

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

STEERING COMMITTEE

Wednesday, May 30, 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, May 30, 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
Maggie Downey	Barnstable County
Dave Withrow	Town of Orleans
Roland “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 9:04 a.m.

Approval of the minutes of April 25, 2007:

Skip Finnell motioned to approve the minutes of the meeting of April 25, 2007.

Motion

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

Treasurer’s Report:

Treasurer Rich Bienvenue reviewed the income statements of April 30, 2007 (unaudited figures). Mr. Bienvenue said the fund balance as of April 30, 2007 was \$18,859,182. He said the claims for the month of March were very high. He said \$1.8M was due to BCBS and \$417K to HPHC, causing the claims to exceed the deposit for March. He said he expects the month of April to be similar.

Maggie Downey asked if this was typical for this quarter.

Rich Bienvenue said it seems to be. He said the claims are trending higher. He said the Retiree Drug Subsidy (RDS) funds of \$900K were added to the balance and represents six months of reimbursement from 1/1/06-6/30/06.

There was a discussion regarding cash flow and investments.

Wellness Committee Report: Maggie Downey said the Wellness Committee has sent a Wellness Participation Agreement to each of the unit heads and has sent a copy of the letter to each Board member. She said she has only received 6 responses so far. She said the responses would help the Committee to decide which programs to focus on. She said the Committee would work on obtaining responses from the rest of the units. She said there would be a Wellness Committee meeting on June 18, 2007. Ms. Downey said prizes were distributed for the events that ended in May and the Committee is currently working on the budget in order to present it to the Steering Committee on June 20, 2007.

There was a discussion regarding worksite screenings.

GBS Reports:

Funding Rate Analysis by Plan – Carol Cormier said the HPHC plans are running well but the BCBS plans are not sufficiently funded due to large claims. She said the composite expense-to-funding ratio for the health plans through April 2007 was 100.6%. She said the Dental expense-to-funding ratio was 94.7%. Ms. Cormier said the new Voluntary dental plan begins on July 1, 2007. She said the dental claims of Nauset Regional School District will be combined with the CCMHG risk pool.

Level Monthly Deposits – Carol Cormier said the Group owes Blue Cross Blue Shield \$444K for the fourth quarter and \$222K to Harvard Pilgrim Health Care. Ms. Cormier said the myMedicationAdvisor® Generic program is falling short of its projections.

There was a discussion with regard to the Canadian program versus the Alternative Generic program.

Skip Finnell suggested a coupon of \$5 as incentive to going to the mMA site or a scavenger hunt on the site to get members to explore it. He said it was important to educate members about prescription drugs and the features on the mMA website.

Bill Hickey said the informational sessions that occurred in May should prompt some activity. He said he noticed Kim Anderson, mMA, spending a lot of time and energy promoting the program and educating people about it.

Stop Loss Reports – Lisa Trombly said the reports were not available for distribution but that the FY07 aggregating specific deductible was not met yet. She said there was nothing new to report for FY06 and that the \$56K outstanding reimbursement from the FY05 policy period was finally received. She said Atty. Kevin Feeley had sent a letter to the reinsurer's managing general underwriter refuting the basis of denial of this reimbursement and the response was positive.

Reinsurance Requests for Quotes – Carol Cormier said the requests were sent out to six reinsurance vendors and response was due on June 7, 2007.

Joint Purchase Agreement proposed amendment:

Carol Cormier said the entire Joint Purchase Agreement was enclosed in the packet along with the suggested amendment. She said it would need to be reviewed and if approved, recommended to the Board for adoption.

Skip Finnell asked if any other changes were necessary.

Carol Cormier said the Agreement should be reviewed to see if any other changes were necessary because it hasn't been reviewed in a very long time. She recommended adding language relative to Section 18, requiring new members to adopt it prior to joining the CCMHG.

The Steering Committee agreed to review the Agreement further before recommending it to the Board.

There was a discussion regarding MIA and Section 18.

Bob Whritenour said the Group desires to have all members adopt Section 18. He said they should be given a timeframe so that units can approach their deciding authorities. He said the units may get turned down but should be required to at least bring it to the Town and make a legitimate effort. He said no penalty would be applied if there was an effort but that a penalty should be applied to those who choose not to attempt getting Section 18 approved.

Dave Withrow said ultimately if the Town turns it down they would be costing the Group money. He said that units should be charged some kind of penalty for a specific timeframe.

Maggie Downey said she didn't think a penalty would be an issue because this would help with the effort of getting everyone to adopt Section 18.

Skip Finnell motioned to approve the Joint Purchase Agreement amendment regarding open meetings as written.

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

Motion

BCBS Issues:

ESI fees and update on BCBS contracts and timely notifications - Bob Whritenour thanked Suzanne Donahue for organizing a meeting between BCBS and CCMHG representatives to discuss the notices and changes. He said a lot of the issues were resolved but that things were not finalized yet.

Suzanne Donahue said it was very helpful to have this meeting. She said there is closure due to it. She distributed a letter that thanked Noreen Mavro-Flanders, Bob Whritenour, and Carol Cormier for meeting with the Legal and Contracts leaders. She said BCBS has decided to waive the fees for January through March 2007 and begin billing as of April 2007 for the RDS fees passed on by ESI of \$0.84 per member per month. She said it was helpful to Contracts and Legal to hear the impactful message directly from the client rather than through her.

Noreen Mavro-Flanders said she thought the BCBS proposal was very fair. She said there is some contract language that still needs to be sharpened.

Suzanne Donahue said BCBS is still working on the contract language.

Bob Whritenour asked Ms. Donahue to advise BCBS that the CCMHG would accept its offer to waive the fees of January through March and to pass along its appreciation for the resolution of this matter.

Skip Finnell said an amendment with the change to the contract with BCBS should be reviewed and approved.

Proposed FY08 BCBS Level Monthly Deposit – Carol Cormier reviewed the proposal of BCBS to increase the Level Monthly Deposit beginning FY08.

Noreen Mavro-Flanders moved to accept the proposal of BCBS for the FY08 Level Monthly Deposit of \$6,682,000.

Motion

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

MA Health Reform Act – Employer compliance:

Carol Cormier said that GBS has decided to hold a seminar to inform employers of their responsibilities under the MA Health Reform Act. She said the Seminar would be held on June 13, 2007 at the Best Western Hotel in Marlboro.

Seminar was subsequently moved to the Worcester Hotel, Worcester.

Dave Withrow asked if Section 125 would be discussed at the Seminar.

Carol Cormier said that the employer's responsibility to set up a Section 125 plan would be a major topic of the presentation. She said the WSHG is working on creating a Section 125 plan template for July 1, 2007 of which all

employers in that group could take advantage. She said most of the Joint Purchase Groups are interested in obtaining it. Ms. Cormier recommended that separate Section 125 plans be set up for employees who are non-benefit eligible from those who are benefit eligible.

There was a discussion regarding the Section 125 plans and the filing date requirements.

2nd Meeting with Lt. Governor Tim Murray:

Bob Whritenour said there is a second meeting scheduled on June 12th with Lt. Governor Tim Murray. He said there are about 14 representatives of the Joint Purchase Groups who will be in attendance and it is important to devise an agenda of items to be discussed. He said it would be important to address what the next move would be. He thanked GBS for its assistance.

Carol Cormier said there are two agendas. She said the first one is for the pre-meeting and the other agenda is for the meeting at the State House scheduled to begin at 10:00 a.m.

Skip Finnell said a reminder should be sent to all who agreed to go to the meeting to make sure they commit and that it should also be confirmed with the Lt. Governor.

Carol Cormier agreed to work with Bob Whritenour to create the meeting agendas.

Prosthetics benefit:

Carol Cormier said the MA Health Reform Act established a new mandate on insurers with regard to prosthetic limbs. She said the CCMHG's BCBS plans already exceed the mandate standards but that the HPHC plans do not.

Bill Hickey said the HPHC standards are more limited. He said prosthetics coverage is rolled into the DME benefit but that the new law states there can be no maximum limit for prosthetic arms and legs. He said cost sharing may still apply.

Carol Cormier said since CCMHG is self-funded it can choose to adopt the mandate or to not adopt it.

Bill Hickey said there were prosthetics claims costs of \$4,088 in the last two years that would potentially fall into this category. He said the standard prosthetics must meet the adequate daily living requirements.

Carol Cormier asked if the arm and leg prosthetics costs could be pulled out separately.

Bill Hickey said they could. He said the benefit remains as is for now since there was no vote yet.

Skip Finnell said there should be language and a recommendation for HPHC to structure the plan similar to that of BCBS.

Bob Whritenour said he'd like this topic to be on the next agenda.

Health Plan Reports:

Blue Cross Blue Shield – Suzanne Donahue said there was a great article about nutrition written by BCBS dietitian. She said it would be a great article for the CCMHG website.

Other Business:

With no other business, Bob Whritenour adjourned the meeting at 11:10 a.m.