, specifically to be required to offer at least one managed care plan.

Skip Finnell said education was necessary before any mandates are put in place.

Carol Cormier suggested to the Committee to move on the discussion about adding the Rate Saver Plans before requiring all units to adopt all CCMHG health plans. She said if the CCMHG adds a second menu of plans, it would not be wise to require all employers to offer all plans.

Bob Whritenour postponed the discussion about requiring all units to adopt all CCMHG health plans for the time being.

Maggie Downey asked if requiring all of the CCMHG units to adopt Chapter 32B, Section 18 by a certain time period was going to be discussed.

Bob Whritenour said that the Committee would be discussing Chapter 32B, Section 18 at a later date but wanted to focus on adding the Rate Saver Plans before tackling Section 18 or requiring all units to adopt all of the CCMHG health plans.

Mr. Whritenour asked Carol Cormier to add the Section 18 topic to the next Steering Committee meeting agenda.

Bob Whritenour asked Carol Cormier to create a chart to compare the Rate Saver plans to the existing plans with a ten percent rate differential between the Rate Savers and current plans.

**Alternative Prescription Drug Purchasing Program:**

Carol Cormier said that because of recent actions taken by the Ontario College of Pharmacy, CanaRx will no longer be getting supplies from Ontario and will instead source from the western provinces. She said that prescription drug prices are higher in the western provinces. She said that this will reduce the number of medications on the quarterly drug lists. She also said that CanaRx has been successfully importing prescription medications from other English-speaking countries and that it has quite a few clients that have expanded importation. Ms. Cormier said that if the Group wants to continue with the alternative Rx program, it should have representatives from Abacas and CanaRx come to the next meeting to discuss the options.

Carol Cormier said CCMHG may want to create a policy requiring that when a generic prescription drug becomes available in the US for a brand name prescription that the brand name prescription will be dropped from the MMA list of available prescriptions.

Skip Finnell suggested holding off on making any decisions until after hearing what Abacas has to say.

**PFFS Plans – Provider Letter:**

Bob Whritenour asked that the topic of having a Special Open Enrollment in January just for the senior health plans involved with the PFFS plans be added to the next meeting agenda.

Bill Hickey and Suzanne Donahue asked Karen Carpenter to forward them the list of the CCMHG towns that were adding the PFFS plans to their list of health plan offerings.

**FY06 Retiree Drug Subsidy (RDS) – Reconciliation:**

Carol Cormier said that the FY09 applications have been submitted.

There was a discussion about the status of the FY06 BCBS RDS application.

Suzanne Donahue said that the retiree list on the FY06 application now looks pretty good.

Ms. Cormier said that she would speak to Ruth Lynch and Judy Pote of GBS and have them check the report on the website.

The Steering Committee said that if the loss is under \$5K, that they would go with the current list and not risk missing the application deadline.

**BCBS High Cost Claim Payment Issue:**

Carol Cormier suggested that the Steering Committee authorize hiring an auditor to complete an independent audit and recommended the Northshore International Insurance Services, Inc.(NIIS) since they have had experience working with BCBS in the past. She said that NIIS came well-recommended.

Ms. Cormier said the auditor's cost would be \$150.00 per hour and would take about twenty to forty hours to complete.

Suzanne Donahue said that the BCBS audit concluded that the claims were processed correctly.

Bob Canevazzi made a motion to engage North Shore International Insurance Services, Inc. to complete an independent audit of the high cost claim.

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

**Health Plan Reports:**

Suzanne Donahue said the CMS audit notices are going to be sent out soon but she was not sure who would be getting them.

Bill Hickey said he had the details of the GIC benefits and he would be happy to give them out to whoever wanted a copy.

**Other Business:**

Bob Whritenour scheduled the next Steering Committee meeting for May 21, 2008 at 9:00 a.m. to be held at the Sandwich Municipal Office Building, 16 Jan Sebastian Drive, Sandwich, MA.

Carol Cormier said that another meeting in June would need to be set in order to review the reinsurance quotes.

Bob Whritenour scheduled the Steering Committee meeting to review the reinsurance quotes for June 12, 2008 at 8:30 a.m. at the Sandwich Municipal Office Building, 16 Jan Sebastian Drive.

Moti

Bob Canevazzi distributed an article about the effect of gastric bypass surgery on diabetes and cancer.

Mr. Canevazzi asked what definitions were used by the health plans which determine when a person would be eligible for insurance coverage of the gastric bypass procedure. Mr. Canevazzi said if this type of surgery was covered for CCMHG members that it may have a cost impact on the group in addition to the benefits to the member.

Suzanne Donahue said she would run a report for two or more years back to see the number of members who had the surgery.

Bob Whritenour adjourned the meeting at 11:53 a.m.

*Prepared by Karen Carpenter  
Group Benefits Strategies*