

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

STEERING COMMITTEE

Wednesday, September 15, 2010, 10:00 AM
Oak Bluffs Police Station
Oak Bluffs, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, September 15, 2010 at the Oak Bluffs Police Station, Oak Bluffs, 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
Debra Blanchette	Town of Barnstable
Gerry Panuczak	Town of Chatham
Marie Buckner	Town of Sandwich
A. Francis (“Skip”) Finnell	Dennis-Yarmouth RSD

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Judie Jardin	Martha’s Vineyard Wellness Coordinator
Jan Hagberg	Town of Sandwich
Melanie Becker	Town of Chilmark
Jeanne Burke	
Kathy Logue	Town of West Tisbury
Marilyn Wortman	Town of Edgartown
Bill McCarthy	Martha’s Vineyard RHS
Lisa Morrison	Town of Edgartown
Mary Leddy	Martha’s Vineyard RHS
Mary Ellen McElroy	Town of Tisbury
Sean Conley	Town of West Tisbury
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)
Karen Carpenter	Group Benefits Strategies (GBS)

Robert Whritenour, Chair, called the meeting to order at 10:03 a.m.

Noreen Mavro-Flanders welcomed everyone and said she appreciated the effort each person made to make the trip to Martha’s Vineyard.

Bob Whritenour thanked Ms. Flanders and Judie Jardin for reserving the meeting room at the Oak Bluffs Police Department, providing the refreshments and the preparations.

Approval of the Minutes of the August 18, 2010 meeting:

Noreen Mavro-Flanders moved approval of the August 18, 2010 minutes as written.

Motion

Gerry Panuczak seconded the motion. The motion passed by unanimous vote.

Investment Committee Report:

Skip Finnell said that the Investment Managers at Rockland Trust continued to invest conservatively. He said that the next meeting of the Investment Committee is tentatively set to take place on October 20th, the week before the next Board meeting.

Bob Whritenour said if anyone has an interest in joining the Investment Committee to contact Mr. Finnell at his email address. He provided the email address.

Wellness Committee Report:

Marie Buckner, Wellness Coordinator for CCMHG said that the Wellness Committee received the Participation Agreements from the member units that participated last year as well as a few new units. Ms. Buckner said that the Kick Butts program will be conducted in Barnstable County and said that the program will be offered next year on Martha's Vineyard. Ms. Buckner said that there are two new Wellness Committee members, one on the mainland and one on Martha's Vineyard. She said that Deanna Desroches is working on finishing up the smoking cessation program and will be reporting the results soon. Ms. Buckner said that the Wellness Grants are ongoing and said if anyone is interested in finding out information they can email her.

Judy Jardin, Martha's Vineyard (MV) Wellness Coordinator for CCMHG, said that the MV Health Improvement Program (HIP) will begin the last week of September. She said that they will meet each Tuesday and Thursday evenings from 4:45 PM to 6:45 PM. Ms. Jardin said that there is a \$200 stipend for all who attend eleven of the twelve meetings. Ms. Jardin said that the HIP program concentrates on making lifestyle changes. She noted that this program is different from the previous CHIP program that promoted a strict diet change.

Bob Whritenour said that that he attended one of the previous HIP programs offered and said that he was very impressed with all that he learned about nutrition and healthy behaviors. He said that the program changed his life, and he encouraged others to participate.

Ms. Jardin said that the screenings for the HIP would take place at the High School on September 16th between 4:45 PM and 6:45 PM. She said that the screening would take approximately one half of an hour.

Group Benefits Strategies (GBS) Reports:

Carol Cormier said the Funding Rate Analysis was in the meeting packet with data through July. She noted that the Harvard Pilgrim EPO and the Blue Cross Blue Shield Carveout plans were under-funded but said the overall cost-to-funding ratio was 88.5%. Ms. Cormier said that the Delta Dental plan was sufficiently funded.

Carol Cormier reviewed the Level Monthly Deposit reports and explained that the CCMHG pays a fixed amount to the health plan carriers and then settles up quarterly if there is a balance due the health plans.

Noreen Mavro-Flanders explained that the CCMHG is a self-funded group and said that CCMHG pay the health plans an administrative fee to process the health care claims of its members. She said that the CCMHG pays the actual health care claims incurred by its members. Ms. Mavro-Flanders said self-funding is unlike fully insured groups who pay premiums to the health plans.

Carol Cormier reviewed the myMedicationAdvisor® (MMA) report through June and said that the program is doing better than the projections. She suggested that it may be time for the Abacus Group to do another outreach to all CCMHG members.

Karen Carpenter reviewed the FY10 Stop Loss report with claims paid through July. She said this policy has a \$250K specific deductible and that the reinsurance policy has paid out a total of \$1.15M in reimbursements and still owes the Group \$9,462. She said that there are 41 claimants with claims between \$125K and \$250K and that those claims total \$7.143M. She said that eleven of the 34 are not longer enrolled.

Treasurer's Report:

Treasurer, Rich Bienvenue, CPA reviewed the financial statements through June 30, 2010 (unaudited figures). He said that the Health Trust Fund Balance was \$22.3M at the end of June. He reported assets at \$31.9M and liabilities of \$8.3M. Mr. Bienvenue said that the adjustment to the IBNR (Incurred but not reported) is reflected in this balance. Mr. Bienvenue said that the IBNR adjustment brought the calculation down to approximately 0.8 of an estimated average month of claims.

In response to a question, Mr. Bienvenue explained that IBNR is the acronym for "incurred, but not reported" claims. He said that an estimated claims figure is used on the balance sheet until the actual amount of claims run-out is known. He said an adjustment to the IBNR estimate was recently made because the speed in which the claims are processed has increased does not necessitate putting aside as much money as was needed in the past. Mr. Bienvenue said that the CCMHG policy is to keep a Fund Balance between 8% and 12% of the monthly claims amount to be able to cover those costs which can vary.

Bob Whritenour said that if there is a surplus of funds, some may be used to lower the premium rates for the members and some is kept in case of an unexpected catastrophic loss.

Mr. Bienvenue said that financial reports are reviewed and analyzed by the Committee each month.

Carol Cormier said that the FY09 independent financial audit report is available on the CCMHG website www.ccmhg.com.

All attendees at the meeting introduced themselves.

National health insurance reform (PPACA or the Affordable Care Act):

Adult Child Eligibility – Bob Whritenour said that the CCMHG Board recently voted to wait until it is required by law to implement coverage of adult children to age 26. He said that the Committee will hear the specific concerns of those attending the meeting, but said that he would like to give an overview of the Affordable Care Act (PPACA). Mr. Whritenour said that PPACA requires several changes to take place between 2011 and 2018. He said that CCMHG is in compliance with the requirements and will move forward with implementing all of those requirements. Mr. Whritenour said that the Steering Committee recommended to the Board to decline any action prior to the required effective date that the law requires and to follow each section implementing each section as required to stay in compliance.

A question was asked to clarify why the health plans have decided to allow early implementation of the law.

Ms. Cormier said that the Department of Health and Human Services put pressure on the health plans to adopt the regulation earlier than required. She said that the health plans have done a modified form for their fully insured clients only. Ms. Cormier said that almost all of the self-funded clients that GBS has have not adopted the regulation early due to liability issues and pressure to control health care expenses. Ms. Cormier said that in the meantime there are specially priced Young Adult Plans (YAP) offered through the MA Health Connector.

Bill McCarthy said that a petition with a request to the CCMHG Board to reconsider its decision to postpone implementation of the adult child eligibility until July of next year was circulated through the schools. He read the petition. Mr. McCarthy said that the teachers unions worked with CCMHG when they were asked to move from the Master Medical indemnity health plan to the PPO plan and asked that the Steering Committee reconsider this decision with the same spirit.

Mary Leddy, whose husband is employed by the MV RSD read her letter to CCMHG regarding the loss of coverage for her 22 year old child and said that she contacted BCBS for rates for single coverage PPO plans. She said the plans quoted had high deductibles and ran approximately \$500 a month in premiums. Ms. Leddy said that some of the children will remain uninsured and ignore medical issues until they are re-enrolled in July, at which time it may cost CCMHG more money. Ms. Leddy said others may access the state's subsidized plan through Commonwealth Care and said that will only shift the cost burden to the state and taxpayers.

Bob Whritenour said that the eligibility requirement is the same now as it was before the health care reform changes. He said that CCMHG is following the laws and implementing it as required and that the taxpayers are funding the CCMHG now and are affected by the decisions that CCMHG makes.

Lisa Morrison, a parent from the Town of Edgartown, said that she didn't understand fully insured vs. self-funded and said that the MA health plans do not apply to her daughter. Ms. Morrison said that she is on a family plan even though it will now only cover herself and her husband. She said that she understands that CCMHG did not budget for the change in eligibility, but neither did she. Ms. Morrison said that she hopes that CCMHG reconsiders and does not make a decision based on money alone.

Kathy Logue, Treasurer, Town of West Tisbury said that she is not personally affected by the decision, but said that she knows of at least four members that are. She said that she knows how committed CCMHG is to the wellness of its members and said that the stress from this decision in this economic climate may cause an adverse effect. Ms. Logue asked that the Committee recommend that the Board reconsider its decision. She referred to the communications regarding the decision that was sent out in July by Carol Cormier.

Other guests at the meeting expressed their thoughts and concerns which were similar to those mentioned above.

Bob Whritenour said that it is difficult to have these types of family discussions and said that he understands the concerns that were brought to the meeting. Mr. Whritenour said that the cost impact provided by the health plans during the initial discussions was between \$438K to \$585K. Mr. Whritenour said that he does not know if the Committee can recommend that the Board change its decision, but said that that the issue will be added to the next CCMHG Board Meeting Agenda and the petition and other supporting documents will be provided. Mr. Whritenour said the concerns are real, but the added \$585K in costs will need to be paid by someone.

Marilyn Wortman said that she thinks there was added confusion due to incorrect information that was given by BCBS.

Carol Cormier said that a legal opinion was obtained that said that the state law pre-empted the early implementation of this law until the Affordable Health Care Act is required to go into effect. She said that it may be illegal to adopt expanded eligibility ahead of the required date.

Jerry Panuczak said that he is a member of the Steering Committee and the Board as well as being a Human Resource Administrator for the Town of Chatham. He said that he has children that will be affected by this decision and understands the concerns raised today. But, he said he also understands his fiduciary responsibility. Mr. Panuczak said that after looking at all of the information that was researched, he supported the decision by voting to take no action until required by the law to do so.

Bob Whritenour noted that there is a list of requirements throughout the Act and said that the Committee does not want to start picking and choosing which one(s) to start early. He said that they want to implement the requirements when the law requires. He said that although he feels for the individual circumstances of the members, there needs to be a balance.

Mr. Whritenour said that the Committee would meet prior to the next Board meeting to discuss making a recommendation.

Carol Cormier asked the health plan representatives how a change would be handled.

The health plan representatives agreed that the claims process cannot be changed or put on hold in anticipation of change that may or may not happen.

Kathy Logue asked if there was a way to get an estimate on what percentage of the CCMHG population is affected by not implementing early.

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

Suzanne Donahue, BCBSMA, said that in reply to the Steering Committee's request for additional information regarding compliance with the Parity Act, BCBS through Milliman found that in order for the Master Health Plus (MHP) plan to comply, the CCMHG would have to remove the co-pay from Mental Health Office Visit. Ms. Donahue said that the utilization report reflects low utilization between May 2009 and April 2010. She said that there also continues to be a decrease of enrollments into this plan. Ms. Donahue said that most of the out-patient services including lab tests is a \$0 co-pay and that is why the plan does not currently comply. Ms. Donahue said that there are high penalties if a plan is found to be out of compliance. Ms. Donahue said that the benefits have been paid as in the past and said that she does not know if BCBS will be able to correct the charges going back. She said that she will see if October 1, 2010 is an option.

Bob Whritenour said that the Committee told the Board that they would research the issue and bring back additional information as to why the plan was determined to be out of compliance and would return with a recommendation.

Dave Withrow made a motion to recommend to the Board to remove all co-pays on all mental health/substance abuse out-patient services on the MHP plan to bring the plan into parity with an effective date of November 1, 2010.

Motion

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

PPACA Grandfather Status:

Carol Cormier explained that certain plans are eligible to be Grandfathered if the plans have not changed since March 23, 2010. Ms. Cormier said that Grandfathered plans are exempt from certain provisions of the Affordable Care Act such as the preventive care cost sharing rule until 2014, but are still subject to others, such as the eligibility of a child to age 26 and the prohibition on annual limits which must be implemented on plan anniversary following September 23, 2010.

Ms. Cormier said that a plan can lose grandfather status in many ways, such as increasing coinsurance, deductibles or employer premium contribution rates by certain amounts. Ms. Cormier said there are additional ways to lose the status and said that it may be very difficult to administer. She explained further.

There was a discussion and it was the consensus of the Committee to that the status did not seem to be in the best interest of CCMHG at this time. The Committee asked for this topic to be added to the next meeting agenda to report as an action to the Board.

Health & Dental Plan Reports:

Delta Dental Plan – Nina Conroy said that notices regarding student certification went out. She said the dependents will be terminated on September 30, 2010 if the certification is not received by Delta Dental

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 that the Tufts Medicare HMO and Prime

Supplement plan co-pay for the annual preventative office visit will be \$0 co-pay. Mr. Winer said that the co-pay for the Smoking Cessation program will also change to \$0.

Harvard Pilgrim Health Care (HPHC) – Bill Hickey said that the HPHC First Seniority PFFS plan will be eliminated effective January 1, 2011. Mr. Hickey said that those members have the option of moving to the HPHC Medicare Enhance plan.

Mr. Hickey said that he would like to thank Kate Sharry and Judy Pote of Group Benefits Strategies for their visit to HPHC and speaking to the internal departments to explain the Retiree Drug Subsidy process and procedures. He said they were very informative and did an excellent job. Mr. Hickey said that their presentation will help HPHC work together with GBS more efficiently.

The Committee asked Carol Cormier to pass along their thanks to Ms. Sharry, Ms. Pote and GBS for the time permitted to make the visit.

Blue Cross Blue Shield – Suzanne Donahue said that fall flu shots will have a \$0 co-pay if the member goes to the physician's office for the sole purpose of receiving the flu shot. Ms. Donahue said that if the member obtains a flu shot as part of a visit for a medical issue, the normal co-pay will apply.

Other Business:

There was no other business.

Chair Robert Whritenour adjourned the meeting at 12:45 PM.

*Prepared by Karen Carpenter
Group Benefits Strategies*