

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

STEERING COMMITTEE

Wednesday, August 18, 2010, 10:00 AM
Town of Sandwich Municipal Office Building
Sandwich, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, August 18, 2010 at the Town of Sandwich Municipal Office Bldg., 16 Jan Sebastian Drive, Sandwich, MA. The following people attended the meeting:

Committee Members Present:

Bob Whritenour, Chair	Town of Falmouth
Noreen Mavro-Flanders	County of Dukes County
Dave Withrow	Town of Orleans
Marie Buckner	Town of Sandwich
A. Francis (“Skip”) Finnell	Dennis-Yarmouth RSD
Sue Milne	Town of Yarmouth

Guests Present:

Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan (THP)
Nina Conroy	Delta Dental of MA
Carol Cormier	Group Benefits Strategies (GBS)

Robert Whritenour, Chair, called the meeting to order at 10:08 a.m.

Approval of the Minutes of the June 30, 2010 meeting:

Noreen Mavro-Flanders moved approval of the June 30, 2010 minutes as written.

Motion

Skip Finnell seconded the motion. The motion passed by unanimous vote.

Treasurer’s Report:

Carol Cormier said that Treasurer Richard Bienvenue was not able to attend the meeting but said he would send the June 30th Financial Reports by email.

Investment Committee Report:

Skip Finnell said the next meeting of the Investment Committee would take place on October 20th, the week before the next Board meeting.

Wellness Committee Report:

Marie Buckner said that the Wellness Committee is collecting the Participation Agreements from the member units. She said that the deadline is August 25th and that they have not heard from many of the employers.

Carol Cormier offered to email the employers to remind them of the deadline.

Group Benefits Strategies Reports:

Carol Cormier said that there is no update to the Funding Rate Analysis since the last meeting. She reviewed the Stop Loss report with claims paid through 7/19/10. She said the FY10 reinsurance policy has paid out \$838K and still owes the Group \$254,492. She said that there are 34 claimants with claims between \$125K and \$250K and that those claims total \$5.89M. She said that eleven of the 34 are not longer enrolled.

Ms. Cormier reviewed the new year's (6-10 – 5-11) Alternative Prescription Drug Program budget prepared by myMedicationAdvisor©/Abacus Group.

Early Retiree Reimbursement Program (ERRP) – Memorandum of Understanding (MOU):

Carol Cormier said that GBS had produced and submitted the application for the ERRP. She reviewed the tasks that were involved. She said that GBS is charging all clients a flat fee of \$2,500 for filing the application.

Noreen Mavro-Flanders moved to approve the ERRP MOU and one-time fee of \$2,500.

Motion

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

CCMHG Website Maintenance Agreement:

Carol Cormier reviewed the proposal from Lisa Trombly, for website maintenance from 9/7/10 – 9/6/11. She said that Lisa had proposed no increase to the fee of \$1,500.

Skip Finnell moved approval of the agreement and fee.

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

Motion

Federal Mental Health and Substance Addiction Parity Act and Master Health Plus:

Suzanne Donahue, BCBSMA, said that BCBS through Milliman tested the BCBS plans offered by CCMHG to see if they were in compliance with the Parity Act. She said Master Health Plus (MHP) was the only plan that did not pass the actuarial testing. She said that in order for the plan to comply, the CCMHG would have to remove the co-pay from Mental Health Office Visit.

Noreen Mavro-Flanders said she did not understand why a rich plan like MHP did not pass the test, especially since day and visit limits had been removed and co-pays had been changed to be the same as those for medical services.

Ms. Donahue explained the changes to the law and testing standards that were made in July 2010. She said that there is a financial penalty for non-compliance. She said that it is the \$25 co-pay for in-hospital outpatient visits that puts the MHP plan into non-compliance.

Carol Cormier asked BCBSMA to provide a statement from the actuary explaining how the testing was conducted and how the actuary arrived at the determination of non-compliance.

The Committee agreed that it wanted a statement of explanation about the actuarial testing.

Bob Whritenour questioned Ms. Donahue on the testing and asked her if it was solely the \$25 co-pay that throws the plan out of compliance.

Ms. Donahue said that Mr. Whritenour was correct. She said that removing the \$10 Office Visit co-pay is the solution with the least cost impact to CCMHG.

Dave Withrow asked Carol Cormier if the Committee had authority to make a co-pay change.

Carol Cormier said that the Joint Purchase Agreement says that the Board must approve benefit changes, but she said it did not address the issue of mandated benefits.

Skip Finnell said that at the Board meeting it was agreed that the Steering Committee would study the issue and report back to the Board at its next meeting, so, he said, that they must go back to the Board for a decision.

Ms. Donahue agreed she would ask the actuaries and underwriting if there were remedies other than eliminating the office visit co-pay to put the MHP into compliance.

Bob Whritenour thanked BCBS for efforts to help the Group comply with the Mental Health Parity law. He said that the CCMHG wants to comply but that it needs to understand all the options. He said if there are options, the Board would have to vote.

Suzanne Donahue said that she would provide a written explanation from the actuaries before Sept. 15th. She also said that she would see if BCBS could go retroactive to adjust the benefit.

Bill Hickey, Harvard Pilgrim (HPHC), said that all the HPHC plans comply with the Parity Act.

Health & Dental Plan Reports:

Blue Cross Blue Shield – Suzanne Donahue said that BCBS did not print its Annual Report this year but is making it available online at www.bluecrossma.com/annualreport. She said that Student Certification is starting for the effective date of November 1, 2010.

Harvard Pilgrim Health Care (HPHC) – Bill Hickey said that all energies are going to work on the changes created by legislation.

Delta Dental Plan – Nina Conroy said that notices regarding student certification went out and that she would send each employer a list of changes. She said Delta could not comply with the request to put the date on which the student would not be eligible on the certification form.

Ms. Conroy said that for Delta's insured business it will cover adult children to the 26th birthday. She said that self-funded clients have the right to opt for this expanded coverage or to remain with the *status quo*.

Skip Finnell moved to decline to recommend to the Board any changes in eligibility rules for the Delta Dental plans at this time.

Motion

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

Nina Conroy asked Carol Cormier to put this motion into writing to her for the records.

Carol Cormier said she would do this and that this item should be included in the Steering Committee Report to the Board for the October meeting.

Tufts Health Plan – Fred Winer, Tufts Health Plan Retiree Products, said that effective January 1, 2011 the senior plans will be impacted by The Affordable Care Act. He said the impacts are positive and that he would review the changes at the September meeting.

Other Business:

Bob Whritenour told the Committee about the Insurance Advisory Committee (IAC) meeting in Falmouth on August 10th. He thanked Carol Cormier and Bill Hickey for attending and said he was also grateful to Bill Rowbottom from BCBS for his attendance. He said the town would like to change to the Rate Saver plans and have begun to introduce this concept through the IAC. He said that the IAC members had concerns about out-

of-pocket costs for members with serious medical needs and said that the town hoped to be able to address this concern.

Noreen Mavro-Flanders spoke about an article in the Retiree Association's newsletter concerning municipal employers' wanting to eliminate collective bargaining for health benefits similar to the situation with the GIC.

Ms. Flanders said that she is trying to arrange the location for the Steering Committee meeting on the Vineyard on September 15th and said she would like to move it to Oak Bluffs this time, possibly at the Police Station.

Carol Cormier mentioned legislation that would require all MA municipal employers of a retired municipal employee to share proportionally in the costs of retiree health benefits.

Dave Withrow announced that he would be stepping down from the Steering Committee and Vice Chairmanship effective at the October Board meeting. He said he will remain as Town of Orleans Board representative to the CCMHG.

Skip Finnell said that Joe Cucinotta had retired from Dennis-Yarmouth RSD effective July 31 and that he, Mr. Finnell, was the Interim Director of Fiscal Affairs.

There was no other business.

Chair Robert Whritenour adjourned the meeting at 11:38 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*