

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

STEERING COMMITTEE

Tuesday, June 12, 2012 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 Tuesday, June 12, 2012 at the Sandwich Municipal Office Bldg., 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
Debra Blanchette	Town of Barnstable
Heather Harper	Town of Falmouth
Erin Orcutt	Cape Cod Regional THS
Gerry Panuczak	Town of Chatham

Guests Present:

Richard Bienvenue	CCMHG Treasurer
Jan Hagberg	Town of Sandwich
Robin Cherry	Town of Sandwich
John Webb	HMS Eligibility Auditing
Stan Staiger	EyeMed Vision Care
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Plan (HPHC)
Fred Winer	Tufts Health Plan (THP)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 9:03 a.m. He said that he would like to change the order of the agenda to first address the items that require a vote.

Approval of the Minutes of the May 15, 2012 meeting:

Heather Harper motioned to approve the minutes of the May 15, 2012 meeting.

Motion

Erin Orcutt seconded the motion. Noreen Mavro-Flanders abstained.
The motion passed by a majority vote.

Approval of the June 2012 Warrant:

Carol Cormier reviewed the June 2012 warrant and said that the previously paid Retiree Drug Subsidy (RDS) distribution was noted at the bottom of the warrant. Ms. Cormier said that the Delta Dental claims amount paid by a wire transfer was also added.

Rich Bienvenue said that a partial payment to Colewebdev was also sent and should appear on the July warrant.

Noreen Mavro-Flanders made a motion to approve the warrant as presented.

Motion

Erin Orcutt seconded the motion. The motion passed by unanimous vote.

Debra Blanchette joined the meeting.

Reinsurance quotes for FY13:

Carol Cormier said that two reinsurance quotes were received with the requested policy levels and that two alternative quotes with higher specific deductibles were received. Ms. Cormier said that two of the quotes received were from BCBS and Stop Loss Insurance Services, the incumbent carrier and broker, and two quotes from HM Insurance and Stop Loss Insurance Brokers. She said that BCBS submitted the lower quote with the current policy specifics, \$300K Specific Deductible, \$500K Aggregating Specific Deductible (12/24), and no lasers. She said that the premium cost increase is 15.6% and said that the new claims report through May and two known transplant cases are reflected in the rates. Ms. Cormier said she recommends quote “a” with the incumbent carrier and same policy specifications as with the current policy.

Noreen Mavro-Flanders made a motion to accept quote “a”, a renewal with BCBS, the incumbent carrier and the broker, Stop Loss Insurance Services as written, a \$300K Specific Deductible, \$500K Aggregating Specific Deductible, (12/24).

Motion

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

Strategic Plan-final:

The Steering Committee reviewed the final recommended Strategic Plan document.

Noreen Mavro-Flanders made a motion to approve the final document and to present it to the Board for their approval at the July meeting.

Motion

Erin Orcutt seconded the motion. The motion passed by unanimous vote.

Wellness Committee Issues:

Skip Finnell said that the Wellness Committee representatives are not present and there is no report available. Mr. Finnell said that he is going to attend the June 29, 2012 Wellness Committee meeting at 8:30 a.m. at Maggie Downey’s office in Barnstable County.

Treasurer’s Report

Treasurer Richard Bienvenue reviewed the financial statements (unaudited figures) as of April 30, 2012. He reported a Total Fund Balance of \$23,449,743, an increase of \$2M year-to-date. Mr. Bienvenue said that he needs to post the audit adjustments of \$1M receivable for the ERRP reimbursement that is not expected and also the COBRA adjustment. He said there was a \$850K BCBS quarterly settle-up due to BCBS and \$500K settle-up due to HPHC at the end of April. Mr. Bienvenue said that the expected reinsurance reimbursement amount will be adjusted to reflect the current stop loss report. Mr. Bienvenue said that he is expecting CCMHG to break even at the end of the fiscal year.

Debra Blanchette made a motion to accept the Treasurer’s report.

Motion

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

Web-based accounting program – Rich Bienvenue suggested that if the Committee was interested in pursuing the option of transitioning to a web-based accounting system that they could review the program at “intact.com”. Mr. Bienvenue said that the possibility will need to be discussed with Carol Cormier to see if Group Benefits Strategies would be able to integrate their processes with the program. He said that the program is an electronic program and that all the transactions would go through an approval process.

He said that the program will help with internal controls but said that some of the smaller units may not have the resources to utilize the program. Mr. Bienvenue said that he estimates the subscription cost at about \$250 per month. He said no outside vendor is needed.

Skip Finnell said that once it is determined if GBS can accommodate the program, that a communication will need to be sent out to solicit volunteers.

Mr. Bienvenue said that he sent the process checklist to Skip Finnell and offered to invite two Committee members to his office to review the procedures.

CCMHG website redesign – status update:

Karen Carpenter said that she, Rich Bienvenue, Sue Milne, and Jackie Rivero met with Josiah Cole in Mr. Bienvenue's office to discuss the structure and features that the group may want the website to display. She said Rich Bienvenue provided a summary of that meeting. She said that Jackie Rivero, Town of Yarmouth's Assistant Treasurer volunteered and worked on the structure and sent it to Mr. Cole. She said Mr. Cole provided a first draft of the home page to the group for comments. Ms. Carpenter said that Mr. Cole expects the second draft to be completed next week.

Rich Bienvenue said that one of the options for the website that the Committee may want to consider is the usage of email. He said that most of the Board members use their work emails, which are already subject to public review, however there are some that use their private email addresses. Mr. Bienvenue suggested that the Committee may want to consider using the CCMHG domain name to establish CCMHG email accounts.

Karen Carpenter said that a "What's New" area will be on the home page to easily find what is current news. She said that a calendar integrated with the home page will maintain a record of events and deadlines.

Skip Finnell and Noreen Mavro-Flanders thanked Mr. Bienvenue and Ms. Carpenter for their work on bringing a new website to CCMHG.

GBS Reports:

Carol Cormier reviewed the Funding Rate Analysis with data through March 2012. She noted that the Harvard Pilgrim EPO was under-funded by \$58,423, but said the expense-to-funding ratio across all plans was 96.5%. Ms. Cormier said that the Delta Dental plan was sufficiently funded through the rates at a 90.2% expense-to-funding ratio.

Stop Loss Reports- Karen Carpenter said that there were no updates to report since the last meeting.

Carol Cormier said that Group Benefits Strategies met with Larry Croes, BCBS Vice President of Commercial Markets and Rob Stokes, Marketing Executive for Blue Benefit Administrators of MA (BBA), a subsidiary of BCBS, offering full-service self-funded medical plan third-party administration for BCBS plans. She said that the plan options provide access to 88% of doctors and 99% of hospitals across the country at significant savings. She said that the plan options are fully customizable at all levels, provide an independent third-party administrator and the cost structure is different, which allows BBA to have lower administration fees than BCBSMA. Ms. Cormier said that the Steering Committee might want to hear a presentation.

Dependent Eligibility Audit – Finalist interview with John Webb, National Sales Director, HMS Employer Solutions:

Carol Cormier introduced John Webb and said that HMS received excellent reviews from those she contacted for references.

John Webb gave a brief overview of the history of HMS and said that the company office is located in Indiana and most of the operations are located in Texas. Mr. Webb said that if HMS is chosen as the audit company a program manager will be dedicated to CCMHG and will meet with the group two or three times to review and approve the communications to be utilized. He said that the planning phase usually takes approximately 30 days, another 45 days for the verification phase. Mr. Webb reviewed the details and said that all materials can be customized.

Mr. Webb said that a dedicated customer service department from 8:00 a.m. to 8:00 p.m. and a website to answer employees questions is provided by HMS. Mr. Webb said that all calls are recorded. He said that the members can either fax, upload documents to a live portal or can mail their documents in self-addressed envelopes provided. He said that confirmation cards are sent to each respondent following receipt of their documents(s). Mr. Webb said that HMS requests copies of documents, not originals.

Mr. Webb gave a demonstration of the live portal that the employees will have access to for information and uploading of their documents. Mr. Webb said for privacy and security, each employee is given a numerical ID number. He said that HMS is HIPAA compliant and SAS 70, Type II Certified.

Heather Harper left the meeting.

Mr. Webb said that HMS guarantees savings to the group will equal or exceed the cost of the audit and reviewed the performance guarantee.

The Committee asked questions and discussed the proposal.

Noreen Mavro-Flanders made a motion to approve the proposal from HMS as presented.

Erin Orcutt seconded the motion. The motion passed by unanimous vote.

Motion

Carol Cormier said that HMS can provide a webinar to the benefits administrators to explain the audit process and procedures. She said it may help to plan three dates since there will be 53 entities.

The Committee agreed to start the planning phase in mid-August and begin the audit mid-September.

Mr. Webb said that he will work on the service agreement and HIPAA documents.

Skip Finnell thanked Mr. Webb for a thorough presentation, and Mr. Webb left the meeting.

The Committee took a 5-minute break and Gerry Panuczak left the meeting.

EyeMed report and renewal for FY14, Stan Staiger:

Skip Finnell introduced Stan Staiger, EyeMed National Account Manager.

Stan Staiger gave a brief overview of the history of EyeMed and said that they are part of Luxottica, the manufacturer and distributor of frames. He said that the Coach and Armani brands have been added for 2012. He said that they are the largest and fastest growing eyewear company in the United States.

Mr. Staiger said that the CCMHG current program offers the Access network which has the highest number of providers and locations available through EyeMed. He said this is the most expensive network and said that depending on the CCMHG utilization, the group may want to consider moving to the Select network which has slightly fewer providers and locations, but lower premiums due to lower physician exam reimbursements.

Mr. Staiger reviewed the new wellness initiatives and recommendations. He said that retinal imaging is a benefit that can be added at no cost to the plan and would cap the member cost at \$39. He said this test

can identify early signs of eye disease including glaucoma, diabetic retinopathy and age-related macular degeneration. Mr. Staiger said that the imaging is not included as a standard of eyecare and only about 75% of physicians have the equipment to perform the imaging. In response to a question, Mr. Staiger said that he would check to see if an exam could be done in one office and the imaging done in another.

Carol Cormier said that she would check to see if the imaging is part of the eye exams covered by the health plans.

Mr. Staiger said that annual mailings to high risk members, such as those with diabetes, hypertension and high cholesterol are available at no cost to the group. He said samples are shown at the back of the presentation.

Mr. Staiger reviewed two years of utilization data and said that the CCMHG's materials utilization is higher than for EyeMed's book of business.

Mr. Staiger reviewed four options for renewal including Option 1, keeping the existing plan as is with a rate increase of 12%. He said that Option 2 would move from a 24 month frame frequency to a 12 month frequency and would increase the current premium rate by 24%. He said Option 3 would eliminate the eye exam from the current benefits and would decrease the rates by 14%. Finally, he said Option 4 would eliminate the exam benefit, keep material benefits as is, except change to a 12-month frame benefit, which would decrease the rate by just under 1%. Mr. Staiger said that a comparison is charted on page 14 of the presentation.

Skip Finnell said that the Committee will review and discuss the options and present the information to the Board at either its October 2012, January or March 2013 meeting.

Carol Cormier asked Mr. Staiger to check if the members could retain their same group number if the Board decides to change to a materials-only plan.

Skip Finnell thanked Mr. Staiger for his presentation and the renewal.

Mr. Staiger thanked the Committee and left the meeting.

Other Business:

Carol Cormier said that the Hearing on the consolidated Unfair Labor Practice Suits is scheduled on June 26, 2012.

The Committee reviewed and discussed the letter from James Weiss regarding the Martha's Vineyard wellness programs and keeping the budget the same in fiscal year 2013 as it was in 2012.

The next CCMHG Steering Committee meeting was scheduled for July 25, 2012 at 8:30 a.m. to be held at COMM Fire District, Centerville, MA. A Board meeting is scheduled at 10:00 a.m. at the same location. It was noted that Andrew Dreyfus, CEO of BCBS is scheduled to attend the Board meeting.

There was no other business.

Erin Orcutt moved to adjourn.

Motion

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

Skip Finnell adjourned the meeting at 12:20 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*