

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

**Board Meeting**

Wednesday, July 23, 2008, 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 23, 2008 at 9:30 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

**Committee Members Present:**

Noreen Mavro-Flanders, Board Chair	County of Dukes County
Bob Whritenour, Steering Committee Chair	Town of Falmouth
David Withrow	Town of Orleans
A. Francis Finnell	Dennis-Yarmouth RSD
Maggie Downey	Barnstable County
Bob Canevazzi	Town of Dennis
Linda O’Brien	Town of Provincetown
Nan Balmer	Town of Harwich
Barbara Meehan	Upper Cape Cod Regional VTS
Dawn Rickman	Town of Wellfleet
Joan Plante	Town of Eastham
Marcia Templeton	Nauset Regional School District
Lisa Vitale	Town of Brewster
Laura Scroggins	Town of Barnstable
Craig Mayen	Town of Sandwich
Pamela Nolan	Town of Truro
Angela Park	Town of Yarmouth
Judy Sprague	COMM Fire District
Karen Walden	Mashpee Water District
James Weiss	County of Dukes County/Martha’s Vineyard School District
Karen Scichilone	Cape Cod Lighthouse Charter School
Robert Howard	Bourne Recreation Authority

**Guests Present:**

Richard Bienvenue, CPA	CCMHG Treasurer
Beverly Haley	Dennis-Yarmouth RSD
Irene Wright	Town of Yarmouth
JoAnn Gagner	Town of Sandwich
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
William Rowbottom	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care
Fred Winer	Tufts Health Plan
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 9:45 a.m.

**Approval of the minutes of the February 27, 2008 Board meeting:**

James Weiss motioned to approve the minutes of the Board meeting of February 27, 2008.

David Withrow seconded the motion. The motion passed by unanimous vote.

Motion
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**Investment manager's Report - Rockland Trust:**

Jason Lily distributed and reviewed the Rockland Trust investment report for year ended 6/30/08. Mr. Lily said that the total return on investment was (\$273,300) as of June 30, 2008. Mr. Lily noted that June was the worst month since the Depression. He said that the portfolio did pretty well compared to the S&P which was down 15%.

Skip Finnell said that the Investment Committee is confident that the investment portfolio protects their investments in a downside market and also gives opportunity to grow their investments in a good market.

**Treasurer's Report:**

Treasurer Richard Bienvenue, CPA, reviewed the financial statements of May 31, 2008 (unaudited figures). He said the total operating cash is \$14.5 million. He reported an unreserved fund balance on May 31 of approximately \$12.7 million.

Rich Bienvenue said that the total estimated Claims IBNR is \$18.2M. He said he was completing an analysis of the IBNR which may result in a change in the amount estimated.

Mr. Bienvenue said the FY07 Audit and Management Letter was not available at the February Board meeting and said that they were both now available on the CCMHG website.

Skip Finnell said that a Sub-Committee was formed and they have been working to address all of the recommendations made in the FY07 Audit Management Letter.

**Wellness Committee Report:**

Maggie Downey reviewed the FY08 wellness program results and said that the results of the programs were very positive.

Ms. Downey said there were 24 participants in the FY08 Smoking Cessation Program and 19 of those participants remained smoke-free to the end of the program. She said the support groups were continuing. Ms. Downey read a letter from one of the participants thanking CCMHG for offering the program and said she was breathing without difficulty for the first time in a long time. Another participant wrote to say they no longer needed to use an inhaler.

Maggie Downey said the Cancer Screenings were successful and that they were proposing to keep these screenings going for FY09. Ms. Downey said she received a letter from one participant who stated he would not have gone for the screening if it were not for the incentive program. She said the letter went on to say that the screening had revealed polyps that were removed before they had become cancerous.

Maggie Downey said the Steering Committee approved the Wellness Program & Budget for FY09 which included adding a Health Improvement Program (HIP) program on the lower cape and one on Martha's Vineyard.

Maggie Downey said the Wellness Committee would also be keeping the Walking Program for FY09.

Ms. Downey said the Wellness Committee would be offering each unit a small Wellness grant and that the stipends would be based on the number of employees per unit. She said each unit would be able to use it towards a wellness program of its choice. Ms. Downey said the committee would be sending informational letters out to each unit.

**GBS Reports:**

Carol Cormier said that the GBS reports were included in the meeting packets for the Board's review. Ms. Cormier briefly reviewed the Stop Loss reports with claims paid through June. She said the outstanding reimbursement due CCMHG is approximately \$2M for FY08.

Carol Cormier said that the current FY08 stop loss deductible is \$150K and noted that the report of claims at or above 50% of the deductible has 81 claimants reported. Ms. Cormier explained that the claimant on the FY07 report that was highlighted in orange was a claim that the carrier had retracted and reprocessed one month after the end of the paid period on the reinsurance policy. Ms. Cormier said that the claim was currently being audited by an independent audit firm to determine who would be responsible for payment of the claim.

Noreen Mavro-Flanders said that the reinsurance deductible has been raised to \$250K for policy year FY09.

Carol Cormier said in addition to raising the deductible, the FY09 policy will have a 12/24 (claims incurred in twelve months/ paid in 24 months) contract period which should eliminate any future retracted claim issues.

**CCMHG Steering Committee Report to the Board:**

Bob Whritenour said that he wanted the Board to know that this would be Bob Canevazzi's last Board meeting. Mr. Whritenour said Mr. Canevazzi would be leaving to pursue other opportunities in the northwest. Mr. Whritenour said that Mr. Canevazzi brought good wisdom and judgment to the issues facing the Steering Committee and CCMHG, and he said Mr. Canevazzi has a great analytical mind and qualities of leadership. He said Mr. Canevazzi was a very strong advocate for the individual member and that he was a pleasure to work with. Mr. Whritenour thanked Mr. Canevazzi and wished him the best in his future endeavors.

Mr. Whritenour said that the Steering Committee had set up a sub-committee to work on addressing the FY07 Audit Management Letter recommendations which included setting up additional internal controls. He said that there is an ongoing risk assessment process.

Mr. Whritenour said the Committee met with representatives of CanaRx and Abacus to discuss the need to expand the Rx importation program.

Mr. Whritenour said that the Committee had reviewed and discussed the concept of adding Rate Saver plans which will be discussed later in this meeting.

Mr. Whritenour told the Board that the Steering Committee also voted to start moving towards requiring all CCMHG employers to adopt Section 18.

Bob Whritenour said the Committee had heard a presentation by Vision Services Plan (VSP) for a group "voluntary"(employee-pay-all) vision plan that would be available to employers wishing to offer this benefit.

Mr. Whritenour said the Committee had reviewed reinsurance quotes and awarded the policy to Stop Loss Insurance Brokers/HM Insurance Co. for a policy with a \$250K specific deductible (12/24) with a \$500K Aggregating Specific Deductible.

**Expanding the MMA Alternative Prescription Drug Program:**

Noreen Mavro-Flanders said that the Steering Committee heard a presentation from CanaRx and Abacus regarding the need to expand the program to include importing from Great Britain, Australia and New Zealand as well as Canada.

Carol Cormier said that several weeks earlier she had sent out an email to the Board members to poll them on this issue, and all of the responses came back favorable to going forward with the expansion. Ms. Cormier said that all of the drugs are manufactured by the same factories as before but they would be distributed by

different countries. Ms. Cormier said the number of drugs available from Canada at a savings to the Group were dropping because of the decreased value of the US dollar and increased Canadian drug prices.

Skip Finnell motioned to expand the alternative prescription drug program to include Great Britain, Australia and New Zealand as well as Canada as source countries.

Motion

James Weiss seconded the motion. The motion passed by unanimous vote.

**“Rate Saver” Plans:**

Noreen Mavro-Flanders said that the Steering Committee has been reviewing information on the so-called “Rate Saver” plans and would like the Board to make a decision on whether or not the Committee should move forward preparations for adding the plans for July of 2009.

Carol Cormier said that as the Steering Committee has proposed, the “Rate Saver” plans would be additions to the CCMHG current plans, not replacements. Ms. Cormier said each employer will decide on whether or not to offer the plans just like they do with the current CCMHG plans. She said an employer may decide to offer all the plans, stay only with the current plans, or bargain to replace current plans with the Rate Saver plans. Ms. Cormier said that even if the employer would be adding the Rate Saver plans to the existing plan offerings, the employer would have to notify the union presidents in writing and offer the opportunity to bargain.

Bob Whritenour said the Steering Committee was looking at plan options available that would be somewhat comparable to the GIC plans. Mr. Whritenour said these health plans would save the member approximately 10% in premiums but would have higher co-payments and additional co-payments.

Judy Sprague said she did not think the COMM Fire members would switch since the employee contribution rate is only 10%.

Carol Cormier said the Rate Saver plans will not be as attractive to units with a higher contribution rate.

Carol Cormier reviewed the reduction in expected claims and explained that part of the reduction would be due to employees being responsible for more of the payment of their medical visits. She said another reason would be utilization changes such as an employee not choosing to go to the emergency room when a visit to their primary care physician was all that was required.

Noreen Mavro-Flanders said the Joint Purchase Agreement would also need to be amended.

Craig Mayen said he ran the numbers for his unit, Town of Sandwich, and the savings amounted to approximately \$50K. He talked about employers that still have a lot of employees on the indemnity plans or PPOs and asked if Rate Savers were the right next step for them.

Carol Cormier said that the Steering Committee wanted to give options to the employers. She said for employers that have significant indemnity plan enrollment, the first step should be to create incentives for people to move to the PPOs and HMOs (EPOs). She said that when employers contribute at a high level, the employees have no incentive to move from the costly plans so that for employers with high contributions, the first step to controlling costs might be to reduce the contribution levels, particularly for the indemnity and PPO plans. She said for employers with heavy enrollments in the EPO plans, the Rate Savers will be a very good option to introduce. Carol Cormier said the Steering Committee recognized that employers are in different places in their health benefits strategies and wanted to offer a good option to further control costs to those who have already moved employees to EPOs.

Joan Plante said that she believed that not all employers were offering all of the various plan types.

Carol Cormier said that was correct.

Ms. Plante said she thought that the CCMHG should require all the employers to offer all of the EPO plans.

Carol Cormier discussed Total Participation and Exclusive participation. She said the CCMHG has Exclusive Participation language in its joint purchase agreement but, unlike other groups, does not have total participation language.

James Weiss made a motion that the Board approved the Steering Committee's request to move forward with their work to add the Rate Saver plans for July of 2009.

Motion

Linda O'Brien seconded the motion. The motion was approved by a unanimous vote.

Noreen Mavro-Flanders welcomed Nan Balmer, Assistant Town Manager for the Town of Harwich to the CCMHG. Ms. Flanders said that this is Harwich's first meeting as a CCMHG member.

**Discussion about adding a Voluntary Vision Care Plan:**

Noreen Mavro-Flanders told the Board that the Steering Committee has been having discussions about the possibility of adding a voluntary vision care plan. Ms. Flanders said a presentation by David Ettipio of Vision Services Plan (VSP) was made to the Steering Committee recently. She said that the Steering Committee would like the Board to make a decision on whether or not they should continue to move forward with researching additional vendors.

Bob Whritenour said that the idea of offering a vision plan was brought to the Steering Committee by an individual unit. Mr. Whritenour said that the CCMHG would of course be able to obtain the best rates as a group instead of as individual units.

Carol Cormier said that Vision Services Plan (VSP) provided quotes with a four-year rate guarantee. She said the quote is good through January 1, 2009. Ms. Cormier said the policy was quoted with individual, individual plus one, and family rates, but she said it could also be quoted as individual and family if the group wished.

In response to a question about whether or not the an employer would have to bargain the elimination of the plan in the future if it wished to drop it, Carol Cormier answered that she thought it would need to be bargained out.

There was a discussion about getting additional quotes for vision plans.

Skip Finnell made a motion that the Steering Committee firm up the VSP proposal quoting on three tiers and to seek two additional quotes.

Karen Walden seconded the motion. The motion was approved by unanimous vote.

Motion

**Promoting adoption of Ch.32B, Section 18:**

Noreen Mavro-Flanders reviewed the list in the meeting packet indicating those units that have adopted Section 18 and said they needed to work as a group to help more units to adopt the Section. Ms. Flanders reviewed the reasons why it would be beneficial to each unit to adopt Section 18.

Carol Cormier reviewed the data provided by BCBS showing average member out-of-pocket liability by plan type. She said that the member's liability on Medex is in the range of that of other plans or lower with the exception of Network Blue. She said if the average out-of-pocket member liability for Network Blue were to be determined for only those members 65 and older, she thinks it highly likely that the average would be much higher and that the same would be true for the other active employee plans.

James Weiss asked if GBS would be able to help with getting the liability data for each unit.

Carol Cormier said that the retirees are not required to disclose whether or not they are enrolled in Medicare until after the unit has passed Section 18. Ms. Cormier said once the Section is passed, the group can drop the insurance of those retirees that do not disclose the information.

Noreen Mavro-Flanders said she had data from the GASB45 actuarial studies that she could provide that may give an estimate of the liability.

**Special Open Enrollment – Private Fee for Service (PFFS) Plans, January 1, 2009:**

Carol Cormier said that the Cape Cod providers were reluctant to accept the PFFS plans when they were initially introduced. She said that a letter was mailed to providers from the CCMHG asking them to accept the PFFS coverage.

Ms. Cormier said that the rates are renewed annually on January 1<sup>st</sup> with the exception of Tufts senior plans which renew July 1st. She said that the health plans have offered to hold regional informational retiree meetings to educate the retirees on the new products.

James Weiss made a motion to approve the Special Open Enrollment of the PFFS plans for January 1, 2009.

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

Motion
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**Health Plan Updates:**

Blue Cross Blue Shield -

Suzanne Donahue said that BCBS is introducing ReportBlue, a web-based data analysis and reporting tool that will allow GBS and CCMHG representatives access to analyze and report on the group's health care experience. She said that Noreen Mavro-Flanders, Carol Cormier and Karen Carpenter would be attending one of the scheduled training classes.

Ms. Donahue said that the BCBS Asthma Management program has over 400 CCMHG members participating.

Suzanne Donahue distributed a brochure named *Quality = Affordability* which describes BCBS's plan of initiatives to provide quality health care at an affordable price.

Harvard Pilgrim Health Care –

Bill Hickey distributed a "Your Member Savings" booklet which will be mailed out to members describing the health and wellness program savings available through HPHC. He said Sears Optical has been added as a new location to receive HPHC vision benefits.

Tufts Health Plan –

Fred Winer said that there was nothing new to report.

**Other Business:**

Noreen Mavro-Flanders said that since Bob Canevazzi has resigned, that there is now a vacancy on the Steering Committee as well as a vacancy for Vice-Chair of the Board. She said positions would be filled at the CCMHG annual organizational meeting in October.

Carol Cormier said she would send out an email to all CCMHG units asking if anyone has an interest to serve as a member of the Steering Committee.

The October meeting was scheduled for Wednesday, October 22<sup>nd</sup> to be held at COMM Fire District, Centerville, MA at 9:30 a.m.

There was no other business.

Noreen Mavro-Flanders adjourned the meeting at 11:40 a.m.

*Prepared by Karen Carpenter  
Group Benefits Strategies*