

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

STEERING COMMITTEE

Wednesday, July 25, 2012 9:00 AM
COMM Fire District, Centerville, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, July 25, 2012 at COMM Fire District, Centerville, MA.

The following people attended the meeting:

Committee Members Present:

A. Francis (“Skip”) Finnell, Chair	Dennis-Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	County of Dukes County
Debra Blanchette	Town of Barnstable
Erin Orcutt	Cape Cod Regional THS
Gerry Panuczak	Town of Chatham
Susan Milne	Town of Yarmouth
Marie Buckner	Town of Sandwich
Maggie Downey	Barnstable County

Guests Present:

Richard Bienvenue	CCMHG Treasurer
Atty. Leo J. Peloquin	Collins, Loughran & Peloquin, P.C.
Deborah Heemsoth	Town of Dennis
Laurie Hadley	Cotuit Fire District Prudential Committee
Kristen Waugaman	Cotuit Fire District
Renie Dumont	Nauset RSD
Pam Hudson	Town of Provincetown
Julian Suso	Town of Falmouth
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Plan (HPHC)
Nina Conroy	Delta Dental Plan of Mass.
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 8:37 a.m.

Approval of the Minutes of the June 12, 2012 meeting:

Debra Blanchette motioned to approve the minutes of the June 12, 2012 meeting.

Motion

Gerry Panuczak seconded the motion. Marie Buckner abstained.

The motion passed by a majority vote.

Approval of the August 2012 Warrant:

Carol Cormier reviewed the August 2012 Warrant.

Gerry Panuczak made a motion to approve the Warrant as presented.

Motion

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

Dependent Eligibility Audit Update – HMS Employer Solutions:

Carol Cormier said that she, Karen Carpenter and Ruth Lynch at Group Benefits Strategies had a first telephone conference with BJ McBride, HMS Program Manager assigned to CCMHG. She said that weekly meetings will be held during the Planning Phase to ensure a smooth process. Ms. Cormier said that HMS is requiring an electronic enrollment data file in a certain format. Ms. Cormier said that a decision as to whether to use the enrollment data as of September or October must be made. Ms. Cormier said that she will email a letter to the employers to put on their letterheads to notify their employees of the upcoming audit and introduce HMS..

Noreen Mavro Flanders joined the meeting.

The Steering Committee agreed that the September enrollment data should be used for the audit.

Ms. Cormier said that an area of eligibility that was discussed with HMS is CCMHG's position about the eligibility of dependents of dependents. She said that the Affordable Care Act does not require extending coverage to dependents of dependents and that CCMHG voted to not cover them. She said that there is a state law requiring insurers to cover dependents of dependents. Ms. Cormier said that HPHC agrees that self-funded plans have the option, but BCBS disagrees. Ms. Cormier said that HMS keeps an issue report and can notify GBS of any problems.

Carol Cormier invited Bill Hickey and Suzanne Donahue to join the next conference call with HMS to discuss the enrollment data requested. She said that she will forward the meeting request to them.

Wellness Committee Report:

Maggie Downey said that she will not be giving a Wellness Committee Report at the Board meeting. Ms. Downey reviewed the proposed FY13 Wellness Budget and said that the proposed budget for FY13 is \$138,285 which includes the salary of the wellness coordinator and the expenses for the wellness programs. She said that the approved budget for FY12 was \$174,474, of which \$116,023 was budgeted for the mainland. She said that the actual amount spent in FY12 was \$70,841. Ms. Downey said that Deanna Desroches, the CCMHG Wellness Coordinator is proposing increasing her hourly rate to \$45. She reviewed the wellness programs proposed. Ms. Downey said that the budget does not include the Diabetes Care Rewards Program.

Skip Finnell said that he attended the last Wellness Committee Meeting and said that they are looking at the unique issues that need to be addressed for the Martha's Vineyard Wellness plan.

Deborah Heemsoth reviewed the scope of work and timeline for the Martha's Vineyard Wellness Needs study that will be performed by a third party contractor. She said that the cost of the study proposed is up to \$1,500 at a rate of \$30 per hour. She said that an update on the progress of the study to the Wellness Committee will be sent on or about September 16th.

Noreen Mavro Flanders said that the school nurse may be able to complete the study since she is not working during the summer.

Ms. Flanders asked why the wellness budget proposed is increasing to \$138K if the actual expenses last year only totaled \$70K.

Maggie Downey said that the budget assumes maximum participation in the programs, since the actual participation is unknown. She also said that the wellness incentives that totaled \$10K and the brown bag lunch program and new expenses were not included in last year's budget. Also, Ms. Downey said that the number of pages in the Newsletter has grown.

Skip Finnell asked to see a comparison between last year's and this year's budget. He said that it would be helpful to the Steering Committee to see a side-by-side comparison of what was proposed, budgeted and spent for each of the two years. Mr. Finnell asked if this could be presented at the September meeting.

Debra Blanchette made a motion to approve the FY13 Wellness Budget as presented.

Erin Orcutt seconded the motion. The motion passed by unanimous vote.

Motion

There was a discussion about the amount of work and time it takes to put together the wellness programs, budgets and reports. It was noted that the work that the Wellness Committee does is done by volunteer members and frequently on their own time.

Noreen Mavro-Flanders suggested sending Judie Jardin a thank you note for the time she served as Wellness Coordinator for Martha's Vineyard.

The Steering Committee agreed with Ms. Flanders.

Debra Blanchette suggested that Ms. Downey and Ms. Buckner may want to solicit for wellness committee volunteers at the Board meeting.

Treasurer's Report

Treasurer Richard Bienvenue said that he will do a full report at the Board meeting, but said that claims are running high. He reported a Total Fund Balance of approximately \$20M, with a \$1M loss for the year.

Skip Finnell said that he and Erin Orcutt made a visit to Mr. Bienvenue's office in response to the auditor's comments in the Management Letter.

Erin Orcutt said that she and Mr. Finnell reviewed the accounting procedures and safeguards in place. She said that there was some duplication that could possibly be mitigated by the web-based accounting program that Mr. Bienvenue spoke about at the last meeting. She added that it would also help with the Segregation of Duties comment in the Management Letter. She said that she and Mr. Finnell found everything to be in order at Mr. Bienvenue's office.

Carol Cormier said that Michael See, the GBS IT consultant, should speak with Rich Bienvenue about the program specifics to see if it is something that would work with the GBS processes.

The Steering Committee asked Ms. Cormier if she would set up a meeting at GBS to discuss the new software.

Unfair Labor Practice suits (ULPs) and request for Board action – Atty. Leo Peloquin:

Carol Cormier said that she sent several emails to the Steering Committee from the attorneys hired by the towns that have ULPs filed against them. She said that the attorneys are recommending that the Board vote to affirm its October 5, 2011 vote to change the health plan designs.

Atty. Leo Peloquin said that he and the other lawyers agree that CCMHG did not do anything incorrect when taking the October 5th vote and said that they followed the process of the new legislation to the letter.

Carol Cormier noted that she was in contact with the Department of Administration and Finance (A&F) for guidance throughout the process. She said that A&F agrees that CCMHG did nothing incorrect.

Atty. Peloquin said that the suits allege that the vote taken by CCMHG was in violation of MGL Ch. 150E because most CCMHG employers did not vote locally to adopt MGL Ch. 32B, S21-23 prior to the

October vote. He said that they seem to agree that everything done following the vote was done correctly. Atty. Peloquin said that the goal of the suit is to roll back to the plan designs that were in effect prior to July 1, 2012. He said that by re-affirming the original vote, the attorneys are hoping to establish an end date of any potential damages that may be sought. Atty. Peloquin said that it is not an action of concession, but an act of protection.

Skip Finnell suggested contacting a legislator who championed the new legislation.

Atty. Peloquin said that the case should be heard in a legal forum, not by the DLR.

Noreen Mavro-Flanders made a motion to recommend to the Board to re-affirm the October 5, 2011 vote and to vote regarding the rights and defenses of that vote.

Motion

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

Due to time constraints, agenda items 8, 10, and 11 were tabled to the next meeting.

BCBS PPO – payment to non-participating providers:

Carol Cormier said that Suzanne Donahue, BCBS, explained at a prior meeting, that BCBS would be changing the way that they paid PPO non-participating providers, primarily those not located in Mass. She said that the result of the change may mean that some members would be balance billed. Ms. Cormier said that knowing that the out-of-network (OON) utilization for CCMHG was very minimal, the Steering Committee voted last fall to go along with the change.

Suzanne Donahue explained that beginning with renewal dates of January 1, 2012, BCBSMA modified its usual and customary (U&C) reimbursement policy for non-participating providers. She said the new standard U&C allowance will be based on the BCBSMA Indemnity fee schedule (100% in MA and 150% out-of-state) for all provider types. Ms. Donahue said that prior to the change, BC paid PPO non-participating providers outside of MA based on charges, which were usually very high. Ms. Donahue noted that the change does not apply to emergency services.

Carol Cormier reviewed the BCBS report of OON utilization in the meeting packet and said that most were for doctor appointments and ambulance services.

Debra Blanchette said that the issue was that the employees that moved to the PPO plans in July were unaware of the change.

Gerry Panuczak said that everyone was told that there would be no plan design changes other than those approved at the October 5th Board meeting.

Debra Blanchette made a motion to rescind the October 11, 2011 Steering Committee vote to accept the new BCBS PPO non-participating provider payment schedule and to revert back to the previous payment methodology.

Motion

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

Skip Finnell said that the Steering Committee should review the information and consider it for FY14.

Other Business:

The next CCMHG Steering Committee meeting was scheduled for September 19, 2012 to be held on Martha's Vineyard, time and location to be determined.

There was no other business.

Erin Orcutt moved to adjourn.

Motion

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

Skip Finnell adjourned the meeting at 10:07 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*