

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

STEERING COMMITTEE

Wednesday, June 17, 2009, 9:00 AM
Town of 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, June 17, 2009 at the Town of 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
David Withrow	Town of Orleans
A. Francis (“Skip”) Finnell	Dennis-Yarmouth RSD
Maggie Downey	Barnstable County
Marie Buckner	Town of Sandwich

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Michael Follick, PhD	The Abacus Group
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan
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 May 20, 2009 Steering Committee meeting:

Noreen Mavro-Flanders motioned to approve the minutes of the meeting of May 20, 2009.

Motion

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

Treasurer’s Report:

Bob Whritenour mentioned the meeting on internal controls and thanked Rich Bienvenue for his efforts working with the Committee to improve the Group’s Internal Controls.

Treasurer Richard Bienvenue, CPA, reviewed the financial statements of April 30, 2009 (unaudited figures). He said the total operating cash is \$19.08 million. He reported an unreserved fund balance on April 30 of approximately \$16.7 million for health plans and \$1.02 million for dental. Rich Bienvenue said that the total estimated Claims IBNR is \$12.5M.

Mr. Bienvenue said he will be adding a new item to the monthly cash analysis report which will help to reconcile with the warrant amount. He said that this will also help with the Group’s efforts to improve Internal Controls.

Mr. Bienvenue reviewed the cash flow projections and said that there were several pre-payments of member assessments received in March.

Mr. Bienvenue said that he projects the year-end trust fund balance to be \$17.8M. He said this will be after adjusting the IBNR down about \$6M for the year.

Mr. Bienvenue said the investment balance is \$8.9M which is a significant loss. He said the balance at the beginning of the year was \$9.7M.

Dave Withrow asked when the Committee would consider making an additional investment to the account.

Rich Bienvenue said that the Investment Committee periodically discusses whether or not to make a recommendation to the Steering Committee to add to the investments.

Investment Committee Report:

Skip Finnell said that the next Investment Committee Meeting is scheduled for July 16, 2009.

Wellness Committee Report:

Maggie Downey distributed and reviewed the FY10 proposed Wellness budget for consideration. Ms. Downey said that the budget is approximately \$10K higher than last year's budget. She said that the proposed budget does not include the Abacus Group Diabetes Program proposal. Ms. Downey said that the Committee would like to continue with the programs that were successful in FY09. She said that the Committee would like to run a HIP Program on Martha's Vineyard and one on Cape Cod. Ms. Downey said that the Smoking Cessation Pilot in Falmouth was very successful and that the program in Mashpee is doing very well. Ms. Downey said that the Committee would like to follow up with the Falmouth and Mashpee participants to report on how many have continued to remain smoke free.

Skip Finnell said that he is participating in the Mashpee Smoking Cessation program and that there are 25 participants that have remained smoke free for 6 weeks.

Ms. Downey said that HIP met with representatives from Satin Fitness to determine if they offered a program that would fit into the CCMHG Wellness Programs. She said that their program would run for 52 weeks and was well out of the wellness budget range with a cost of \$5,200 per person per year. Ms. Downey said that the Wellness Committee did not think the program was appropriate for CCMHG.

Maggie Downey said that the Committee would also like to continue with the worksite health screenings. She said that the highest cost of the cancer screenings is the mailings. Ms. Downey said that the Committee would like to add the "Healthy Lunch Bunch" program in FY10 which focuses on nutrition.

Ms. Downey said that the Unit Wellness Grants were very successful, and she asked Rich Bienvenue to let her know the total amount of dollars that was granted. Ms. Downey said that she would like the Steering Committee to consider approving \$222,326.56 for the FY10 Wellness Budget. She said that the total budget proposed for the Abacus Diabetes Program Pilot is \$214,060. She said that the savings on the prescription drug import program and the alternative generic savings program are expected to cover the cost of the diabetes program.

Noreen Mavro-Flanders made a motion to approve the FY09 Wellness Budget and to recommend to the Board to approve the FY10 Annual Wellness Budget of \$222,328.56.

Skip Finnell said that the Wellness Committee has done a great job, and he seconded the motion.

The motion was unanimously approved.

Motion

Maggie Downey made a motion to approve the Abacus Diabetes Pilot Program as described by Dr. Michael Follick at the April 29, 2009 Steering Committee Meeting.

Motion

Marie Buckner seconded the motion.

Noreen Mavro-Flanders asked Dr. Follick how the diabetes program would integrate with the health plans Disease Management programs.

Dr. Michael Follick said that the health plan's Disease Management (DM) Programs and Health Coaching are different levels of products. He said that The Abacus Group will coordinate the programs with communication to the members but will not be able to integrate the program with the health plan DM programs. Dr. Follick said that the participants will not be required to enroll into the health plans' DM programs.

Bob Whritenour asked how the participant's progress and the savings would be tracked. He said that monthly reports are critical to be able to validate the program.

Dr. Follick said that Abacus would track the participation and is asking the health plans to provide utilization reports. He said that Abacus would provide reports to CCMHG on a monthly basis.

Carol Cormier said that the compliance data from the health plans is higher than national statistics.

Dr. Follick said that compliance is still lower than 50%.

Skip Finnell asked Dr. Follick to add one or two summary paragraphs on the progress of the program along with the statistics.

Dr. Follick said that he would add a summary narrative of the program's progress.

The motion was approved by a unanimous vote.

GBS Reports:

Funding Rate Analysis by Plan –

Carol Cormier said that the GBS Funding Analysis and Level Monthly Deposit reports were unchanged from the May 20, 2009 meeting.

Rich Bienvenue said that he would be modifying the July 1, 2009 financial reports to include billing and payments for the new EyeMed vision plan. He said in anticipation, he said he would like to obtain the Committee's approval to open a new bank account for the vision plan and will track the transactions similar to what he does for the health and dental plans.

Skip Finnell made a motion to approve adding a new bank account for the EyeMed vision plan transactions.

Motion

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

Noreen Mavro-Flanders and Bob Whritenour signed the bank account application forms.

Stop Loss Reporting –Karen Carpenter reviewed the stop loss report for FY09 and said there were five claimants who had exceeded the stop loss specific deductible of \$250K with excess claims totaling \$779K with claims paid through May 2009. Ms. Carpenter said the group is eligible to receive \$279K in reimbursements on claims paid through May 2009. Ms. Carpenter said there were 27 claimants on the report of 50% with a total paid claims amount of \$7.54M.

Ms. Carpenter reviewed the stop loss report for FY08 and said that reimbursements totaling \$855K were received in May. She said the group can expect to see approximately \$61K additional reimbursements for FY08.

FY10 Reinsurance Proposals:

Carol Cormier said that she requested bids for a 12/24 policy with a \$250K Specific Deductible and \$500K Aggregating Specific as instructed by the CCMHG Steering Committee. Ms. Cormier said that there were some irregularities in the quoting process while she was on vacation which resulted in the Committee asking for a second quoting process.

Skip Finnell asked if the Committee should formally reject the quotes received in the first quoting process.

Bob Whritenour said he agreed that the Committee should reject the first set of quotes but said he wanted to let Ms. Cormier complete her presentation first.

Ms. Cormier said that the Sun Life and Federal Insurance quotes were received late and by email. Ms. Cormier said that the RFQ stated that the quotes be mailed by hard copy and were to be received on time to be considered qualified quotes. Ms. Cormier said that the second quote request specifically stated that all quotes were to be hard copies and not e-mailed. Ms. Cormier said that the Steering Committee could change how the quotes are received in the future if it would like to accept emailed copies of the quotes.

Maggie Downey said that she thought that the Inspector General requires hard copy bids delivered through the mail for public openings and is very strict about it.

Bob Whritenour said that the Steering Committee should address and review the quoting process for next year. Mr. Whritenour said that two of the first quotes were not submitted by the requested process, and he said that the email consensus from the Steering Committee was to re-bid with hard copies and that no email quotes would be accepted. Mr. Whritenour said another email quote was received for the second round of quotes even though the instructions to the brokers were specific as to how the quotes should be received.

Skip Finnell made a motion to ratify the June 4, 2009 decision to reject the first round of quotes.

Motion

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

Noreen Mavro-Flanders said she thinks that the insurer who emailed the second set of quotes cannot read instructions and that their quote should not be considered.

Carol Cormier reviewed the qualified quotes and said that HM Insurance and the broker Stop Loss Insurance Brokers (SLIB) is the current carrier and that the current policy information is at the bottom of the page. Ms. Cormier said that National Union has quoted with lasers and said that their quote is not firm.

Ms. Cormier explained what a laser is in response to a question and said that the National Union quote was the only one with a laser.

Carol Cormier said that the quote submitted by the current reinsurer is the lowest quote and said that the policy is offering a no-new-laser renewal for FY11 if it is chosen as the carrier for FY10. Ms. Cormier also said that the reports submitted to GBS by SLIB are very comprehensive.

Ms. Cormier said that Sun Life has the same no-new-laser provision and also offers a 9% lower premium than quoted if the provision is taken out. She said Sun Life also offers a 50% renewal rate cap.

Skip Finnell made a motion to accept the HM/SLIB quote at an individual rate of \$8.59 and family rate of \$21.27 and with the no-new-laser feature.

Motion

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

Out-of-Country Medical Coverage:

Suzanne Donahue, Account Executive for BCBS, said that Network Blue, Blue Care Elect, and Medex plans have coverage out-of-country for emergency services only and that the member must have a US address to be eligible for these plans.

Fred Winer, Account Executive for Tufts Health Plan (THP) Senior Products, said that Tufts members are covered for out-of-country emergency services while traveling and said that the member must have a US address.

Bill Hickey, Account Executive for Harvard Pilgrim Health Care (HPHC), said HPHC will also pay for out-of-country emergency services and the member must have a US address.

Bob Whritenour said that there is no regular coverage for members who move out of the country. Mr. Whritenour asked how it would work if a member had a U.S. PO Box.

Bill Hickey said that prescription drugs would not be delivered to a PO Box and that HP will only cover emergency services.

Suzanne Donahue brought up the issue of losing the option to rejoin with CCMHG if the member dis-enrolls to leave the country and then comes back to the US.

Dave Withrow suggested that the Benefit Administrators receive this information and suggested that the topic be added to the next Benefit Administrator's Meeting Agenda.

Update on Medicare PFFS (Private Fee For Service) Plans:

Fred Winer said that Medicare is cutting funding of the Medicare Advantage Plans by 5% and said that Tufts would be dropping the Tufts Medicare Private Fee for Service plan (PFFS) effective January 1, 2010. Mr. Winer said that enrollment in the plan was very low and said the six members will be notified by Tufts that they will need to transfer into another plan for January 1, 2010.

Suzanne Donahue said that BCBS would also be dropping the BCBS Blue Medicare PFFS plan for the same effective date and that the members will be notified.

Bill Hickey said that Harvard Pilgrim is going to continue to offer the First Seniority Freedom PFFS plan for FY10 but is unsure what will happen in FY11.

Bob Whritenour asked if a motion was in order to recommend to the Board to discontinue all of the PFFS plans effective January 1, 2010.

Fred Winer said that Center for Medicare and Medicaid Services (CMS) will not allow the health plans to notify the members prior to September 2009.

Bob Whritenour suggested sending an email to the benefit administrators recommending that they do not sign up new members into the PFFS plans.

Carol Cormier said that it needs to be communicated that dropping the plans had nothing to do with plan inadequacies, providers, or how the plan works. Ms. Cormier said that it needs to be communicated that it is due to government funding changes.

Bob Whritenour said that Harvard Pilgrim is going to be the only PFFS plan offered in 2010.

Bill Hickey suggested letting the PFFS members have the opportunity to save on their premiums by remaining in the PFFS plans for another 5 months.

There was a discussion.

Noreen Mavro-Flanders said that CCMHG has several other retiree options available and that keeping the plans for a short time may be confusing to the members.

Bob Whritenour asked for a vote to recommend dropping the PFFS plans on January 1, 2010.

The result of the vote was four to two in favor of a recommendation to the Board to drop all of the PFFS plans effective January 1, 2010.

Informal Vote

Bob Whritenour said that the Town of Falmouth adopted Section 18 in April with an effective date of July 1, 2010.

Health Plan Reports:

Suzanne Donahue, Account Executive for BCBS said that Jim Merriam, Administrator for the Town of Harwich, requested a letter from BCBS stating the delay of implementing prior authorization for the following outpatient services:

- Chiropractic services after 12 visits in a year
- Physical and occupational therapy services after 8 visits in a year
- Most elective advanced technology radiology services
- Neuropsychological testing
- Sleep studies
- Knee arthroscopies
- Hip and knee replacements, spine surgeries, and hysterectomies

Ms. Donahue said that it would be coming out in writing in the July 2009 IAI (Important Administrative Information) and she would send him the information.

Bob Whritenour said that he met with Tom Gerino, Town Manager of Town of Bourne, in Boston and said that Mr. Gerino was on a MA Municipal Association (MMA) focus group. Mr. Whritenour said that he gave Mr. Gerino health insurance information. He said that at an MMA meeting in Lenox there was a presentation of Senate health insurance proposals. He said that the MMA strongly supports Joint Purchase Groups. Mr. Whritenour said that the Governor has not provided any substantive support of Joint Purchase Groups.

Bill Hickey, Account Executive for Harvard Pilgrim Health Care, said that the Harvard Pilgrim Prescription Drug Rebate of \$203,468 will be reflected as a credit on the July 2009 billing statement. Mr. Hickey said that HPHC will be moving Lipitor from a Tier 2 to a Tier 3 drug co-pay in September. He said that letters would be mailed in July to members who are currently taking this prescription.

Fred Winer, Account Executive for Senior products at Tufts Health Plan, said that Tufts recently signed contracts with Martha's Vineyard Hospital as in-network providers. He said the effective date is still to be determined. He said Tufts is working on contracts with the physicians.

High Cost Claimant:

Bob Whritenour said he would entertain a motion to go into Executive Session to discuss litigation.

Skip Finnell made a motion to go into Executive Session to discuss litigation pertaining to the BCBS high cost claim.

Motion

Noreen Mavro-Flanders seconded the motion.

There was a roll call vote on the motion as follows:

David Withrow, Town of Orleans	- Yes,
Bob Whritenour, Town of Falmouth	- Yes,
Marie Buckner, Town of Sandwich	- Yes,
Maggie Downey, Barnstable County	- Yes,
A. Francis "Skip" Finnell, Dennis-Yarmouth RSD	- Yes,
Noreen Mavro-Flanders, County of Dukes County	- Yes,

Mr. Whritenour asked the health plan representatives to leave the meeting at this time. He said that the Committee would not return to Open Session.

Bob Whritenour adjourned the Open Session meeting at 10:55 a.m. and declared the Committee to be in Executive Session.

Motion

*Prepared by Karen Carpenter
Group Benefits Strategies*