

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

Board Meeting

Wednesday, July 25, 2007, 9:30 AM
Centerville Osterville Marstons Mills Fire District Building
Centerville, MA

MEETING MINUTES

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, July 25, 2007 at the Centerville Osterville Marstons Mills Fire District Building, Centerville, MA. The following people attended the meeting:

Board Members and Alternates Present:

Bob Whritenour, Steering Committee Chair	Town of Falmouth
Bob Canevazzi	Town of Dennis
Dave Withrow	Town of Orleans
Roland “Bud” Breault	Town of Barnstable
Margaret Downey	Barnstable County
Francis “Skip” Finnell	Dennis Yarmouth Regional School District
Marcia Templeton	Nauset Regional School District
Gerry Panuczak	Town of Chatham
Lisa Vitale	Town of Brewster
Craig Mayen	Town of Sandwich
Pamela Nolan	Town of Truro
Barbara Meehan	Upper Cape Cod Regional Technical School
Robert Howard	Bourne Recreation Authority
Karen Walden	Mashpee Water District
Judy Sprague	COMM Fire District
Karen Scichilone	Cape Cod Lighthouse Charter School
Laura Scroggins	Town of Barnstable
Joan Plante	Town of Eastham
Angela Park	Town of Yarmouth
Linda O’Brien	Town of Provincetown
Joseph Cucinotta	Dennis-Yarmouth Regional School District

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Michelle LaCasse	Barnstable County
Irene Wright	Town of Yarmouth
Sue Milne	Town of Yarmouth
Pam Hudson	Town of Provincetown
Suzanne Donahue	Blue Cross Blue Shield
Margaret McGloin	Town of Provincetown
William Hickey	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

Chair, Noreen Mavro-Flanders was unable to attend. Bob Canevazzi chaired the meeting in her absence and called the meeting to order at 9:45 a.m.

Mr. Canevazzi asked for introductions.

Minutes of the Board meeting of March 7, 2007:

Bud Breault motioned to approve the minutes of the March 7, 2007 meeting as written.

Pam Nolan seconded the motion. The motion passed by unanimous vote.

Motion

Treasurer's Report:

Rich Bienvenue, Treasurer, reviewed the financial statements of June 30, 2007 (unaudited figures). He reported a fund balance of \$17.8M. Mr. Bienvenue said he received Medicare Part D reimbursements of \$900K and a HPHC prescription rebate of \$203K. Mr. Bienvenue said the timeliness of each unit submitting payments has been very good.

Investment Committee report:

Rich Bienvenue said the Committee met on June 5, 2007. He said the Committee discussed the Group's current investment policy and current asset allocation. He said it would be considering changing the target allocation of the Equities and of the Fixed income asset class. He said there is a vacancy on the Committee due to Sheryl McMahon's departure and asked anyone interested to contact him.

Investment Manager report:

Dave Smith, Rockland Trust, introduced the team from Rockland Trust: Jason Lily, Wendy Barker, and Deb Thibodeau. He reviewed the performance of the Targeted Portfolio Structure of the original portfolio, Fund 1 – Moderate Growth, and the new Fund 2 – Balanced Growth, which began in April 2006.

Mr. Smith stated that the aggregate performance for Fund 1 through the first six months of the year was 3.10%. He said since inception the performance was up 7.39%. He said the Fund 2 performance for six months ended 6/30/07 was 4.94%. He said since inception the performance was up 10.16%.

Steering Committee Report:

Bob Whritenour said some of the issues the Steering Committee has been working on primarily have been related to the meetings with Lieutenant Governor. He said representatives from each of the Joint Purchase Groups (JPGs) have met twice with the Lieutenant Governor and have had an additional meeting with Robert Nunes, DOR Deputy Commissioner and Director of Municipal Affairs. He said Mr. Nunes recommended that the Joint Purchase Group's begin conversations with Labor. He said the representatives from each of the JPG's are still gathering a lot of information.

Mr. Whritenour said the Steering Committee has been working on the Wellness initiative. He said the Committee remains focused and that the Wellness Committee has been communicating very well. He said it is doing a great job and is offering quality programs. He said the Steering Committee has also been working with the Abacus Group and the myMedicationAdvisor® website programs. He said the CanaRx program and the Alternative Generic program are running well. He said HeartAge™ and myHealthMaximizer® are now being promoted. He said Dr. Rob Flaherty is still running the Health Improvement Project (HIP) program, which was formerly called "CHIP".

Bob Whritenour reminded the Board of the Premium Holiday that was voted upon. He said the Premium Holiday would apply to the self-insured plans only since they generate the funds but not to the insured health plans or to the dental plans. He said as of July 1, 2007 Nauset Regional School District purchases the Delta Dental Voluntary program through the CCMHG.

Mr. Whritenour said the new reinsurance policy has been approved. He said the carrier would continue to be Companion Life Insurance Company through the broker, Cook and Company.

Mr. Whritenour reviewed the internal process for the Open Meeting Law and said the Steering Committee will propose a minor amendment to the Joint Purchase Agreement stating that the Board and Steering Committee will follow the Open Meeting Law. He said that this has always been the case. He said that the Wellness Committee and Investment Committee would not be subject to the Open Meeting Law.

Wellness Committee Report:

Beverly Haley said the Wellness contract was approved by the Steering Committee earlier today. She said the Wellness Participation Agreements are still coming in. She said a notice would be sent out to those who have replied.

GBS Reports:

Funding Rate Analysis by Plan – Carol Cormier said the claims for the Health plans are running at a composite expense-to-funding ratio of 101.4% through May 31, 2007 generating a loss on a paid basis of \$1.28 million. She said the goal had been to reduce the fund balance by \$6 million in FY07. Ms. Cormier said the Dental expense-to-funding ratio was 95.5%.

Level Monthly Deposits – Carol Cormier said the Level Monthly Deposit reports for Blue Cross Blue Shield and Harvard Pilgrim Health Care are both included in the packet.

Stop Loss Reports – Lisa Trombly reviewed the Stop Loss Report for the FY07 policy period. She said there were 27 members with claims that exceeded the stop loss deductible of \$150K with claims totaling \$5.6M. She said the Group has met the Aggregating Specific Deductible (ASD) of \$500K. She said there were new reimbursements of \$147,171.89 received since last reporting period and approximately \$971K due to the Group. Ms. Trombly said there were 58 claimants with claims between 50% and 100% of the stop loss deductible of \$150K with claims totaling \$7M.

Proposed amendment to Joint Purchase Agreement:

Carol Cormier explained that there was a question brought up about the “Open Meeting Law”, Chapter 39, Sections 23A & 23B. She said the Steering Committee discussed amending the Joint Purchase Agreement in order to clarify the requirements of an open meeting. She said it would apply to the Steering Committee and Board meetings only and not to any sub-division of either, for example, the Investment Committee meetings or the Wellness Committee meetings.

Bob Canevazzi said the Steering Committee recommends changing the language of the Joint Purchase Agreement to add language in order to clarify to which meetings the law applies.

Skip Finnell motioned to accept the recommendation of the Steering Committee to change the language of the Joint Purchase Agreement to specify that Chapter 39, Sections 23A & 23B, “Open Meeting Law”, apply to the Steering Committee and Board meetings only.

Motion

Karen Walden seconded the motion. Pam Nolan opposed the motion. The motion was approved by majority approval.

Carol Cormier said there were 2 copies enclosed in the packet. She asked each representative to sign and return one copy.

Appointment to Steering Committee to fill vacancy:

Bob Canevazzi said that Sheryl McMahon has resigned from both the Steering Committee and the Investment Committee.

Bob Whritenour said the Steering Committee recommends Gerry Panuczak to be appointed to the Committee. He explained that Gerry Panuczak had sent a letter stating his interest in serving and the Steering Committee voted to nominate him to the Board for approval to the Steering Committee.

Bob Whritenour motioned to accept the recommendation of the Steering Committee and elect Gerry Panuczak to the Steering Committee.

Motion

Linda O'Brien seconded the motion. The motion was unanimously approved.

Bob Canevazzi welcomed Gerry Panuczak to the Steering Committee.

Meetings with Lt. Governor Murray and Robert Nunes, DOR Deputy Commissioner and Director of Municipal Affairs:

Bob Whritenour said the meeting with Robert Nunes, DOR Deputy Director and Director of Municipal Affairs, on June 22nd went well. He said Mr. Nunes said the JPGs must do the work of getting Labor's support for any legislation to make it easier for Joint Purchase Groups (JPGs) to change benefits. He said the Patrick Administration would only lend support if the JPGs and Labor walk down the aisle together. He said the JPGs would distribute GIC Option Pros & Cons along with Attorney Kevin Feeley's write-up on the GIC Option. He said the message to the unions would be "if changes aren't made to JPGs, employers will start leaving for the GIC". He said the meeting in Mansfield was well facilitated. He said there is a strong feeling among the Joint Purchase Groups that the services they provide are of high value and worth getting information out there.

Carol Cormier said there is a "Pros vs. Cons" for Municipalities to joining the GIC included in the packet. She said if a member of the CCMHG left the Group to go to the GIC it would leave rich benefits plus money from the trust fund. She said the current CCMHG rates couldn't be compared with the current GIC rates without reducing the rates by 8.33%, representing the effect of the one-month premium holiday. She said there will be a high-level comparison completed that will be distributed. She said BCBS is not offered through the GIC.

Bob Canevazzi said the Steering Committee recognizes the pressure that is being placed on each unit, as well as the due diligence required on this issue. He said he'd like to get the comparison information out to the employers as soon as possible.

Carol Cormier said Bob Whritenour mentioned the West Suburban Health Group (WSHG) earlier. She said the WSHG offers a 2-options menu and do not offer any of the indemnity products which are costly. She said the "rate-saver" plans offered by the WSHG are similar to the GIC plans and one member of the WSHG did an analysis that showed if all members were to switch to the "rate-saver" plans it would save more money than joining the GIC.

Karen Walden asked if there was a PPO product available through the GIC.

Ms. Cormier said the HPHC PPO and the THP POS plans would work best for the Cape due to geography.

There was a discussion.

Bob Canevazzi said the issue of the GIC is not expected to end any time soon. He said the Steering Committee would continue to review it and report back to the Board.

MA Health Reform compliance:

Carol Cormier said the H.I.R.D. forms are now available. She said the filing of the Section 125 plan documents has been extended to October 1st. She said the West Suburban Health Group (WSHG) has engaged The Segal Company to prepare the Plan Document. She said she strongly suggests that each unit adopt a separate Section 125 plan for non-benefit eligible employees and not combine it with the benefit-eligible S.125 plan currently. She said the new S. 125 plan must identify who qualifies as well as the plan year.

Dave Withrow said he believes that the Section 125 plan must be in place by July 1st but that it did not have to be filed until October 1st.

Ms. Cormier said she believed that it didn't have to be in place until October 1st.

Margaret McGloin asked if all employees had to be registered with the Connector or just those "non-benefit eligible".

Carol Cormier said employers would need to register just the non-benefit eligible employees with the MA Health Connector. She said a census should be filed with the Connector.

Beverly Haley asked what should be done if an employee's paycheck does not cover the cost of the premium.

Ms. Cormier said the employer would deduct the amount of the health insurance from the employee's pay and remit it to The Connector. She said if the pay does not cover the amount, the employer would send what is available, and the employee would have to pay the difference to the Connector. A discussion followed.

Health Plan Reports:

Blue Cross Blue Shield – Suzanne Donahue said there has been a lot of movement, about 25%, from the indemnity products to the PPO. She said it is expected that it will continue for at least another month or so. She said BCBS has sent out nutrition flyers and would like to see one posted on the CCMHG website.

Harvard Pilgrim Health Care – Bill Hickey distributed a Spring update. He said the updates are sent out two times a year. He said the Annual Report helps people understand health insurance, both cost and quality of care. He said members can go to the HPHC website for healthcare blogging.

Other Business:

Carol Cormier reminded the Board that the Premium Holiday is for the self-insured plan members only. She said it would not apply to the members of the insured plans or to the dental plans. She said the unit invoices would still be sent out by GBS in November for a due date of December 1st but the employers will not need to submit payment or withhold premiums from its self-insured plan members.

There was no other business.

Bud Breault motioned to adjourn.

Motion

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

Bob Canevazzi adjourned the meeting at 11:15 a.m.

*Prepared by Lisa Trombly
Group Benefits Strategies*