

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

Board Meeting

Wednesday, July 26, 2006, 9:30 a.m.
COMM 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 26, 2006 at the Centerville, Osterville, Marstons Mills Fire District Building, Centerville, MA. The following people attended the meeting:

Board Members and Alternates Present:

Noreen Mavro-Flanders, Board Chair	Dukes County
Marcia Templeton	Nauset Regional School District
Christine Ezersky	Nauset Regional School District
Robert Cecil	Barnstable Fire District
Karen Walden	Mashpee Water District
Paula Ainsworth	Cape Cod Regional Transit Authority
Francis “Skip” Finnell	Dennis-Yarmouth RSD
Peter Bettencourt	Town of Edgartown/Dukes County
Marie Buckner	Town of Sandwich
Walfred Lundstrom	Town of Yarmouth
Bob Canevazzi	Town of Dennis
Margaret Downey	Barnstable County
Linda O’Brien	Town of Provincetown
Pam Nolan	Town of Truro
Beth Fletcher	Town of Chatham
Thomas Connolly	Town of Mashpee
Karen Scichilone	Cape Cod Lighthouse Charter School
Dave Withrow	Town of Orleans
Roland “Bud” Breault	Town of Barnstable

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Michelle LaCasse	Barnstable County
Beryl O’Brien	Town of Brewster
Brian Heaslip	Town of Yarmouth
Bill Rowbottom	Blue Cross Blue Shield of MA
William Hickey	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

Chair, Noreen Mavro-Flanders called the meeting to order at 9:42 a.m.

Minutes of the Board meeting of March 22, 2006:

Peter Bettencourt moved to accept the minutes of the March 22, 2006 meeting as written.

Motion

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

Treasurer's Report:

Rich Bienvenue, Treasurer, reviewed the financial statements of June 30, 2006 (unaudited figures). He reported a fund balance of \$17,960,250.

Mr. Bienvenue stated that the claims expense was up 10.1% for health and 8.7% for dental but that there was a decrease in operating costs.

Mr. Bienvenue reviewed the balance sheet of June 30, 2006 and said that there will be an adjustment recorded once the Retiree Drug Subsidy (RDS) has been received. He said RDS is estimated based on the eligible members and will be recorded on the final balance sheet.

Rich Bienvenue said the Steering Committee voted to accept the proposal of Bill Fraher, CPA for the FY06 independent financial audit. Mr. Bienvenue said Mr. Fraher will begin work on the audit in mid-August.

Rockland Trust Investment Report:

Jason Lily, Rockland Trust, introduced the team from Rockland Trust. He reviewed the Targeted Portfolio Structure of the original portfolio, Fund 1 - Moderate Growth, and the new Fund 2 - Balanced Growth, which began in April.

Mr. Lily stated that the performance year-to-date was up 1.73%, exceeding the composite benchmark and that since inception the performance was up 5.76%, which also exceeds the composite benchmark of 4.52%.

Noreen Mavro-Flanders asked if Mr. Lily could report the increase in actual dollars versus percentages.

Jason Lily said that he did not have the actual dollar figures at this time but they were approximately \$5.2M in the mix of Fund 1 and \$3.4M in the mix of Fund 2. He said he will get the exact numbers for the next presentation.

Alternative Generic Savings Program Proposed by myMedicationAdvisor®:

Noreen Mavro-Flanders introduced Heidi Steinitz, Ph.D., The Abacus Group, who reviewed the proposed Alternative Generic Savings Program.

Dr. Steinitz said that the Canadian Drug Program is not performing as well as expected and that, hopefully, by adding the Alternative Generic Saving Program it would help boost the results. She said there were about 6,000 members in the CCMHG who would be eligible to switch to this proposed program.

Skip Finnell motioned to accept the recommendation of the Steering Committee and begin the Alternative Generic Savings Program proposed by myMedicationAdvisor®.

Motion

Bob Canevazzi seconded the motion. The motion was passed by unanimous approval.

Heidi Steinitz said she would get back to GBS with the launch dates and other specifics.

Carol Cormier said letters should be sent to the Union Presidents advising them that this is not a health plan so it does not require any bargaining and that this program can be stopped at any time if the Group feels it is not financially successful.

Wellness Committee Report:

Maggie Downey, Wellness Committee Chair, advised of the upcoming Family Wellness Nights planned. She said a flyer would be sent to GBS listing all of the upcoming programs.

Ms. Downey said that the advertisement for a Martha's Vineyard Wellness Coordinator was placed in the *Vineyard Times* and the *Vineyard Gazette*.

Ms. Downey said that the Wellness Committee is still looking for volunteers to serve on the Committee.

Steering Committee Report:

Bob Whritenour was unable to attend today's Board meeting. Therefore, Carol Cormier reviewed the Steering Committee report. She said the Steering Committee has been looking into anti-fraud procedures. She said that in doing so they have increased the Treasurer's fidelity bond to \$1M. She said that Mr. Whritenour had met with Rich Bienvenue and reviewed the processes in detail including handling of reinsurance checks. She said as an added safety measure, Noreen Mavro-Flanders will receive a duplicate copy of the bank statements to review.

Ms. Cormier said that based on a Steering Committee review of payment practices, a letter was sent to employers to advise them to pay their CCMHG invoices as billed.

Ms. Cormier said the Steering Committee received a letter from the Treasurer of West Tisbury requesting that the traditional Indemnity Plans be eliminated over a period of time. She said this letter is on the agenda and will be discussed.

Carol Cormier said that the Steering Committee is impressed with the hard work and enthusiasm of the Wellness Committee and the programs they have been developing and overseeing.

Ms. Cormier said the Steering Committee has been discussing the possibility of adding some lower cost benefit option plans and reviewing benefits to the current plans which has not been done in a very long time.

Ms. Cormier said that financially, the CCMHG is in a very good place. She said a CCMHG website is under development, which should be ready to be launched in August. She further said that the myMedicationAdvisor® financials were reviewed by the Steering Committee and the Committee also reviewed a proposal for an Alternative Generic Savings Program.

Ms. Cormier said the Steering Committee has met with Amy Travers of the HPHC reporting department to review new reporting capabilities.

Noreen Mavro-Flanders asked the Board for its thoughts on the letter received by Kathy Logue regarding phasing-out Master Medical/Master Health and Master Health Plus plans over the next few years.

Pam Nolan said it would need to be bargained out with every Union.

Carol Cormier acknowledged that this was the case. She said that each employer could do this on its own with its unions regardless of a vote by the CCMHG.

Maggie Downey said that Barnstable County was successful in eliminating the indemnity plan. She said there may not be much resistance to the idea and that all employers should report back to see if they come up against any resistance.

Ms. Cormier said that some unions were more agreeable to this course than others.

There was a discussion.

Bill Rowbottom, BCBS, said that a lot of the Towns are holding educational seminars for the fire and police departments to let them know about the PPO and EPO plans compared to Master Medical and Master Health Plus. He said the employers and employees are finding these sessions very beneficial and said that BCBS is available to attend.

Mr. Hickey said that HPHC representatives would also be willing to attend meetings to explain health plans to employees.

Noreen Mavro-Flanders said the Steering Committee would continue to review this topic.

GBS Reports:

Carol Cormier reviewed the Funding Rate Analysis by Plan as of June 30, 2006 and said there was movement of 128 members from the BCBS Indemnity plans into other plans during the policy year.

Ms. Cormier said the usual reports were included in the packets for review.

There was a discussion regarding rate setting.

Skip Finnell asked why the rates have not been closer to actual expenses.

Carol Cormier said that although the CCMHG is a large fully credible group, the cost projections have been considerably off. She noted that the health plans and GBS were very close each year in their projections. She said that rates are being set earlier each year as well. She reminded the Board that although in the last several years costs have fallen short of projections, that had not always been the case. She said the number of high cost claims drives the costs of the group.

Mr. Finnell asked if the CCMHG costs are much lower than other Groups.

Ms. Cormier said the most comparable Group in size is the West Suburban Health Group (WSHG) but the balance of individual and family plans are different. Also, she said that most employees in the WSHG are on the HMO plans and the group does not offer a traditional indemnity plan. She said this leads to lower costs even though the employers are located closer to Boston and academic medical centers. Ms. Cormier said CCMHG employers need to work on getting members off of the indemnity plans and onto the PPO and HMO plans.

Noreen Mavro-Flanders informed the Board of the results of the reinsurance bids and the spread of the quotes that were received. She said that the new policy represents a decrease over current costs without a change in policy terms.

Harvard Pilgrim Disease Management Proposal:

Bill Hickey, HPHC, advised of the embedded disease management programs and explained of the additional disease management programs available for a fee. He said the five proposed programs are Harvard Pilgrim Health AdvanceSM, which identifies people at risk for poor health; Heart ChampionSM, which identifies people with coronary artery disease and heart disease; Your Care ChampionSM, which identifies people with rare chronic conditions that can be expensive and debilitating; Oncology Care Management Program, which assists those with cancer; and End State Renal Disease (ESRD) Program. Mr. Hickey outlined the number of members of the CCMHG who could be eligible for these programs.

Bud Breault motioned to accept the Steering Committee recommendation to adopt the 5 HPHC Disease Management Programs listed above.

Motion

Peter Bettencourt seconded the motion.

Carol Cormier said that the recent Watson Wyatt Worldwide study found that 4% of the covered population account for 50% of the claims expense and that these programs may help address this.

The motion to accept the Steering Committee recommendation and adopt the 5 HPHC Disease Management Programs was passed by unanimous approval.

Other Business:

Bill Rowbottom, BCBS, said the new Account Executive for the CCMHG, Suzanne Donahue, was unable to attend today's meeting but will be available for the next meeting.

Mr. Rowbottom said there has been a lot of movement from the Master Health Plus plan at open enrollment but he still believes that having educational seminars are the best way to persuade more members to move.

Mr. Rowbottom further stated that BCBS has released a brand new book on Healthy Discounts with many discounts available.

Noreen Mavro-Flanders said that the next Board meeting will be held on October 25, 2006 and January 31, 2007.

Tom Connolly asked if there was a master list of which plans each town offers.

Carol Cormier said that GBS has just completed updating the list that will be sent to the Board distribution list. She said the plans are also listed on each bill.

With no other business, Bob Canevazzi motioned to adjourn.

Motion

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

Noreen Mavro-Flanders adjourned the meeting at 11:10 a.m.

*Prepared by Lisa Trombly
Group Benefits Strategies*