

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

Board Meeting

Wednesday, July 29, 2009, 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 29, 2009 at 9:30 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

Committee Members Present:

Noreen Mavro-Flanders , Chair	County of Dukes County
David Withrow, Vice Chair	Town of Orleans
Bob Whritenour, Steering Committee Chair	Town of Falmouth
A. Francis Finnell	Dennis-Yarmouth RSD
Marie Buckner	Town of Sandwich
Sue Milne	Town of Yarmouth
Gerry Panuczak	Town of Chatham
Debra Blanchette	Town of Barnstable
Craig Mayen	Town of Sandwich
Lisa Vitale	Town of Brewster
Nan Balmer	Town of Harwich
Marcia Templeton	Nauset Regional School District
Karen Walden	Mashpee Water District
Linda O’Brien	Town of Provincetown
Dawn Rickman	Town of Wellfleet
Robert Howard	Bourne Recreational Authority
Joan Plant	Town of Eastham
Agnes Murray	Cotuit Fire District

Guests Present:

Richard Bienvenue, CPA	Treasurer, CCMHG
Deborah Heemsoth	Town of Dennis
John Martis	Town of Falmouth
Kathleen Jensen	Cape Cod Regional Transit Authority
Judie Jardin	Town of Aquinnah
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Rowbottom	Blue Cross Blue Shield of MA (BCBS)
Paul Lazar	Harvard Pilgrim Health Care (HPHC)
Jason Lily	Rockland Trust
Dr. Michael Follick	The Abacus Group
Linda Loiselle	The Abacus Group
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Board Chair, called the meeting to order at 9:25 a.m.

Approval of the minutes of the February 25, 2009 Board meeting:

Skip Finnell motioned to approve the minutes of the meeting of February 25, 2009.

Motion

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

Investment Manager's Report- Rockland Trust:

Skip Finnell said that the Investment Committee met approximately two weeks prior to the Board meeting to discuss the June portfolio results. Mr. Finnell said that the report format was changed to reflect changes that were requested by the Steering Committee. Mr. Finnell asked the Board to review the report and to let him know if they had further suggestions for improvement.

Sue Milne said that one of the changes that the Steering Committee requested was to run the reports on a fiscal year rather than on a calendar year basis.

Jason Lily distributed and reviewed the Rockland Trust investment report for the second quarter ending 06/30/09. Mr. Lily said that the S&P was up by 16% and noted that this was the best quarter since the 1990's. Mr. Lily said that the total return on investment was negative \$860,031 as of June 30, 2009. Mr. Lily said that the portfolio balance is \$8,902,041 and the original investment was \$8M. He said the prior year balance on June 30th was \$9,762,072.

The meeting was interrupted by a false fire alarm and the building was evacuated for approximately ten minutes.

Mr. Lily said that the appraisal reports were located at the back of the investment report.

Skip Finnell said that the funds are conservative and that they will not do as well as funds that are higher risk in good times, but noted that they historically perform better than the higher risk stocks when the markets are in a downward trend.

Treasurer's Report:

Treasurer Richard Bienvenue, CPA, distributed the financial reports through May 31, 2009 (unaudited figures). He said the total operating cash was \$21.3 million. He reported an unreserved fund balance on May 31 of approximately \$15.1 million. Rich Bienvenue said that the total estimated Claims IBNR is \$13M.

Mr. Bienvenue said he added a new item to the monthly Cash Analysis report which helps to reconcile with the Warrant amount. He said that this also helps with the Group's efforts to improve Internal Controls.

Mr. Bienvenue said that a new bank account was opened for the EyeMed vision plan. Mr. Bienvenue said that anyone who hasn't received bank deposit tickets yet should contact the bank's Government Services Department.

Steering Committee Report:

Bob Whritenour said that the Steering Committee has approved a new diabetes wellness program that was presented to them by the Abacus Group. Mr. Whritenour said that representatives from Abacus would be presenting an overview of the program to the Board today.

Mr. Whritenour said that there were some changes in government funding that will be affecting the future of the Private Fee for Service plans which he said would be discussed later in the meeting with a recommendation from the Steering Committee.

Mr. Whritenour said that the Committee has been working closely with GBS and the lawyers hired by the CCMHG to try to recover a claims reimbursement that was denied by the reinsurer.

Mr. Whritenour said that the annual Independent Financial Audit has been finalized and that a sub-committee was organized to work on putting additional internal controls into place. Mr. Whritenour said that the Steering

Committee held a workshop with Rich Bienvenue to review the financial processes and procedures and look for additional ways to mitigate risks.

Mr. Whritenour said that an FY10 reinsurance policy was approved with the incumbent carrier and with a specific deductible of \$250K and a \$500K aggregating specific deductible. He said that the rates did not increase. Mr. Whritenour thanked GBS for the work they did.

Mr. Whritenour said that the Steering Committee reviewed all of the health plans Out-of-Country medical coverage and said that only emergency services are covered. Mr. Whritenour said that there is no medical coverage for those who move out of the country and said that a United States home address needs to be maintained.

Mr. Whritenour said that GBS COBRA contract has been renewed for another three years at a 3% increase per year.

Wellness:

Wellness Committee Report –

Maggie Downey distributed the FY10 CCMHG Wellness Programs and Program Participation Agreement and said that a letter along with the Agreement would be sent to all of the CCMHG unit heads. Ms. Downey said that CCMHG is a step ahead of most of the other municipalities with its wellness programs and she thanked the Board and Steering Committee for their continued support.

Ms. Downey said that the Wellness Committee is going to continue the programs that proved to be so successful last year and said that they have added one new program called the Healthy Lunch Bunch. Ms. Downey said that each CCMHG unit within Barnstable County will be eligible to host a one-hour nutritional session sponsored by Barnstable County's Nutrition Educator. Ms. Downey said that the program would be held during lunch hour and would consist of a short presentation, a healthy cooking demonstration and a question and answer session.

Ms. Downey said that the Health Improvement Program (HIP), Work Site Screenings, Cancer Prevention Screenings and the Unit Wellness Grants will be offered again for FY10. Ms. Downey said that the Walking Program was discontinued for FY10 but that it can be reinstated in FY11 if the units find that they find that a great demand for it.

Linda O'Brien from the Town of Provincetown asked how many people are needed to be able to organize a Healthy Lunch Bunch session.

Ms. Downey said that there is no size requirement.

Ms. Downey said that the Participation Agreements will need to be filled out, signed and returned no later than August 24, 2009.

Diabetes Care Rewards Program -

Maggie Downey introduced Mike Follick, PhD., founder and CEO of The Abacus Group. Ms. Downey said that Dr. Follick presented the Good Health Gateway's Diabetes Care Rewards Program to the Steering Committee and that the Committee voted to approve adding the new program to FY10 wellness programs.

Mike Follick said that he and Linda Loiselle, Director of Operations, Client Services for The Abacus Group wanted to ask the Board for its support in promoting the Diabetes Care Rewards Program to the members of CCMHG.

Dr. Follick said that wellness programs usually focus on how to keep people healthy and said that the diabetes program goes one additional step and focuses on improving the health of someone who has a disease. Dr. Follick said that this program rewards health plan members who take steps to effectively manage their diabetes

and improve their overall health. Dr. Follick said that all participants of the program who register for the program and complete the member requirements will receive all covered diabetes medications and supplies free through the designated pharmacy benefit manager for the program.

Linda Loiselle distributed the program packets and said that the five requirements of the participants once they register for the program are annual eye and foot examinations, annual lab work of blood lipids and urine/protein levels and a biannual lab of HbA1c levels.

Ms. Loiselle said that The Abacus Group is asking the employers to promote the program to their employees through emails and posters. Ms. Loiselle said that there is a materials request form in the packet that employers can use to order posters and flyers and said that the materials would be customized for each town or unit. Ms. Loiselle said that she would mail the packet to the units that were not in attendance at the meeting.

Maggie Downey said that all email communications will go through Group Benefits Strategies and then to the employers.

Ms. Loiselle said that the promotional timeline is on the left side of the packet and said that the program launch and website release is scheduled for the first two weeks in September. Ms. Loiselle said that the brochures will be sent to everyone and that those members who have diabetes will be contacted by Abacus by direct mail.

Maggie Downey suggested sending the materials to the Barnstable Retirement Board as well.

Carol Cormier suggested that Group Benefits Strategies hold its annual Benefit Administrators Meeting during the time of the program launch as another way to communicate and promote the program to the Benefit Coordinators. Ms. Cormier asked if September 10th would work for everyone and asked Mike Follick and Linda Loiselle if they could present the program on that day. This date was confirmed.

Judie Jardin representing the Town of Aquinnah said she was concerned about confidentiality and asked Dr. Follick how Abacus obtains information on who has diabetes.

Dr. Follick said that as part of the medication management program and as an independent third party, those members are identified through their prescriptions. Dr. Follick said that the employers do not have access to the information and that it is conducted within the HIPAA requirements.

Noreen Mavro-Flanders suggested that information should be sent to the Joslin Clinic for awareness of the program for their CCMHG participants.

Noreen Mavro-Flanders thanked Dr. Follick and Ms. Loiselle for their presentations. They left the meeting at this time.

GBS Reports:

Carol Cormier said that the GBS reports in the packet reflect a full year of funding and expenses. Ms. Cormier said the composite expense-to-funding ratio for the health plans was 95.3% and 91% for the dental plans.

Ms. Cormier reviewed the plan enrollments for CCMHG as of and said that there is a total of 657 members enrolled in the indemnity plans which is a huge shift from a few years ago. Ms. Cormier said that the indemnity plans are high cost plans and that the employers and employees save money and get better benefits with the EPO and PPO plans. Ms. Cormier said that there are only 24 enrollees in the Rate Saver plans. Ms. Cormier said that the Delta Dental Contributory plan has a higher enrollment than the voluntary dental plan.

Maggie Downey said that the Indemnity plan enrollments will decrease again, possibly by half, when the County Sheriffs move to the GIC.

Ms. Cormier said that the EyeMed vision plan has a total of 406 members which she said was surprisingly low since there seemed to be a great interest from the Board when the vote to approve the plan was taken. Ms. Cormier said she sent out an email asking the units why they thought the enrollment was low and a few responses received mentioned the economy as a factor.

Marcia Templeton from Nauset RSD said that another reason may be that members already have an Optometrist or Ophthalmologist that they trust and do not want to switch to one of the chains.

Carol Cormier said that members could still have their exam with their own physician and then bring their prescription for their glasses to one of EyeMed's locations to receive the benefit.

Private Fee For Service (PFFS) plans:

Bob Whritenour said that Medicare is cutting funding of the Medicare Advantage Plans which will create big increases in the premiums of the PFFS plans. Mr. Whritenour said that both Blue Cross Blue Shield and Tufts will be eliminating their PFFS plans effective January 1, 2010. Mr. Whritenour said that Harvard Pilgrim Health Plan is not going to eliminate its PFFS plan, First Seniority Freedom, this year, but they are unsure if they will continue to offer it in 2011.

Mr. Whritenour said that the Committee was happy to promote these plans as options for retirees. He said it was disappointing that members would no longer have these options. Mr. Whritenour said that the Committee vote was four in favor of and two against eliminating the Harvard Pilgrim PFFS plan effective January 1, 2010. Mr. Whritenour noted that all of these plans are good plans and the decision to recommend eliminating First Seniority Freedom was made only because of the expected increase in the premium and because the other PFFS plans were being discontinued by BCBS and Tufts.

Carol Cormier said that Group Benefits Strategies has not received any member complaints about these plans. Ms. Cormier said that there are only a few retirees currently enrolled in the CCMHG's PFFS plans.

Suzanne Donahue, Account Executive for BCBS, said that any members who are currently enrolled in the BCBS PFFS plan will be notified by October 2, 2009 that the plan will be eliminated. Ms. Donahue said that there are approximately seven CCMHG members at this time.

Bob Whritenour made a motion to discontinue all of the PFFS plans effective December 31, 2009.

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

Motion

Legal Matter:

Noreen Mavro-Flanders said that the Steering Committee has been working very closely with the lawyers and GBS to recover the amount that should have been reimbursed for a high cost claim. Ms. Mavro-Flanders said that unfortunately she could not give further details outside of an Executive Session Meeting.

Health Plan Reports:

Suzanne Donahue, Account Executive for BCBS, said that BCBS is planning a breakfast meeting on September 17th to be held in Middleboro from 9:00 a.m. to noon. Ms. Donahue said that BCBS will be inviting Joint Purchase Group participants to the meeting and will focus on ways to cut health care costs. Ms. Donahue said that they will be sending out "save the date" notices and informational invitations.

Paul Lazar, Director of Municipal Business Harvard Pilgrim Health Care (HPHC), distributed the HPHC Annual Report and said that it looks very different from the past reports. Mr. Lazar said that the financial information is on the last page and that the other pages in the booklet explain the ways that HPHC is helping to make communities healthier. Mr. Lazar said that Charles Baker, President and CEO of HPHC has stepped down to enter the race for Governor and said that Mr. Bruce Bolen is the interim CEO and that HPHC will be conducting a search for a permanent CEO.

Lisa Vitale of the Town of Brewster asked Mr. Lazar if HPHC would be sending discontinue notifications to the PFFS members.

Mr. Lazar confirmed that HPHC will notify those members in October. Mr. Lazar said that the rate increase to the HPHC PFFS plan is expected to be in the double digits.

Other Business:

There was no other business.

Bob Whritenour made a motion to adjourn the meeting.

Motion

Maggie Downey seconded the motion. The motion was unanimously approved.

The meeting adjourned at 11:10 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*