

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

**Board Meeting**

Wednesday, July 21, 2010, 9:30 AM  
COMM Fire District, Centerville, MA

**MEETING MINUTES**

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, July 21, 2010 at 9:30 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

**Committee Members Present:**

Noreen Mavro-Flanders , Chair  
Bob Whritenour, Steering Committee Chair  
Dave Withrow, Vice-Chair  
Margaret Downey  
Gerry Panuczak  
A. Francis Finnell  
Marie Buckner  
Craig Mayen  
Lisa Vitale  
Nan Balmer  
Pam Hudson  
Linda O’Brien  
Renie Dumont  
Dawn Rickman  
Mary McIsaac  
Robert Howard  
Agnes Murray  
Karen Scichilone  
James Weiss

County of Dukes County  
Town of Falmouth  
Town of Orleans  
Barnstable County  
Town of Chatham  
Dennis-Yarmouth RSD  
Town of Sandwich  
Town of Sandwich  
Town of Brewster  
Town of Harwich  
Town of Provincetown  
Town of Provincetown  
Nauset Regional School District  
Town of Wellfleet  
Barnstable Fire District  
Bourne Recreational Authority  
Cotuit Fire District  
Cape Cod Lighthouse Charter School  
Dukes County/Martha’s Vineyard RSD

**Guests Present:**

Richard Bienvenue, CPA  
Laura Scroggins  
Deborah Heemsoth  
Michael Dutton  
Irene Wright  
Susan Wallen  
Amy Kates  
Leanne Gray  
Beth Nichols  
Suzanne Donahue  
Bill Hickey  
Fred Winer  
Jason Lily  
Carol Cormier  
Karen Carpenter

Treasurer, CCMHG  
Town of Barnstable  
Town of Dennis  
Town of Oak Bluffs  
Town of Yarmouth  
Nauset RSD  
Cotuit Fire District  
Mashpee Water District  
Town of Barnstable  
Blue Cross Blue Shield of MA (BCBS)  
Harvard Pilgrim Health Care (HPHC)  
Tufts Health Plan, Retiree products  
Rockland Trust  
Group Benefits Strategies (GBS)  
Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Board Chair, called the meeting to order at 9:35 a.m.

Jim Weiss made a motion to approve the minutes of the April 28, 2010 Board meeting as written.

Maggie Downey seconded the motion. The motion passed by unanimous vote.

Motion
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**Investment Manager’s Report:**

Jason Lily from Rockland Trust distributed and reviewed the report on investments with data ending 06/30/10 and said that with the exception of the month of April, it was not a very good quarter. He said that Portfolio #1 (conservative with 70% in fixed income/30% in stocks) had a 12-month 11.24% return and Portfolio #2 (balanced/aggressive with a 50/50 balance of fixed income and equities) had a 12-month return of 13.52%. He said both funds outperformed their benchmarks.

Skip Finnell thanked Mr. Lily for attending both the CCMHG Investment Committee and Board meetings.

Mr. Lily left the meeting.

**Treasurer’s Report:**

Treasurer, Rich Bienvenue, CPA reviewed the financial statements through May 31, 2010 (unaudited figures). He said that the Health Trust Fund Balance was \$21.1M at the end of May 31, up \$1.3 million since the beginning of FY10. He reported assets at \$31.8M and liabilities of \$10.79M. Mr. Bienvenue said that the adjustment to the IBNR (Incurred but not reported) is reflected in this balance. Mr. Bienvenue said that the IBNR adjustment brought the calculation down to approximately 0.8 of an estimated average month of claims.

Carol Cormier said that the FY09 independent financial audit report is available on the CCMHG website [www.ccmhg.com](http://www.ccmhg.com).

Mr. Bienvenue left the meeting.

**Wellness Committee Report:**

Maggie Downey distributed and reviewed the proposed FY11 Wellness Programs and Budget. She said that the proposed budget for FY11 was \$219,608. Ms. Downey said the FY10 successful programs would be continued in FY11. Ms. Downey said that small wellness grants were available to each CCMHG unit that signed a participation agreement. She said grants are available from \$200 to \$600 per unit depending on number of employees in the unit. She said that some towns/units used the grants for supplementing on-site Weight Watchers® meetings, raffles and Biggest Loser competitions. Ms. Downey said that the participation letters for the FY11 grants will be sent to unit heads and managers and a copy to the benefit administrators.

Ms. Downey congratulated the Towns of Falmouth, Mashpee and Dennis on their successful Kick Butts smoking program. Ms. Downey said that she hopes to have information about the health costs savings at the next meeting.

Ms. Downey said that the Diabetes Rewards Program would be continuing. She said that the participants of the program will get their diabetic supplies and medications free if they complete the five requirements of the program. Ms. Downey said that the requirements are all considered routine care appointments by physicians for their diabetic patients. She said that a new \$50 sign-up incentive is now being offered to encourage participation. Ms. Downey said that the program is completely confidential and employers do not have access to any medical information. She said that The Abacus Group identifies the members by their medications. Ms. Downey said that the program is funded by the myMedicationAdvisor® alternative drug program savings.

Noreen Mavro-Flanders said that Dave Withrow requested a copy of the FY10 Wellness Budget at the last Steering Committee. She asked Ms. Downey if she had it available today.

Ms. Downey said that she did not have it today, but said that the FY10 wellness program budget was below the FY11 proposed budget. She also noted that not all of the money budgeted in FY10 was spent. She said that she would get the total from the Treasurer and distribute it to the Board.

Ms. Downey said that three HIP programs will be offered in FY11, two on the mainland and one on Martha's Vineyard. She said that this program is a very unique program that helps with the overall health of each person. Ms. Downey said that the Committee has held the meetings at several different times of day, but found that offering it in the evening works best for most people.

Ms. Downey said that the Wellness Committee will be printing a quarterly newsletter starting in September. She said that it will be sent to the Board and the Benefit Administrators for distribution to the employees and retirees.

Carol Cormier suggested also uploading it to the CCMHG website.

Ms. Downey said that a new Wellness Coordinator from the Town of Harwich has been added to the Committee and said that if anyone else was interested to let either Marie Buckner or her know.

Bob Whritenour said that the Steering Committee is recommending that the Board approve the proposed Wellness Programs and Budget for FY11, and he made a motion for its approval.

Motion

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

Noreen Mavro-Flanders encouraged the Board members to promote the participation in the wellness programs and said wellness is the key to healthier, productive employees.

**Steering Committee Report:**

Steering Committee Chair Bob Whritenour said that he participated in one of the HIP programs and said that it changes your life. He encouraged participation and said that the direct participation from the physician was more than expected.

Mr. Whritenour said the Committee has been working on updating the CCMHG Strategic Plan and said that the focus of the plan is on wellness issues, benefit designs and tools for negotiations. Mr. Whritenour said that a copy of the plan was emailed to the Board and is also included in the meeting packet.

Mr. Whritenour said that the Committee reviewed the reinsurance quotes and said that there would be more details provided later in the meeting.

Mr. Whritenour said that the FY09 Financial Audit exit interview was conducted by the Committee with auditor Bill Fraher, CPA. He said that a question arose from one of the CCMHG units about whether or not GASB45 reporting should be completed by each unit or by the CCMHG. He said that it was determined to be each unit's responsibility.

Mr. Whritenour said that the federal government passed the Affordable Care Act and said that the Committee has been working with Group Benefits Strategies and the health plans to stay on top of all of the requirements. He said that more on this topic would be discussed later in the meeting.

Mr. Whritenour said that the Committee heard a presentation by Harvard Pilgrim Health Care (HPHC) on a different approach to wellness programs. He said that the Committee will be moving forward with looking at the programs available.

Mr. Whritenour said that there seems to be a misunderstanding as to the Committee's role in decisions made by the health care plans to deny certain benefits. He said that the health plans are the professionals and they determine whether or not a benefit is covered based on the plan design. Mr. Whritenour said that the

Committee can help to make sure that the member is treated fairly, but cannot override the health plan's decisions.

Noreen Mavro-Flanders said that the health plan professionals are knowledgeable about medical services and they are the ones who are equipped to make these decisions, not the Committee.

**GBS Reports:**

Noreen Mavro-Flanders said that the GBS reports were emailed to all of the Board members and said that the claims are running close to the funding. Ms. Mavro-Flanders said that the MMA program is performing better financially than projections.

Noreen Mavro-Flanders said that the sheriffs department moving out of the group may have affected the participation. She said that there were approximately 500 members in that group.

**Reinsurance quotations and selection of FY11 policy:**

Noreen Mavro-Flanders said that the Steering Committee made a decision to accept the current CCMHG reinsurance carrier, HM Insurance Company's quote. She asked Carol Cormier to review.

Carol Cormier reviewed the current CCMHG's reinsurance policy and said that the current carrier, HM Insurance, sent in the lowest quote at a 3% increase at their current deductible and said that their quote was firm with no lasers. Ms. Cormier said that two of the quotes with a \$300K deductible were at a lower cost than the previous policy because of the higher deductible. Ms. Cormier said that following the opening of the quotes, the incumbent carrier came back with a revised quote at the \$300K deductible which made it the lowest quote at a 27.6% decrease. Ms. Cormier said that insurance products are exempted from the bidding law, Ch. 30B and that the RFQ stated this.

Ms. Cormier said that insurance quote from the current carrier, HM Insurance Company and Stop Loss Insurance Brokers has a \$300K Deductible, \$500K Aggregating Specific Deductible (ASD), 12/24 policy at a rate of \$6.17 Individual and \$15.43 Family. She said this was a 27.6% reduction in premium; however, she noted that the CCMHG takes on a bit more liability because of the higher deductible. Ms. Cormier said that the Steering Committee was authorized by the Board to make the decision.

**CCMHG Strategic Plan:**

Noreen Mavro-Flanders said that as Mr. Whritenour previously stated, the proposed CCMHG Strategic Plan was emailed to the Board and suggestions were requested. She said that no suggestions were received and the final draft of the plan is in the meeting packet. Ms. Mavro-Flanders said that the Committee is recommending approval of the plan and would like to keep it active and be able to update it as necessary over time.

Skip Finnell made a motion to approve the CCMHG Strategic Plan.

Motion

Bob Whritenour seconded the motion. The motion was approved by unanimous vote.

**National health insurance reform (PPACA or the Affordable Care Act):**

*Removal of lifetime limits* - Ms. Cormier said that effective July 1, 2011, the \$2 million lifetime limit will be removed from Master Health Plus and Master Medical. She said the other plans do not have lifetime limits.

*Early Retiree Reimbursement Program (ERRP)* - Ms. Cormier said that \$5 billion dollars is being set aside by the federal government to fund the temporary Early Retiree Reimbursement Program (ERRP). Ms. Cormier said that employers could be reimbursed for 80% of health claims for early retirees and their dependents between \$15K and \$90K. Ms. Cormier said they will require that the reimbursement be used to reduce the rates or to reduce co-pays, for example. She said GBS has sent in the application for the CCMHG and said that a description of wellness programs and chronic illness programs was required. Ms. Cormier said that because the CCMHG wellness programs are very good ones that the application should be well received.

*Adult Child Eligibility* - Ms. Cormier said that currently the CCMHG health plans cover dependents until age 19, and if they are attending college full-time, they will be covered until age 25. Ms. Cormier said that the Affordable Care Act requires that plans to cover adult children on the Family plan up to age 26 effective on the first anniversary of the plan following September 23, 2010. Ms. Cormier said that for CCMHG, that date would be July 1, 2011. Ms. Cormier said that employers will not be required to extend coverage to an adult child who has an offer of insurance from his or her own employer. Ms. Cormier said that an affidavit may be used that the employee and/or adult child can sign to verify that the adult child does not have an offer of health insurance through his or her employer. She said that starting in 2014, adult children who have an offer of insurance from their own employer will still be eligible for coverage under the parent’s family plan.

Ms. Cormier said that the adult child will be eligible even if they are not living in the parents home or if they are married. She said that spouses and children of the adult child are not eligible.

Ms. Cormier said that the Department of Health and Human Services put pressure on the health plans to adopt the regulation earlier than required. She said that the health plans have done a modified form for their fully insured clients. Ms. Cormier said that most of the self-funded clients that she has have not adopted the regulation early due to liability issues and pressure to control health care expenses.

Bob Whritenour said that the Committee is making a recommendation to the Board to wait until it is required by law to implement and he made a motion to that effect.

Motion

Skip Finnell seconded the motion.

Carol Cormier explained three options that the Committee reviewed and said that they also considered a legal opinion obtained that said that Chapter 32B would prevail until the federal law goes into effect, in the case of CCMHG on July 1, 2011. Ms. Cormier also said that the health plans already offer a generous full-time dependent student coverage following graduation

Noreen Mavro-Flanders asked the Board for a vote.

The motion was approved by unanimous vote.

Noreen Mavro-Flanders asked Carol Cormier to send an email with the decision to the Board and Benefit Administrators.

Skip Finnell asked that the Managers and Superintendents also be copied on the vote.

Maggie Downey said that she would send the contact list for the Fire and Police department heads to Ms. Cormier.

**Level Monthly Deposit (LMD) for BCBS & HPHC:**

Carol Cormier said that the BCBS LMD was approved at the last Steering Committee Meeting.

Ms. Cormier said that the LMD proposed by HPHC is \$2.3M per month which she said was reasonable given the claims history.

Bob Whritenour made a motion to approve the proposed \$2.3M LMD for HPHC.

Motion

Skip Finnell seconded the motion. The motion was approved by unanimous vote.

**Delta Dental change in termination dates for dependent students:**

Noreen Mavro-Flanders said that Group Benefits Strategies received a notice from Delta Dental stating that they would be changing the termination date of non-student dependents from October 31<sup>st</sup> to September 30<sup>th</sup>.

Carol Cormier said that Delta Dental covers full-time student dependents until they reach age 23. She said that the health plans cover full-time student dependents until they reach age 25. Ms. Cormier said that Group Benefits Strategies cannot conduct student verifications and she is recommending that CCMHG move to the go along with the change that Delta Dental is making. She said that the letter from Delta Dental is in the meeting packet.

Noreen Mavro-Flanders asked if Delta Dental's book of business terminates full-time student dependents at age 23. She also asked if Delta Dental could include the age limit of 23 on the letter they will be sending out.

Gerry Panuczak asked if the Affordable Care Act would change anything for the dental plans.

Carol Cormier said that the Affordable Care Act only applies to the health plans.

Ms. Cormier said that Nina Conroy is on vacation this week and said she would ask if the age could be included on the letter that will be sent.

Maggie Downey left the meeting.

**Federal Mental Health Parity:**

Carol Cormier said that BCBS has informed the CCMHG that the benefit changes that CCMHG made have put their plans into compliance with the Mental Health Parity with the exception of the BCBS Master Health Plus plan.

Suzanne Donahue, Account Executive for BCBS said that after conducting testing of the plan, they are recommending removing the co-pay for mental health visits which, she said would put the plan into compliance. Ms. Donahue said that BCBS has been pending the claims for the plan rather than process them incorrectly.

Carol Cormier said that there is a penalty per member for non-compliance and asked Ms. Donahue if she could find out what the penalty is.

There was a discussion.

Ms. Donahue said that she believes that the BCBS fully insured plans increased the x-ray and lab co-pay at the same time that they eliminated the co-pay for the mental health visits. She said that she would check on this and get back to the Group.

Carol Cormier said that the plan will be out of compliance in the meantime.

Suzanne said that she would need to check on how the pending claims will be handled and would also check with underwriting to see what will work actuarially.

There was a discussion.

Bob Whritenour said that he would like to make a motion giving authorization to the Steering Committee to gather and analyze the data and then come back to the Board with a recommendation on how to proceed with bringing the Master Health Plan into compliance with the Mental Health Parity.

Motion
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Dave Withrow seconded the motion. The motion passed by unanimous vote.

Bob Whritenour said that BCBS would be notified that CCMHG would like no changes made to the benefits of the Master Health Plan and to process claims as usual until a decision has been made.

**Early Intervention Mandate:**

Carol Cormier said that The Massachusetts budget bill for fiscal year 2011, signed by Governor Patrick on June 30, 2010, includes an amendment to existing insurance mandates that prohibits health plans and insurers from charging a copayment, co-insurance, or deductible\* for medically necessary early intervention services furnished by an early intervention provider for an enrolled child from birth until his or her third birthday for plans that provide coverage for dependents.

Ms. Cormier said that Blue Cross Blue Shield of Massachusetts is in the process of updating the affected plans to remove all member copayments, co-insurance, and deductibles on medically necessary early intervention services provided on or after July 1, 2010.

Ms. Cormier said that Harvard Pilgrim Health Plan is making the option available to its self-funded clients.

Carol Cormier said that the Board made the decision to remove the benefit cap last year because it was their opinion that early intervention services are beneficial and may help to eliminate future issues and health care costs.

Jim Weiss made a motion to approve removing the co-pay for early intervention services with HPHC effective July 1, 2010 and said that BCBS will be making the change on their own.

Motion

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

**Health Plan Reports:**

*Tufts Health Plan-*

Fred Winer, Account Executive for the Tufts Senior Plans, said that Jim Roosevelt was at the White House talking health care reform. He said that Mr. Roosevelt also visited physicians and hospitals on Martha's Vineyard. Mr. Winer said that Tufts Health Plan is now contracting with physicians and hospitals on Martha's Vineyard for the senior plans. He said he hopes that they will be contracting there for the active plans soon too.

*Harvard Pilgrim Health Care (HPHC)-*

Bill Hickey, Account Executive for HPHC, said that their focus has been on Beacon Hill and Capitol Hill.

*Blue Cross Blue Shield (BCBS)-*

Suzanne Donahue, Account Executive for BCBS said that the student eligibility process will be beginning shortly. She said that the student affidavit forms will need to be returned to BCBS and if they are not received by October 30<sup>th</sup>, the dependent will be cancelled.

**Other Business:**

Noreen Mavro-Flanders said that she would like to thank Group Benefits Strategies for all of their work with the Early Retiree Reimbursement Program.

Carol Cormier said that GBS would be proposing a fee once the scope of work has been determined.

The following two Board Meetings were scheduled - October 27, 2010 at 9:30 AM and January 26, 2011 at 9:30 AM, both to be held at COMM Fire District.

Pam Hudson said that the response to the EyeMed mailings in lieu of their representation at the benefit fairs was a success in the Town of Provincetown.

Mary McIssac asked what options a retiree with two or more dependent children would have if the unit has passed Section 18.

There was a discussion and Carol Cormier said that she would document the different scenarios and options. She said that usually employers agree that if there is a couple in which one or both are Medicare eligible and

they have a dependent child, they are allowed to stay on the family plan until the dependent child is ineligible. She said at that time, the retiree would go on a Medicare plan and the spouse would be on a single plan. She said that the employer may require the Medicare eligible retiree and/or spouse to enroll in Medicare Part B.

Carol Cormier asked that GBS be notified when any town or unit adopts a new rule or regulation regarding eligibility under Ch.32B.

There was no other business.

Bob Whritenour moved to adjourn the meeting.

Motion
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Dave Withrow seconded the motion. The motion passed by unanimous vote.

Chair Noreen Mavro-Flanders adjourned the meeting at 11:40 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*