

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

STEERING COMMITTEE

Wednesday, May 21, 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, May 21, 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

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care
Fred Winer	Tufts Health Plan
Heidi Steinitz	The Abacus Group
Christopher Collins	CanaRX
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Bob Whritenour, Chair, called the meeting to order at 9:12 a.m.

Approval of the minutes of the April 28, 2008 Steering Committee meeting:

The minutes were not available to be approved as of this date.

Investment Committee Report:

Skip Finnell said the next Investment Committee meeting was scheduled for July.

Health Plans:

BCBS – Suzanne Donahue said the Blue Care Elect Preferred presentation available on the CCMHG website is being updated. Ms. Donahue said the presentation is beneficial for those who want to compare the BCBS PPO and BCBS HMO to the BC Master Health plan. She said the current presentation name is “Brainshark” but it is going to be changed to a name that members will be able to identify as Blue Care Elect. Ms. Donahue said she would send the presentation to the Steering Committee along with its new name when it is available.

HPHC - Bill Hickey said he did not have anything new to report.

Bob Whritenour thanked the health plans for all their work to make the CCMHG health fairs so informative and enjoyable.

Alternative RX Program:

Carol Cormier introduced Christopher Collins from CanaRX and Heidi Steinitz from The Abacus Group.

Heidi Steinitz said the CCMHG RX program is still functioning well and volume is remaining high. Ms. Steinitz said higher Canadian Rx prices and the current exchange rate are having an impact on the program. She said that as prices rise and the value of the dollar drops, the list of drugs that are available is dwindling.

Ms. Steinitz said that CanaRX is urging clients to expand importing of prescription drugs to other English-speaking countries such as Great Britain, Australia, and New Zealand. Heidi Steinitz said CanaRx is vetting the New Zealand system to check the safety of their distribution practices.

Heidi Steinitz said other than the first order taking a few days longer to process, that the transition to expanded importing would be almost transparent to the members.

Bob Whritenour asked Ms. Steinitz if CCMHG was already receiving distributions from other countries.

Ms. Steinitz said that while the drugs may be manufactured in other countries, the distribution of the prescription drugs has not changed and is only from Canada.

Ms. Steinitz recommended implementing the expanded import program no later than August 1st in order to maximize the savings.

Carol Cormier asked how many members would be affected and see their prescriptions coming from other countries.

Heidi Steinitz said it would depend on which countries are selected by the group. She said that Abacus would look at each country and order from the country with the lowest cost either by the quarter or on a yearly basis. Ms. Steinitz said that if the group authorizes a quarterly change, the members would need to have new prescriptions filled out each quarter.

Carol Cormier said there would need to be an outreach to all members so that the transition would be as seamless as possible.

Carol Cormier asked if the drugs would look different and asked about monitoring of the name of the drug to be the same as the name in the US.

Heidi Steinitz said that other than the shape and color of the drugs, there would not be any difference.

Chris Collins said that it has been his experience that most of the drugs look identical and said that CanaRX would still be monitoring the names of the drugs.

Carol Cormier said that the Board does not meet until July 23rd and they would not be able to make a decision before that time. She suggested if the Steering Committee wants to try to begin the expanded program for August 1, that she could get a sense of the Board members' opinions on this via email.

The Committee agreed that GBS should survey the Board.

Carol Cormier asked Heidi Steinitz to compose a letter to the Board to explain the expanded import program and reasons for adopting it.

Skip Finnell asked who is responsible for the safety of the drugs.

Chris Collins said CanaRX is responsible for the safety. He said he believes that is stated in the contract.

Heidi Steinitz said that what is most important for safety is the chain of custody. Ms. Steinitz said the shipment is checked every step of the way and is required by law.

Chris Collins said that the distribution is controlled by each country's government and not private industry.

Noreen Mavro-Flanders made a motion to expand prescription drug importing to countries other than Canada, specifically Great Britain, Australia and New Zealand pending results of vetting, and to lock in the source country for each script for 12 months subject to ratification by the Board.

Motion

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

Carol Cormier asked what the Committee wanted to do about the brand name drugs when generic equivalent drugs become available. She asked if they wanted to continue to allow the brand name to be available or was there an interest in adopting a policy that would eliminate the brand name drug from the list of available imported drugs once the generic equivalent became available.

Bob Whritenour said he thinks they should follow the state guidelines and Mass. is a mandatory generics state.

Chris Collins said there are some policies that will only allow a brand name to be dispensed when the doctor specifies that there is a medical reason to write the prescription as a brand name. Mr. Collins said there is a special form that would need to be submitted by the physician. He said he suggests using this approach rather than eliminating the brand name from the med list entirely. He said that brands for which a generic equivalent is available would have an indicator on the list stating that medical review and approval is required to fill the script as a brand.

Carol Cormier asked Chris Collins to forward a copy of the form to her.

Bob Whritenour thanked Heidi Steinitz and Chris Collins. They left the meeting at this time.

Treasurer's Report:

Treasurer Richard Bienvenue, CPA distributed and reviewed the financial statements. Mr. Bienvenue said there were quarterly settle-up payments of \$1.2 million due to Blue Cross Blue Shield and \$162K due to Harvard Pilgrim Health Care. He reported an unreserved fund balance on March 31st of approximately \$22.4 million. Mr. Bienvenue said the total operating cash was approximately \$14 million.

Skip Finnell asked if it was time to discuss changing the formula to calculate the IBNR.

Rich Bienvenue said they should review the numbers at the end of June.

Carol Cormier said she would provide an updated FY07 run-out report to Mr. Bienvenue.

GBS Reports:

Carol Cormier said that there were no changes to the GBS Reports since they were reviewed at the April 28, 2008 Steering Committee Meeting.

Warrant Summary of June 2008:

Dave Withrow made a motion to approve the June 2008 Warrant Summary.

Motion

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

HPHC FY09 Level Monthly Funding Proposal:

Bill Hickey reviewed the proposal and said the current Level Monthly Payment is \$1.7 million and the proposed new FY09 Level Monthly Payment amount would be \$1.9 million. Mr. Hickey said the average monthly claims charges over the last twelve months comes to \$1,746,833.85.

Noreen Mavro-Flanders made a motion to correct the date on the written proposal to FY2009 and increase the Level Monthly Payment to \$1.9 million.

Motion

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

Proposed “Rate Saver” Plans Benefit Design:

Carol Cormier distributed the comparison chart that compared the current CCMHG EPO plans with proposed “Rate Saver” plans. Ms. Cormier said if the CCMHG follows the West Suburban Health Group approach, the plans would be added to the CCMHG menu but each employer could decide to add them as an option, bargain out the current plans and replace them with Rate Savers or do nothing.

Ms. Cormier said that she used an assumption of a 7% rate difference between the standard plans and the “Rate Saver” plans in preparing an exhibit showing employer and employee costs under several different employer contribution levels.

Bill Hickey said if a deductible was added to the drugs, it would increase the claims savings by an additional 7% to 8%.

Carol Cormier said another option to increase the savings could be to add co-insurance to the drug coverage which would adjust the drug increases automatically.

Suzanne Donahue of BCBS recommended keeping the options uncomplicated and easy for the employees to understand.

Ms. Cormier said that the decrements are decrements to claims only and will not translate directly to the rates.

Carol Cormier said that units that contribute a high percentage towards the health plans will have the least migration of members to the “Rate Savers”. Ms. Cormier said that there are ways to deal with this through incentives.

Carol Cormier said that the rate saver plans are similar to the GIC plans because of the higher co-pays.

Skip Finnell said he would like to see a comparison of the GIC benefits and the “Rate Saver” plans side by side.

Carol Cormier said the comparison would be limited since the GIC HPHC plan is a PPO and the GIC does not offer BCBS plans.

Dave Withrow said he was hoping to show the members how the “Rate Savers” would have better benefits than that of the GIC.

Bill Hickey said that one major downside to the GIC PPO plans is that members cannot live outside of the HMO area. He said if they live outside the area, they would have to join a Unicare plan.

Bob Whritenour asked Carol Cormier to re-do the comparison charts to reflect 10% and 12% rate decrements and to eliminate the chiropractic benefit proposed by BCBS for now. Mr. Whritenour said the chiropractic benefit would be revisited at a later date.

Carol said a vote by the Board would probably need to be in place by September 2008 to allow time to bargain for July 2009.

Mr. Whritenour asked Carol Cormier to keep this topic on the agenda.

Promoting Adoption of Chapter 32B, Section 18:

Bob Whritenour said this topic needed to be discussed and voted on by a full Steering Committee and the Board but said the remaining members of the Committee were free to explore some of the options.

Carol Cormier said that the House recently voted favorably on a bill to allow employers to grandfather in existing retirees. She said this would be an option for employers if it passes. She said it will reduce savings.

Ms. Cormier told the Committee that the re-insurers asked her to provide them with a list of employers that have adopted Ch.32B, Section 18. She said that they would most likely give a more favorable policy rate if most of the units have adopted Section 18.

Dave Withrow asked if the Group could mandate that participating employers adopt Section 18.

Carol Cormier said that this could be made a condition of participation. She said that there could alternatively be surcharges on rates for members that have not adopted Section 18. She said since most of the employers have not adopted Section 18, it seems unlikely that the Board would pass such a measure at this time. Carol Cormier said some employers that have contribution strategies that work against adoption of Section 18 have opted to pay part of the Part B Premiums for their existing retirees to make the change easier.

Debra Blanchette said she created a spreadsheet comparing costs for Town of Barnstable which is studying whether or not to adopt Section 18.

Bob Whritenour asked Ms. Blanchette if she would send him the spreadsheet to review.

Noreen Mavro-Flanders made a motion to move towards requiring all CCMHG members to adopt Ch.32B, Section 18 and to add it to the next agenda.

Motion

Gerry Panuczak seconded the motion. The motion was passed by unanimous vote.

Member Request to Appeal Denial by Harvard Pilgrim:

Carol Cormier distributed and gave a summary of the member's request for an appeal to the decision made by Harvard Pilgrim Health Plan.

Carol Cormier described the general facts of the case and basis for the appeal. She said the member was requesting an additional 90 days of therapy. She pointed out that there was a letter from the physician stating the need for additional therapy without which he thought it possible that additional surgery would be required.

There was a discussion.

Noreen Mavro-Flanders made a motion to over-turn the HPHC denial and to extend the PT/OT therapy an additional 90 days.

Motion

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

Carol Cormier said she would write the appeal response letter.

BCBS High Cost Claim Payment Issue:

Carol Cormier said that Noreen Mavro-Flanders had signed the letter authorizing BCBS to release information to Northshore International Insurance Services, Inc.(NIIS) for purposes of completing an audit on the claim.

Ms. Cormier said she would forward a copy of the letter to Suzanne Donahue at BCBS.

Other Business:

Gerry Panuczak asked if there were any updates on the PFFS plans and if having a special open enrollment in for January 1, 2009 should be added to the next agenda.

Bob Whritenour asked Carol Cormier to add the PFFS plans special open enrollment issue to the next agenda.

Bob Whritenour scheduled the September Steering Committee meeting for September 10, 2008 to be held on Martha's Vineyard. Meetings had been previously scheduled for June 12 at 8:30 AM in Sandwich and on July 23rd at 8:30 AM at COMM Fire District.

Bob Whritenour adjourned the meeting at 11:31 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*