

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

Board Meeting

Wednesday, July 27, 2011, 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 27, 2011 at 9:30 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

Board Members Present:

Noreen Mavro-Flanders, Chair	County of Dukes County
Marie Buckner, Vice-Chair	Town of Sandwich
A. Francis (“Skip”) Finnell	Dennis-Yarmouth RSD
Margaret Downey	Barnstable County
Gerry Panuczak	Town of Chatham
Debra Blanchette	Town of Barnstable
Laura Scroggins	Town of Barnstable
Susan Milne	Town of Yarmouth
Irene Wright	Town of Yarmouth
Heather Harper	Town of Falmouth
Dawn Rickman	Town of Wellfleet
Judy Sprague	COMM Fire District
Craig Mayen	Town of Sandwich
Lisa Vitale	Town of Brewster
Linda O’Brien	Town of Provincetown
Pam Hudson	Town of Provincetown
James Weiss	Dukes County/Martha’s Vineyard RSD
Renie Dumont	Nauset Regional School District
Joan Plante	Town of Eastham
Mary McIsaac	Town of Harwich
Susan Stoltz	Barnstable Fire District
Dave Withrow	Town of Orleans
Robert Howard	Bourne Recreation Authority

Guests Present:

Richard Bienvenue, CPA	Treasurer, CCMHG
Michelle Dunn	Dennis-Yarmouth RSD
Deborah Heemsoth	Town of Dennis
Susan Wallen	Nauset Regional School District
Beverly Haley	Dennis-Yarmouth RSD
Paula Champagne	Town of Harwich Health Director
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Rowbottom	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan, Retiree products
Nina Conroy	Delta Dental of MA
Jason Lily	Rockland Trust
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

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

Approval of the minutes of the March 30, 2011 Board meeting:

Skip Finnell made a motion to approve the minutes of the March 30, 2010 Board meeting as written.

Judy Sprague seconded the motion. The motion passed by unanimous vote.

Motion

Investment Committee Report:

Gerry Panuczak said that through the stock market issues and market uncertainty, Rockland Trust has prevailed, and the CCMHG investments are performing well.

Investment Manager's Report:

Jason Lily from Rockland Trust distributed and reviewed the report on investments with data ending 06/30/11. Mr. Lily said that the investments increased by \$1.47M at the end of fiscal year 2011. He said that Portfolio #1 (conservative with 70% in fixed income/30% in equities) had a 12-month return of 12.67% and Portfolio #2 (balanced/aggressive with a 50/50 balance of fixed income and equities) had a 12-month return of 19.08%. He said both funds outperformed their benchmarks.

Noreen Mavro-Flanders thanked Mr. Lily for attending the meeting, and Mr. Lily left the meeting.

Treasurer's Report:

Treasurer, Rich Bienvenue, CPA, reviewed the financial statements through June 30, 2011 (unaudited figures). He said that the total operating cash was \$24.5M which was up almost \$1.2M from this time last year. He said that the Health Trust Fund Balance was \$20.04M on June 30. Mr. Bienvenue said that the fund was down as expected and noted that the Board approved a \$1.087M disbursement of the 2007 Retiree Drug Subsidy reimbursement to each unit. He reported assets at \$36.2M and liabilities of \$16.1M. Mr. Bienvenue said that the IBNR adjustment brought the calculation down to approximately 0.8 of an estimated average month of claims.

Wellness Committee Report:

Maggie Downey said that the Steering Committee approved the FY12 Wellness Budget of \$174,475 and the proposed FY12 programs. Ms. Downey said that in addition to the approved budget, Martha's Vineyard is trying to coordinate a Smoking Cessation program. Ms. Downey said that the July edition of the quarterly wellness newsletter, Your Health Matters, has been distributed to the employers. She asked the employers to circulate the newsletter to their employees. Ms. Downey said that the FY12 Wellness Participation Agreements will be sent out soon.

Ms. Downey said that the Wellness Committee sent out questionnaires to all of the CCMHG employers. She said that the purpose of the questionnaire was to be able to provide programs that will benefit the members and to make improvements where necessary. Ms. Downey said that only 6 of the 52 questionnaires were returned.

Ms. Downey said that the Committee is recommending that the Steering Committee put out an RFP for a professional wellness program provider who will be creative about designing programs based on wellness research. She said that the CCMHG Wellness Committee wants to insure that the programs offered do not become stagnant. Ms. Downey said that the Committee spoke to the Wellness Consultants, Judy Jardin and Deanna Desroches, and said that they could submit proposals in response to the RFP.

Heather Harper said that she wants to recognize the efforts and work of all that the Wellness Coordinators and Committee do to bring the wellness programs that have benefited so many members of CCMHG. Ms. Harper said that in some instances, the programs have saved lives.

Noreen Mavro-Flanders agreed and said that the wellness newsletter is fabulous and is a great way to get the wellness information out to all members.

Pam Hudson said that the Town of Provincetown employees love the newsletter and asked what the employers could do to motivate more of the employees to participate in programs.

Maggie Downey said that promoting wellness needs to be promoted by all those that manage the town, from the Human Resource Manager to the Town Administrator and Manager.

Ms. Downey said that the Wellness Committee wants the employers to send their ideas for using the Wellness Grants. She said that she would like to share the list with all of the employers.

Noreen Mavro-Flanders suggested spotlighting someone that the wellness programs have helped in each newsletter.

Steering Committee Report:

Steering Committee Chair, Skip Finnell, said that because BCBS is requiring all municipalities to adopt state mandates, regardless of whether they are self-funded or not, the Committee sent a letter to the President of BCBS, Andrew Dreyfus. Mr. Finnell said that BCBS contacted and sent a letter to the Attorney General's (AG) office asking for clarification. Mr. Finnell said that Attorney Paul Mulkern also sent a letter to the AG on behalf of CCMHG. He said no response has been received by anyone yet.

Mr. Finnell said that the Committee wrote several letters to the legislators to be sure the Municipal Health Reform legislation included Joint Purchase Groups. He said that representatives of JPGs attended a Coalition of Joint Purchase Groups meeting in Marlboro hosted by Group Benefits Strategies (GBS). Mr. Finnell said that the Committee is holding bi-weekly meetings on MA Health Reform and plan design changes and has invited the Board, Town Managers and union members to attend the meetings. He said that the proposed regulations are due out soon.

Mr. Finnell said that he, Noreen Mavro-Flanders, and Carol Cormier met with BCBS President, Andrew Dreyfus and discussed the mandate issue, BCBS service to CCMHG and the then-pending legislation. He said that the meeting went well and he was very encouraged by Mr. Dreyfus's response. Mr. Finnell said that Mr. Dreyfus will be attending the October 26th Board meeting.

Mr. Finnell said that the new legislation requires health plan eligibility audits every 2 years and said that Carol Cormier will be speaking to the Board about this later in the meeting.

Mr. Finnell said that an RFQ for Reinsurance quotes for FY12 went out and said the Committee selected BCBS as the new carrier at \$5,000 less in premiums than the FY11 policy. He said that BCBS uses a third party to adjudicate the HPHC claims.

Mr. Finnell said that the Committee has researched an issue of scarcity of shingles vaccine on the Cape.

Suzanne Donahue said that the shingles vaccine is available on the Cape for those 60 years of age or over. She said that it is the primary care physician's responsibility to coordinate. Ms. Donahue noted that the vaccine is not covered by Medicare, so it is not covered by Medex either.

Bill Hickey said that HPHC has the same age guidelines as BCBS.

Skip Finnell said that the Committee is discussing the possibility of distributing additional Retiree Drug Subsidy monies later in the year. He said that the Committee will bring this matter to the Board around rate-setting time.

GBS Reports:

Health Plan Level Monthly Deposits (LMD)-

Carol Cormier said the Steering Committee approved the BCBS and HPHC LMD for fiscal year 2012. She said that the BCBS monthly deposit decreased due to migration of subscribers to lower cost plans, while the HPHC increased due to high claims costs.

Ms. Cormier said that there is \$800K of reinsurance reimbursements due CCMHG as of May 31, 2011.

Discussion about Independent Eligibility Audit:

Noreen Mavro-Flanders said that the new legislation is requiring that all governmental units conduct an independent eligibility audit every 2 years. Ms. Mavro-Flanders asked Carol Cormier to explain.

Carol Cormier said that an RFP could be used to solicit quotes from prospective eligibility audit firms. She said that during the audit, a series of letters would be sent to the subscribers. Ms. Cormier said that it is beneficial that the first letter be sent on employer letterhead introducing the audit firm to the employee. Ms. Cormier said that subsequent letters will ask that copies of the documents required to prove eligibility, such as a marriage license, birth certificate, etc., be sent to the audit firm. She said that the documents do not need to be originals. Ms. Cormier said that follow-up letters will be sent to those that are missing documentation or to those who do not reply. She said that all documents will be filed in an orderly fashion and returned to the employer at the end of the audit. Ms. Cormier suggested conducting the audit as a Group instead of by unit. Ms. Cormier said that a list of required documents would be provided to the employers to obtain from employees at open enrollment or when there is a qualifying event. Ms. Cormier said that the Committee will review this issue further and make a recommendation to the Board. She said that there are not a lot of auditors that are familiar with eligibility rules for Mass. municipalities.

Jim Weiss made a motion to allow the Steering Committee to move forward with their review of dependent eligibility audits and their recommendation to the Board.

Motion

Dawn Rickman seconded the motion. The motion passed by unanimous vote.

Discussion about MA municipal health insurance reform legislation:

Noreen Mavro-Flanders said that part of the new legislation requires that all Medicare eligible retirees sign up for Medicare Part B and provide documentation of Medicare eligibility or ineligibility to their employer. She said that those retirees that are Medicare eligible will have to be moved from active plans to one of the CCMHG senior plans.

Carol Cormier said that the new legislation which adds Sections 21, 22 and 23 to Chapter 32B gives municipalities an expedited process to use if they would like to change health plan co-pays or add deductibles to the plans, provided the co-pays and deductibles do not exceed those of the GIC's benchmark plan. Ms. Cormier said that the employers are not required to do anything if they do not wish to. She said that the legislation allows employers to make benefit design changes up to the level of the GIC benchmark plans for the active and retiree plans. Ms. Cormier said that the GIC is required to publish its benchmark plans (most popular active employee plan and senior plan) each year. Ms. Cormier said that another option is moving subscribers to the GIC plans if the employer can demonstrate a savings of 5% or more than savings that would be realized by Section 22 plan design changes.

Ms. Cormier said that the Tufts Navigator plan is the benchmark plan for FY12 and said that that the plan has 3-tiers of hospitals and doctors. She said that the highest co-pay cost is the third tier. Ms. Cormier noted that Cape Cod Hospital is a tier 3 provider. She also said that BCBS plans are not available through the GIC. Ms. Cormier said that the GIC also requires that those who join stay with the GIC for at least three years. Ms. Cormier said that the regulations have not been issued yet. She said that there are several questions that need to be answered before moving forward. She said that one question is which tier of the benchmark plan would be used to compare with the CCMHG plans since CCMHG will probably not adopt provider network tiering.

Ms. Cormier said that the legislation repealed Section 18 and revised Section 18A effective July 1, 2011. Ms. Cormier said that the employers need to communicate to their retirees that are eligible for Medicare Parts A & B and did not sign up when they were first eligible at age 65, that they will need to enroll in Part B between January 1 and March 31, 2012. She said that those that will be turning 65 should apply prior to their birthday. Ms. Cormier said those that are turning 65 and still employed are not eligible until they retire. Ms. Cormier explained that retirees that are a covered family of three or more may remain on a family plan until their dependent children are no longer eligible.

Carol Cormier suggested that the Steering Committee may want to bring the Social Security regional manager to one of the next meetings to discuss the late enrollment penalty.

Heather Harper left the meeting.

Ms. Cormier said that each unit is required to use the expedited bargaining described in Section 21 and 22 to make plan design changes that the CCMHG Board approves. Ms. Cormier gave a brief overview of the process and said that each employer with collective bargaining units will need to form an Insurance Advisory Committee if they do not already have one. Ms. Cormier noted that the first time that an employer implements plan design changes under the new Chapter 32B sections, the employer shall not increase before July 1, 2014, the percentage contributed by retirees, surviving spouses, and their dependents to their rates from the percentage that was approved and in place before July 1, 2011, unless the employer can prove that the increase was approved prior to July 1, 2011 but not to take effect till some date after July 1, 2011.

Maggie Downey suggested that all of the Board members should go back to their Appropriate Public Authority to get direction on their votes regarding plan design changes.

Ms. Cormier said that if there is specific language about co-pays and/or deductibles in any of the union contracts, that those employers will be required to maintain those copays and deductibles until those contracts expire.

Skip Finnell said that the Steering Committee has set up the following meeting dates and invited and encouraged all to attend. Steering Committee meetings on August 10 and 24 and September 7, all at 9:00 a.m. Steering Committee meeting on Martha's Vineyard on September 20th, location to be determined. Two Board meetings are scheduled on October 5th and 26th.

Carol Cormier said that GBS would send out the list of all of the scheduled meetings with locations to everyone.

Health Plan Reports:

Delta Dental of MA- Nina Conroy, Account Executive for Delta Dental, said that student certification letters will be mailed out in August. She said that there will be a term date of September 30th for those who do not return the forms to Delta Dental.

Tufts Health Plan- Fred Winer, Account Executive for the Tufts Senior Plans, said Tufts will have senior GIC look-a-like plans available in July.

Harvard Pilgrim Health Care (HPHC)- Bill Hickey, Account Executive for HPHC, said that HPHC has been working around the clock on the federal health reform, MA municipal health reform, renewals and updating benefit summaries.

Blue Cross Blue Shield (BCBS) - Suzanne Donahue, Account Executive for BCBS said that she sent Group Benefits Strategies information to post on the CCMHG website regarding a BCBS smoking cessation program

available on the HMO and PPO plans. She said that there are over \$800K in smoking-related claims in the CCMHG.

Bill Rowbottom said that he is contacting each CCMHG unit to see what is working or not working in regards to their health fairs. He said that it will be a good opportunity to meet the new benefit administrators.

Other Business:

Carol Cormier asked the Board to send her contact information of any new Managers or Superintendents. She said that she will be emailing the Board and unit Managers information about MA municipal health reform and CCMHG meeting information.

There was no other business.

Skip Finnell moved to adjourn the meeting.

Motion

Gerry Panuczak seconded the motion.

Chair, Noreen Mavro-Flanders adjourned the meeting at 11:52 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*