

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

STEERING COMMITTEE

Wednesday, June 20, 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, June 20, 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, Board Chair	Dukes County
Francis “Skip” Finnell	Dennis-Yarmouth RSD
Marie Buckner	Town of Sandwich
Maggie Downey	Barnstable County
Roland “Bud” Breault	Town of Barnstable

Guests Present:

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)

Vice Chair, Noreen Mavro-Flanders called the meeting to order at 9:15 a.m.

Approval of the minutes of May 30, 2007:

Skip Finnell motioned to approve the minutes of the meeting of May 30, 2007.

Motion

Maggie Downey seconded the motion. Bud Breault abstained. The motion passed by majority approval.

Treasurer’s Report:

Rich Bienvenue was unable to attend the meeting but called to say there was nothing new to report since the meeting held on May 30, 2007.

Wellness Committee Report:

Maggie Downey said she has been receiving the wellness program Participation Agreements back from some of the employers. She said out of the 6 she has received only one employer said they would not be holding any programs in FY08. She said the Wellness Committee met on Monday, June 18th to go over strategies. She said the Committee would make an effort to get the rest of the responses back by the deadline of July 10th. She said the Agreements could be amended after the fact, if necessary. Ms. Downey said Martha’s Vineyard and the Town of Falmouth have volunteered for the Pilot program. She said the Committee had talked to the Wellness Coordinators about some additional work they needed to take on which GBS has been doing extra-contractually. She said the preliminary budget would be sent to the Steering Committee for review prior to the next meeting.

Ms. Downey said the Walking Program award was drawn, and a Town of Sandwich employee was the winner. She said she’d like to have it announced on the website along with the program results. She said she would ask Deanna

Desroches to forward the information to Lisa Trombly for posting. She will also send the results to all Benefit Administrators.

Noreen Mavro-Flanders suggested the results and winner be submitted in a Press Release in the Cape Cod Times.

Maggie Downey said she will send a draft to Marie Buckner to proof and will send out an email notice.

Suzanne Donahue suggested the award be handed out to the winner or the Town of Sandwich representative at the next Board meeting.

GBS Reports:

Funding Rate Analysis by Plan – Carol Cormier said there was nothing new to report on the Funding Rate Analysis by Plan report since the last meeting of May 30, 2007.

Level Monthly Deposits – Carol Cormier said there was nothing new to report on the Level Monthly Deposits since the last meeting of May 30, 2007.

Stop Loss Reports – Lisa Trombly reviewed the FY07 Stop Loss Report and said there were 25 claimants who have exceeded the stop loss deductible of \$150,000 with claims totaling \$5.1M. She said two members also appeared on the previous policy period and both are on an Indemnity product, which has a lifetime maximum of \$2M. She said the Aggregating Specific Deductible (ASD) has not been met yet. She said there were 58 claimants on the 50% report with claims totaling \$5.8M.

Noreen Mavro-Flanders asked if the high cost members on Master Medical should be contacted and informed of their status at reaching the \$2M cap.

Carol Cormier said Lisa Trombly would work with Suzanne Donahue to identify the members and advise them of their limit status.

myMedicationAdvisor® – Carol Cormier reviewed the myMedicationAdvisor® financial report through April 2007 and said both the Canadian drug program and the Generic Alternative drug buying program are doing better than projections.

There was a brief discussion.

Reinsurance quotes for FY08:

Carol Cormier said last year's reinsurance rates were very low and that this year's quotes are making up for that. She said the current reinsurance carrier is Companion Life and Companion Life is the lowest bidder. She said the current deductible of \$150K is low for a Group the size of CCMHG. She reviewed the deductible analysis based on FY06 rates inflated by 16%. She also reviewed the deductible analysis based on FY06 rates without being inflated and the deductible analysis based on FY06 rates inflated by 8%. She said deductible analyses using prior year's claims are not worth much since it is highly unlikely that the group's prior claims experience would repeat. She said the current quote based on \$150,000 deductible and an Aggregating Specific Deductible (ASD) of \$500,000 ends up being the best quote using prior claims data under all trending scenarios. She said this was surprising. Bill Hickey said he thought Carol Cormier explained this best at another meeting when she said that reinsurance is to cover the unpredictable events, not predictable ones. He said experts can predict just about how many claims there may be but they cannot know what the claims amounts will be.

There was a discussion.

Skip Finnell asked how this would impact the rates set for FY08.

Ms. Cormier said she was concerned about that because a 15-20% reinsurance rate increase was built into the FY08 rates.

Noreen Mavro-Flanders said the Group would be receiving funds from the Retiree Drug Subsidy (RDS).

Ms. Cormier said this was correct. She asked Lisa Trombly to confirm with GBS that the reinsurance vendors received the April claims data and were basing their quotes on that.

Lisa Trombly called and confirmed that the April claims data was sent to the vendors on May 25, 2007.

Skip Finnell motioned to approve the quote submitted by Cook and Company with Companion Life of \$150K deductible and a \$500K ASD, as quoted.

Motion

Maggie Downey seconded the motion. The motion was passed by unanimous approval.

HPHC Level Monthly Deposit proposal for FY08:

Carol Cormier said that HPHC proposes a new level monthly deposit amount of \$1,700,000. She said the average monthly claims were \$1,579,503.49. She said that she thought HPHC's proposal for FY08 was reasonable.

Skip Finnell motioned to approve the proposal of Harvard Pilgrim Health Care for a level monthly deposit of \$1.7M.

Motion

Bud Breault seconded the motion. The motion was passed by unanimous approval.

HPHC prosthetics benefit:

Bill Hickey reviewed the new prosthetics mandate on insurers explaining that it states all health plan carriers are to provide coverage for all enrollees for certain prosthetic devices, i.e. limbs only, that are medically necessary. He said the mandate stipulates coverage be comparable to or greater than the coverage level of Medicare, which currently pays 80% of the allowable charge for a prosthetic after the \$100 Part B deductible is met by the enrollee. He said the mandate also states coverage to be for repairs and replacement of prosthetic devices. Mr. Hickey said the current CCMHG benefit level for prosthetics has not had any issues. He said since CCMHG self-funds its plans, apparently it is not subject to the mandate and so a change would be optional.

Noreen Mavro-Flanders said if the current policy is not an issue and not impacting any of the current members she recommends not taking any action and remaining *status quo*.

Carol Cormier said this was GBS's recommendation.

Health Plan Reports:

Blue Cross Blue Shield – Suzanne Donahue distributed a letter regarding the RDS cost reporting fees and a memorandum of understanding. She said BCBS will not bill the RDS fee to the CCMHG for the paid months of January, February, and March 2007 but will start billing in April 2007. She said BCBS also acknowledges the timing of notification of changes to the Agreement to Provide Administrative Services for the Retiree Drug Subsidy. She thanked Noreen Mavro-Flanders, Bob Whritenour, and Carol Cormier for meeting with BCBS to resolve the issue.

Harvard Pilgrim Health Care – Bill Hickey said there was nothing new to report from HPHC.

Marie Buckner said both Suzanne Donahue and Bill Hickey have been fantastic to work with.

MA Health Reform Act – Employer Compliance:

Carol Cormier said GBS held a seminar on June 13, 2007 on the topic of employer responsibilities under the MA Health Reform Act. She said the Section 125 plans need to be on file by July 1, 2007. She said employers must have a premium only Section 125 plan for benefit eligible and for non-benefit eligible employees. She said the West Suburban Health Group (WSHG) has contracted with Segal Company to come up with a draft template that its members can use.

Noreen Mavro-Flanders said she contacted *Coredocuments.com* which agreed to create the plan documents and filing for \$99. She said the company would send the plan document to the employer on disc in template form to be changed as the employer needed.

Carol Cormier said to be sure that there was a S. 125 plan document that is specific to non-benefit eligible employees and identify the group of individuals this applies to. She said sample forms were supplied in the packet handed out at the seminar and produced by the MA Health Connector.

2nd Meeting with Lt. Governor Tim Murray:

Bob Whritenour said there was a second meeting held on June 12th with Lt. Governor Tim Murray. He said representatives of all of the regional Joint Purchase Groups attended. He said the meeting went well. He said that Bob Nunes who is the DOR Deputy Commissioner and the Director of Municipal Affairs attended the meeting along with the Lt. Governor and that Bob Nunes has asked for another meeting with a smaller representation. Bob Whritenour said it is important to push this aggressively.

Carol Cormier said the proposed GIC option is a pooled purchasing arrangement. She said that the GIC option might be better presented as one facet of a pooling concept. The successful pooling models exemplified by the joint purchase groups would be another facet.

Noreen Mavro-Flanders said the goal is to get Bob Nunes to fully understand how difficult it is for Joint Purchase Groups to operate because of the “Dennis decision”.

There was a discussion.

Bob Whritenour said the 3rd meeting would be held on Friday, June 22, 2007. He said the selected representatives would be meeting prior to the meeting with Bob Nunes.

Carol Cormier said she would email details to all participants involved.

Other Business:

Carol Cormier said there would not be any time prior to the Board meeting to make any additional proposed changes to the Joint Purchase Agreement. She said it would need to be a topic for next year.

Bob Whritenour asked Carol Cormier if Bob Nunes could be invited to the Board meeting.

Carol Cormier said she could extent the invitation to Mr. Nunes but she did not know if he would be able to attend.

There was a brief discussion.

Bud Breault motioned to adjourn.

Motion

Skip Finnell seconded the motion. The motion was passed by unanimous approval.

With no other business, Bob Whritenour adjourned the meeting at 11:40 a.m.