

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

STEERING COMMITTEE

Thursday, June 12, 2008, 8:30 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 Thursday, June 12, 2008 at 8:30 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	County of Dukes County
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
James Merriam	Town of Harwich
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care
Fred Winer	Tufts Health Plan
David Ettipio	Vision Services Plan (VSP)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Bob Whritenour, Chair, called the meeting to order at 8:49 a.m.

Approval of the minutes of the April 30, 2008 and May 21, 2008 Steering Committee meetings:

Noreen Mavro-Flanders motioned to approve the minutes of the meeting of April 30, 2008.

Motion

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

Noreen Mavro-Flanders motioned to approve the minutes of the meeting of May 21, 2008.

Motion

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

Treasurer’s Report:

Treasurer Richard Bienvenue, CPA distributed and reviewed the financial statements of April 30, 2008. Mr. Bienvenue said the total operating cash is \$11.6 million. He reported a year-to-date loss on the unreserved fund balance on April 30th of approximately \$6.8 million.

Mr. Bienvenue said approximately \$409K was received in May for the Medicare Part D subsidy.

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

Mr. Bienvenue projects a total of cash and investments to be approximately \$22.5 million at the end of June.

Dave Withrow arrived at this time.

Investment Committee Report:

Skip Finnell said the next Investment Committee meeting was scheduled for July. Mr. Finnell said investments were gaining just under 5% total return which is slightly better than the current market.

Marie Buckner joined the meeting at this time.

Vision Services Plan (VSP):

Bob Whritenour introduced David Ettipio, Account Executive for VSP and said that Troye Thompson and Christina Callahan had suggested that he present VSP to the Steering Committee instead of to each individual unit.

David Ettipio said VSP is the largest provider of vision care coverage in the US with approximately 53 million members. Mr. Ettipio said VSP is a non-profit vision care provider with access to private practice optometrists.

Mr. Ettipio distributed a plan example and reviewed the "Plan B" benefits and said that VSP has strict price controls with the physicians. Mr. Ettipio gave the example of some of the eye centers charging approximately \$200 for progressive lenses that the physicians with VSP would charge \$89 for the same lenses which would give a better benefit to the member.

Bob Whritenour said that some of the benefits offered by VSP are already offered through CCMHG's health plans such as eye exams with lower co-pays than shown on the VSP benefit plan design.

David Ettipio said the eye exam benefit could not be carved out but that the copays and other benefits could be adjusted to coordinate with the CCMHG's health plans. Mr. Ettipio said he would be able to adjust the rates with specific eligible member numbers.

Suzanne Donahue asked Mr. Ettipio if there were any requirements for a CCMHG member to stay in the plan for a specific time period.

Mr. Ettipio said there would be no such requirement for a group of this combined size other than the annual enrollment requirement.

Bob Whritenour thanked David Ettipio for the presentation and said he would like Mr. Ettipio to re-design the plan to coordinate with the CCMHG current health plan benefits so that the Steering Committee could discuss the possibility of adding the vision plan to the CCMHG benefit offerings.

Carol Cormier said she would send the health plan benefit comparisons to Mr. Ettipio.

Suzanne Donahue said that the health plan eye exam benefit is one exam every 24 months while the VSP benefit is once per year.

Gerry Panuczak said the Steering Committee should compare VSP with other vision care plans before making a decision.

All agreed with Mr. Panuczak.

Reinsurance Proposals for FY09:

Carol Cormier reviewed the proposals received and explained that the quotes were contingent upon providing reports with updated paid claims through May 2008 and that there could be lasers added to the policy.

Ms. Cormier explained that a laser is a higher specific deductible that may be assigned to a particular member that the reinsurer thinks is likely to have very high cost claims.

Ms. Cormier said that Combined Insurance Company and Federal Insurance Company do not have experience working with MA municipalities. She said the lowest quotes at all levels were submitted by HM Insurance Company through Stop Loss Insurance Brokers.

Carol Cormier reviewed the deductible analysis she provided which illustrated the estimated maximum liability using CCMHG's FY07 high cost claims trended to FY09. She pointed out that this type of analysis is only minimally helpful since the group would not have the same claims in FY09 as in FY07.

There was a discussion about the overall cost liability between going with a \$200K and \$250K deductible, and it was noted that there was an annual premium difference of approximately \$1 million.

Skip Finnell motioned to accept the quote at \$250K specific deductible (12/24) with a \$500 K Aggregating Specific Deductible from HM Insurance Company and Stop Loss Insurance Brokers.

Motion

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

“Rate Saver” Plans:

Carol Cormier re-did the comparison charts to reflect 10% and 12% rate decrements as requested by the Steering Committee at the May 21, 2008 meeting.

Marie Buckner said the migration of members to the Rate Saver plans would depend on each town's contribution rate. Ms. Buckner said those towns that contribute a higher rate to the plans would have less migration since there would not be much incentive for the members to move to lower cost plans with higher copays.

Bill Hickey said the prescription drug coverage level has the biggest impact on the premium rates.

Carol Cormier told the Steering Committee how Shrewsbury was transitioning over a two year period to the Rate Savers offered by the West Suburban Health Group.

Bob Whritenour said it would be good to have the additional plan options available to those towns for which members would benefit from them. Mr. Whritenour said he was in favor of presenting another option to the unions which would be comparable to the GIC benefit plans.

Bob Whritenour said he would like to bring the concept of Rate Saver plans as additional offerings to the Board to see what they think and then to the town officials.

Skip Finnell said he would like to see more communications to the towns before bringing it to the Board. Mr. Finnell said it would be good to have the thoughts and ideas of the chief administrative officers to bring to the Board in July.

Skip Finnell said it would be beneficial to see a final product before the July Board meeting.

Promoting adoption of Ch.32B, Section 18:

Carol Cormier said she issued the reinsurance RFQs with data of those retirees that were going to be coming off of the CCMHG active plans due to Section 18 and believes it helped with the premium quotes.

Jim Merriam wants to see the impact of adopting Section 18 on GASB45 projected costs.

Debra Blanchette said that Barnstable is working on passing Ch 32B, Section 18. She said the town has sent several communications to the members over a long period of time to keep them informed of the progress.

Bob Whritenour asked Carol to keep this topic on the agenda.

Gerry Panuczak said the Steering Committee should bring the topic to the Board meeting.

Special Open Enrollment for PFFS Plans:

Skip Finnell made a motion to recommend to the Board that it add a special open enrollment in January 2009 just for seniors who want to enroll in the PFFS plans.

Motion

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

BCBS High Cost Claim Payment Issue:

Carol Cormier said that she received an email from Adria Garneau of Northshore International Insurance Services (NIIS) requesting a change be made to the confidentiality agreement between BCBS, CCMHG and NIIS. Ms. Cormier said the audit can move forward once the change is made and the agreement has been signed.

Suzanne Donahue said the agreement should be ready next week.

Carol Cormier said a portion of the claim is being denied and that she is expecting to receive the denial details from Matrix.

Agenda for July 23, 2008 Board Meeting:

Among the topics for the Board Meeting are the Rate Savers, the GIC option, Chapter 32B, Section 18, Vision Services Plan, Reinsurance policy award, and Board ratification of the expanded prescription drug importation.

Carol asked the Steering Committee to confirm its position on dealing with brand name drugs that now have generic equivalents through the importation program.

The Steering Committee confirmed that it wanted generic drugs to be dispensed unless the physician specifically requests a brand name to be dispensed due to medical reasons and that it wants CanaRx to use physician authorization forms for requests for the brand name similar to those used by the health plans.

Health Plans:

BCBS – Suzanne Donahue said she is anxious to see the enrollment numbers from GBS after the open enrollment is ended.

HPHC – Bill Hickey talked about the health fairs. He said he did not have anything to report from HPHC.

Other Business:

Carol Cormier told Mr. Merriam that she had not received the Board appointments from Town of Harwich.

There was no other business.

Bob Whritenour adjourned the meeting at 11:12 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*