

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

STEERING COMMITTEE

Wednesday, September 10, 2008, 10:00 AM
Martha's Vineyard Regional Transit Authority,
Martha's Vineyard Airport Business Park

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group ("CCMHG") was held on Wednesday, September 10, 2008 at 10:00 AM at Martha's Vineyard Regional Transit Authority, Martha's Vineyard Airport Business Park. The following people attended the meeting:

Committee Members Present:

Bob Whritenour, Chair	Town of Falmouth
Noreen Mavro-Flanders	County of Dukes County
David Withrow	Town of Orleans
A. Francis ("Skip") Finnell	Dennis-Yarmouth RSD
Marie Buckner	Town of Sandwich
Debra Blanchette	Town of Barnstable
Gerry Panuczak	Town of Chatham

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Judie Jardin	MV Wellness Coordinator
Lauren Thomas	MV Transit Authority
Kathy Logue	Town of West Tisbury
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care
Fred Winer	Tufts Health Plan
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Bob Whritenour, Chair, called the meeting to order at 10:00 a.m. and thanked Noreen Mavro-Flanders for hosting the meeting. He said he recognizes the importance of the Vineyard to the CCMHG and appreciates the additional effort it takes from Vineyard members to be able to participate in meetings on the Mainland.

Approval of the minutes of the July 23, 2008 Steering Committee meeting:

Skip Finnell motioned to approve the minutes of the meeting of July 23, 2008.

Motion

Noreen Mavro-Flanders seconded the motion. The motion passed by unanimous vote.

Treasurer's Report:

Treasurer Richard Bienvenue, CPA distributed and reviewed the financial statements of June 30, 2008. Mr. Bienvenue said the report would be the one used in the audit statements since it is the final report of FY08.

Mr. Bienvenue said he made changes to the report in response to the auditor's Management Letter of FY07. Mr. Bienvenue said that the deposits are not shown since payments are made against it during the month. He said the actual paid claims are shown and should now match the GBS reports.

Rich Bienvenue said he is now showing accrued items related to prior fiscal years.

Mr. Bienvenue said the IBNR has been changed from a 2-month estimate to a 1.75-month estimate.

Rich Bienvenue said he has started the process of setting up the on-line Quick Books program which will enable CCMHG employers and GBS to be able to view what is invoiced.

Kathy Logue asked if the towns would have access to view claims.

Mr. Bienvenue said the program would not have capability to view claims, only what is invoiced.

Skip Finnell asked the health plan representatives what claim trends they were seeing for FY09.

Suzanne Donahue from BCBS said they are seeing claims leveling out for the first quarter of FY09.

Bill Hickey from Harvard Pilgrim agreed. He said the claims are coming down one to two points.

Mr. Bienvenue reported a year-to-date net loss of approximately \$10K which was expected due to the one-month premium holiday. He said the unreserved fund balance at the end of June is approximately \$8.5M which is about 8% of the fund balance target established by the Fund Balance Policy.

Mr. Bienvenue said the total operating cost for the Wellness program was approximately \$171K which was higher than in the past.

Rich Bienvenue said the total operating cash at the end of June is \$13.9M. He said total cash and investments were approximately \$22 million at the end of June.

Mr. Bienvenue said the PBS Rx statements were received and that the Rx payable is under-funded. He said that Medicare Part D receivable was \$453K at the end of June. He said the only item not reported in the Receivables is the BCBS high cost claim that is being audited.

Wellness Committee Proposal for FY09 Programming:

Marie Buckner said that there were two items that needed to be followed up on from the July meeting. She said that the Worksite Screenings Wellness Consultant Costs and the VNA costs were not on the original Wellness budget for FY09.

Skip Finnell asked if the number of HIP programs were the same as in FY08.

Ms. Buckner confirmed that the number of programs have not changed but said that the fall class had to be canceled due to Dr. Flaherty's schedule. She said they would be running a program in January on the Cape and one in the spring on Martha's Vineyard.

Dave Withrow said he would like to see a comparison of the FY08 budget and programs with the FY09 proposal.

Bob Whritenour asked if the budget numbers were "not to exceed" numbers.

Marie Buckner said that Mr. Whritenour was correct.

Marie Buckner said the "(not to exceed 40)" on the budget spreadsheet means that they are expecting up to 40 units to participate in the program. She said that she received approximately 16 participant forms back to date.

Marie Buckner said that the Consulting Services agreements would need to be corrected to reflect matching consultant names on each agreement.

Noreen Mavro-Flanders said that the mileage reimbursement rate would need to be updated from \$.45 per mile to \$.58 per mile.

Skip Finnell motioned to approve the FY09 Proposal for Wellness Consulting Services with amendments to the names and mileage rate.

Motion

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

Skip Finnell motioned to approve the FY09 Wellness Budget and Program Proposal with the stipulation that the budget would not exceed \$164,088.

Motion

Noreen Mavro-Flanders seconded the motion. The motion was approved by unanimous vote.

GBS Reports:

Carol Cormier said that she would forgo reviewing the GBS reports due to the large agenda and time constraint. She said the reports provided in the packets included a second Funding Rate Analysis report for the full fiscal year of 2008.

Stop Loss Reports – Karen Carpenter said that a column of denied reimbursements was added to the stop loss reports. She said this was added due to a reimbursement denial of facility dispensed drugs on an outpatient basis totaling approximately \$116K. The reinsurance contract states that the reinsurer is only responsible for reimbursing these types of drug claims at Average Wholesale Price plus thirty percent.

myMedicationAdvisor report - Ms. Cormier noted that the myMedicationAdvisor (MMA) report was in the packet with data through July. She said that the alternative generics savings program utilization fell below projections but she expected to see larger savings now that the expanded import program is in place.

Bob Whritenour said he didn't think that CCMHG as a group was saving very much.

Carol Cormier said that the employees see greater savings but as a group, CCMHG was seeing some savings.

Kathy Logue said that she has seen more employees join the program after they have attended meetings that explained how the program worked.

GBS Memorandum of Understanding for Retiree Drug Subsidy:

Carol Cormier said that there were no changes on the memorandum from FY08.

Debra Blanchette said that when she was responsible to reconcile the Medicare Part D subsidy for another group that she was very surprised at how huge of an undertaking it was.

Skip Finnell made a motion to approve the FY09 GBS Memorandum of Understanding for RDS Account Management.

Motion

Marie Buckner seconded the motion. The motion was approved by unanimous vote.

CCMHG Webmaster's Contract:

Carol Cormier said that the FY09 contract fee proposed by Lisa Trombly is the same as FY08 and FY07's contract.

Noreen Mavro-Flanders said that the Steering Committee should consider increasing the fee for FY10.

Dave Withrow made a motion to approve the FY09 Webmaster's Contract.

Motion

Skip Finnell seconded the motion. The motion was approved by unanimous vote.

“Rate Saver” Plans:

Kathy Logue asked about the communities that have already adopted Section 18. She said that the retirees premiums increased and asked if the Rate Saver plans would include retirees.

Carol Cormier said that the Rate Saver plans would be active employee plans that would include early retirees and said that the premium increase may have been due to the Part B premiums. Ms. Cormier reviewed the hypothetical example on page three of the handout and said that all of the Rate Saver premiums for individuals are higher than any of the rates for the retiree plans.

Ms. Cormier also stated that the Rate Saver plans have lower premiums than their standard counterparts but they have higher out-of-pocket expenses.

Carol Cormier asked the health plan representatives if they could foresee any issues with the plan designs before the Steering Committee presents them to the Board.

Bill Hickey from HPHC and Suzanne Donahue from BCBS said they did not see any issues with the plan designs and proposed savings of ten percent.

Suzanne Donahue said she wanted the Steering Committee to be aware that there are other options such as plans with high front-end deductibles with Health Reimbursement Accounts (HRA) available which could have a potential savings of twenty percent. She said the employer would have the option of reimbursing a portion of the HRA.

There was a discussion of the Rate Savers as compared with other plans such as high deductible plans with HRA's.

Bob Whritenour said that the Rate Saver plans were more in line with the GIC plans and that is what the Committee was looking for. Mr. Whritenour said he still wants to hear about what is available and what the industry standards are with regard to health plan designs.

Skip Finnell said that maybe the Steering Committee should look at the HRA plans to discuss in the future, but to present the Rate Saver plans to the Board for this year.

Suzanne Donahue said she would provide some information on how the Flexible Spending Plan impacts costs for members.

Carol Cormier said that that would be helpful.

Skip Finnell made a motion to present the Rate Saver information to the Board at the next meeting.

Gerry Panuczak seconded the motion. The motion was approved by unanimous vote.

Motion

Carol Cormier said that she would add the current health plan charts to the presentation.

Town of Sandwich request for a Special Open Enrollment:

Marie Buckner asked to have a one-week open enrollment to allow the two employees remaining on the Master Health Plus plan to be able to switch to another health insurance plan of their choice. She said this represents the last collective bargaining unit to settle and remove MHP as an option within the Town of Sandwich.

Noreen Mavro-Flanders made a motion to approve the Special Open Enrollment to the Town of Sandwich.

Skip Finnell seconded the motion. The motion was approved by unanimous vote.

Motion

Request for extra-contractual services for BCBS member:

Suzanne Donahue said BCBS received a request to cover 14 hours per week of home health aide coverage with a cost per month up to \$2,170.00.

Ms. Donahue said that the case manager is advocating that the care be approved to avoid unnecessary ER visits or hospitalizations that would be far more costly and would further compromise the member's health.

Dave Withrow said if the Steering Committee approved this request, it would be setting a precedent.

Carol Cormier said that there is another request for continuing non-contractual benefits later in the agenda.

There was a discussion.

Skip Finnell made a motion to table motioning on this request until after Agenda item number 14 had been discussed.

Motion

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

Promoting adoption of Ch.32B, Section 18:

Kathy Logue said it would be helpful to see the cost impact of a member moving from an active plan to a retiree plan and any associated penalties.

Carol Cormier said she has done a sample and will forward it to Kathy Logue.

Bob Whritenour said there is a Falmouth Town Meeting planned for April 2009 and asked what a town would need to do in order to be prepared to propose the adoption of Section 18.

Carol Cormier said it would be beneficial for the employers to prepare a Section 18 cost analysis and to review materials pertaining to Section 18. Ms. Cormier said towns and districts should also look at their contribution rates for retirees. She said that some towns opt to pay part of the Medicare Part B premium if their contribution rates result in a big increase to retirees if they adopt Section 18. Ms. Cormier said communication to the retirees early and often is an important part of the preparation.

Bob Whritenour said he would like to send a notice informing the towns about Section 18 and to ask those that are interested in adopting Section 18 to respond. Mr. Whritenour said he would like to send the steps to take to those towns who respond.

Skip Finnell asked if it would be beneficial to organize Section 18 workshops.

Carol Cormier said organizing workshops would be preferable to holding individual town meetings.

Skip Finnell asked if anyone knew the status of the proposed Section 18A.

Carol Cormier said Fred Winer from Tufts said it was awaiting the Governor's signature. Ms. Cormier said Section 18A would be optional and would allow a municipal employer to apply Section 18 only to those who retire after adoption of Section 18A.

Skip Finnell said that the Town of Harwich tried to adopt Section 18 on two separate occasions and failed.

Fred Winer from Tufts Health Plans said he believed communication to be a key factor in getting the Section passed. Mr. Winer said that some towns in other groups started about a year in advance to educate their IACs retirees, and employees.

Skip Finnell asked Carol Cormier if she would send out a potential meeting date.

Ms. Cormier said she would pick a date and possibly add it with the Benefits Administrators Meeting. She said it would be helpful to ask a representative from another town that has already adopted Section 18 to speak at the meeting.

Dave Withrow volunteered to represent the Town of Orleans and speak about their experience with adopting Section 18.

Informational Meetings with Medicare Eligible Retirees regarding plan options:

Bob Whritenour suggested combining the information meetings for retirees with the Section 18 meetings.

Suzanne Donahue from BCBS said regional meetings would work better for the health plans than individual town meetings.

Noreen Mavro-Flanders said there are three retirement boards that might be utilized in order to get the communications and meeting dates out to the retirees.

Kathy Logue asked to be notified of the Cape Cod mainland meetings and asked if it would be possible to provide a shuttle bus to those attending meetings from Martha's Vineyard.

Carol Cormier asked the health plan representatives to work on coming up with dates for the meetings.

Suzanne Donahue said the towns may want to hold a special open enrollment in January for those retirees who want to switch over to one of the Private Fee for Service plans.

Update on High Cost Claim Audit:

Carol Cormier said NIIS is scheduled to go onsite to review the claims documents at BCBS on September 22nd. Ms. Cormier asked Suzanne Donahue if she would oversee the preparation for the meeting to insure that Adria Garneau of NIIS receives all of the information she has requested.

Vision Services Plan (VSP):

Carol Cormier said she had contacted the three prospective vision plan providers and has scheduled them to present their plans to the Steering Committee at their October 15th meeting. Ms. Cormier said that the next Board meeting is scheduled for October 22nd.

The Committee agreed that each vision plan representative should be given one half hour maximum for the presentation and then a question and answer time allowance. Ms. Cormier explained the lens cost comparison chart provided in the meeting packet and noted the network differences between the plans. She said that the quoted rates were in effect until January 1, 2009.

HPHC Member Request for Benefits:

Carol Cormier said GBS received an email from an HPHC member's dental provider requesting a benefit for restorative dental work. She said the member had already maxed out his Delta Dental benefit. Ms. Cormier said that the dentist had provided a letter stating that restorative dental services as they related to the treatment plan of July 1999 had been approved by HPHC.

Bill Hickey of HPHC said the CCMHG Board had previously authorized coverage for restorative services only and a one time payment of the preventative services received in 2004 connected with this treatment plan. Mr. Hickey confirmed that this request fell within the original treatment plan.

Bob Whritenour said he understands the one-time payment for preventative services but questioned the HPHC approval in 1999 for continued restorative services.

Skip Finnell said the health plans should be paying claims as the contract indicates and said he did not think the Steering Committee should be hearing about individual claims. He said he wanted to leave these matters to the health plans.

Noreen Mavro-Flanders said she would like to know who authorized the continued restorative services.

Bill Hickey said he would look into the records to see whether or not HPHC approved the continued treatment and will also look for information regarding a decision made by the Board or Steering Committee.

Bob Whritenour tabled the motion until seeing who made the decision to approve continued restorative treatment.

Subsequently, a letter dated 7/14/1999 from Paul Vitti, HPHC Appeals Coordinator was located stating that the Medical Director at HPHC authorized continued restorative treatment for this member.

Request for extra-contractual services for BCBS member:

Suzanne Donahue explained the case noting the member in question had changed from Master Medical to Blue Care Elect Preferred.

Bob Whritenour said BCBS was suggesting that custodial care be provided when that is not a covered benefit. Mr. Whritenour asked Suzanne Donahue of BCBS if Master Medical would have paid for this.

Suzanne Donahue confirmed that Master Medical would have paid this claim. Ms. Donahue said BCBS is asking the Steering Committee's approval to pay for the Home Health Nurse in order to avoid a possible higher cost if the current level of care is discontinued.

There was a discussion.

Bob Whritenour said cases like this are very difficult because one wants to do the right thing and would like to be helpful to the members. However, he said that the CCMHG offers a specific product to its members and is not a social services agency.

There was a discussion.

The Steering Committee determined that BCBS should follow the terms of the contract/Plan Description. The Committee took no action to make an exception to benefits.

Steering Committee Vacancy:

Carol Cormier said that Janice Otis and Sue Milne have both expressed an interest in serving on the Steering Committee.

Bob Whritenour said that the Steering Committee will ask each to speak at the next Board meeting and a vote will take place at the next CCMHG Board meeting.

Carol Cormier said she would to notify each both of the interested parties.

Other Business:

Judie Jardin, Martha's Vineyard Wellness Coordinator, said she would like to get as many Vineyard benefit administrators as possible to the meeting on November 19th and would like to get a van to transport them from Woods Hole to COMM Fire District and back.

There is a Steering Committee meeting scheduled for Wednesday, October 22nd to be held at COMM Fire District, Centerville, MA at 8:30 a.m., prior to the Board meeting.

There was no other business.

Bob Whritenour adjourned the meeting at 12:04 p.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*