

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

**STEERING COMMITTEE**

Tuesday, September 20, 2011, 10:30 AM  
Martha's Vineyard Transit Authority Bldg., Edgartown, MA

**MEETING MINUTES**

A meeting of the Steering Committee of the Cape Cod Municipal Health Group ("CCMHG") was held on Tuesday, September 20, 2011 at the Martha's Vineyard Transit Authority Bldg., Edgartown, MA. The following people attended the meeting:

**Committee Members Present:**

A. Francis ("Skip") Finnell, Chair	Dennis-Yarmouth RSD
Noreen Mavro-Flanders, Board Chair	County of Dukes County
Marie Buckner	Town of Sandwich
Debra Blanchette	Town of Barnstable
Gerry Panuczak	Town of Chatham
Maggie Downey	Barnstable County

**Guests Present:**

Jim Weiss	Martha's Vineyard RSD
Mark Zielinski	Barnstable County
John Martis	Town of Falmouth
Renie Dumont	Nauset Regional School District
Susan Wallen	Nauset Regional School District
Melanie Becker	Town of Chilmark
Judie Jardin	Town of Aquinnah
Sandra Fife	Town of Dennis
Anne Clancy	Town of Dennis
Deborah Heemsoth	Town of Dennis
Joyce Stiles-Tucker	Tisbury Council on Aging
Connie Teixeira	Martha's Vineyard Airport Commission
Dianne Powers	Dukes County Registry of Deeds
Steve Auerback	Oak Bluffs Finance Commission
Kathy Burton	Oak Bluffs – BOS
Sharon Willoughby	Town of Edgartown
Joyce Kilmer-Garde	Oak Bluffs Water District
T.J. Hegarty	County of Dukes County
Barbara Rogers	Dukes County Retirement
Sharon Jackson	Town of Oak Bluffs
Walter Vail	Oak Bluffs Selectman
Kevin Johnson	Oak Bluffs Water District
Curtis Schroeder	Martha's Vineyard Commission
Mark Friedman	Martha's Vineyard RSD
Frank Yeomans	Town of Chilmark
Sylvia Yeomans	Town of Chilmark
Lenny Jason	Dukes County Commission
Sean Flynn	Dukes County Airport Manager
Jen Rand	Town of West Tisbury
Kelly McCracken	Dukes County Retirement System

Russell Smith	County of Dukes County
Melinda Loberg	County of Dukes County
Jon Snyder	Town of Tisbury Finance Commission
James Lengyel	Martha's Vineyard Land Bank
Cindy Krause	Martha's Vineyard Land Bank
Priscilla Sylvia	Martha's Vineyard Land Bank
Timothy McLean	Town of Tisbury
John Bugbee	Town of Tisbury
Marilyn Wortman	Town of Edgartown
Pamela Dolby	Town of Edgartown
Maureen Fitzgerald	Martha's Vineyard RSD
Adam Wilson	Town of Aquinnah
Bruce Stone	Town of West Tisbury
Kathy Logue	Town of West Tisbury
Angela Grant	Martha's Vineyard RTA
Lauren Thomas	Martha's Vineyard RTA
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Bill Rowbottom	Blue Cross Blue Shield (BCBS)
Fred Winer	Tufts Health Plan (THP)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 10:30 a.m. and thanked everyone for attending. He gave special thanks to Judy Jardin, Noreen Mavro-Flanders and the MA Transit Authority for coordinating the meeting location, transportation and refreshments.

Mr. Finnell asked all attendees to introduce themselves.

Noreen Mavro-Flanders said that the County Commissioners appointed Adam Wilson, Town Administrator, Town of Aquinnah, as the Martha's Vineyard CCMHG Board Alternate and Melanie Becker, Treasurer, Town of Chilmark, as second Board Alternate on Wednesday, September 14, 2011.

**Approval of the Minutes of the September 7, 2011 meeting:**

Noreen Mavro-Flanders motioned to approve the minutes of the September 7, 2011 meeting.

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

Motion
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**Treasurer's Report:**

Skip Finnell said that the CCMHG Treasurer, Rich Bienvenue, was unable to attend the meeting due to a peer review of his company. He said that Mr. Bienvenue sent the financial reports through July 2011 to Carol Cormier.

Carol Cormier read the text of Mr. Bienvenue's email stating that the August financials showed nothing remarkable. She said that she would distribute them by email following the meeting.

**Investment Committee Report:**

Gerry Panuczak said that the stock market is not doing as well as it was during the last quarter, but noted that the CCMHG investments are invested in funds with moderate risk.

**Wellness Committee Report:**

Maggie Downey said that the Committee has decided not to pursue a Wellness Coordinator RFQ for fiscal year 2012 due to the full Steering Committee agenda. She said that the current CCMHG Wellness Consultants were asked to submit contract proposals for FY12 services to present to the Steering Committee.

Skip Finnell said that the CCMHG wellness programs are comprehensive and valuable. He said Vineyard employers should contact Judy Jardin for participation agreements for the Martha's Vineyard wellness programs.

Ms. Jardin said that to date, she has received participation agreements from ten of the units on Martha's Vineyard.

**Request from Dennis-Yarmouth RSD for Special Open Enrollment:**

Skip Finnell said that there is a request for a Special Open Enrollment by the Dennis-Yarmouth RSD prior to January 2012 to move to the Rate Saver plans following negotiations.

Gerry Panuczak made a motion to approve the request for a Special Open Enrollment anytime before January 2012..

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

**Municipal Health Reform Legislation:**

Skip Finnell said that the Steering Committee requested that all CCMHG Committee and Board meeting minutes be sent to the town administrators and managers to keep everyone informed of the discussions surrounding the new MA legislation that provides an accelerated way to make plan design changes to municipal health care plans.

Carol Cormier said that the meeting minutes and legislative materials distributed at the meetings are available on the CCMHG website, [www.ccmhg.com](http://www.ccmhg.com). Ms. Cormier said that the new Section 21 of Ch. 32B allows municipalities that do not wish to adopt provider tiering to modify their plan design features to the second tier of the GIC benchmark plan. She said that it has been difficult if not impossible for the CCMHG to make co-pay changes because until now all of the 52 CCMHG units would first have to fulfill their collective bargaining obligations under Ch. 150E. Carol Cormier explained that the cost of health care has risen steeply over the years and the member's share has not because the co-pays have remained fixed. She said that plan design change will re-balance the member and group cost sharing.

Ms. Cormier continued the review of the proposal and said that the CCMHG has been discounting the Rate Saver plan rates by an additional 5%, resulting in a rate differential between Legacy and Rate Saver plans of 15% rather than the actuarial difference of about 10%. She said that the savings from moving to GIC-similar plan design features will be greater for the Legacy plans than for the Rate Saver plans. Ms. Cormier said not to focus on the decrements line by line because the health plan representatives told her that if one is changed the others may also change. She said that the focus should be on the overall estimated savings for each plan type.

Kathy Logue asked how the changes would affect those units that do not have unions.

Ms. Cormier said that employers that don't have unions are not required to do anything in order to make changes; however, Ms. Cormier suggested that the units could make a mitigation proposal to share up to 25% of gross first year savings as is required by Section 21 of employers with unions. She also recommended a lot of communication with employees regarding proposed changes. Ms. Cormier said that under the new law, the employer needs to show the basis of estimated cost savings and make a mitigation proposal sharing up to 25% of the first year's estimated gross savings. She said if the Public Employee Committee does not agree, the proposal will go before a Municipal Review Panel. She said if the proposal meets all of the requirements of the law, the Panel is required to approve it.

Mark Zielinski asked for an explanation about the IAC and PEC, specifically how they differ in Section 21.

Ms. Cormier said that the IAC (Insurance Advisory Committee) is the same as described in Ch.32B, Section 3, i.e. 8 members of which seven are union representatives and one is a retiree. She said that for some units the

PEC could consist of the same people as the IAC except that the retiree must be one selected by the Retired State County Municipal Employee association (RSCME).

Ms. Cormier said that some employers are suggesting to not formally adopt Section 21 to see if the unions will agree to the changes and mitigation proposal outside of the Section. She said that they are hoping to avoid the cumbersome timetable of notices while fulfilling all of the requirements.

In response to a question, Ms. Cormier said that she will write to the A&F regarding retiree representation on a PEC of a non-union unit.

Noreen Mavro-Flanders said that the retirees that are not eligible for Medicare and allowed to stay on active plans may be adversely affected.

Carol Cormier said that the law specifies that the mitigation proposal should target low income employees, high utilizers of health care services, and retirees .

Jim Weiss asked if the CCMHG's Legacy plans would be eliminated.

Carol Cormier said according to the proposal the Steering Committee is entertaining the co-pays on all plans, Legacy and Rate Saver plans, would be changed to be close to the GIC benchmark plan co-pays and deductible. She said that the result will be one menu of plans to include an HMO and PPO for each carrier. Ms. Cormier said that the proposal also includes changing the co-pays and adding a deductible to the Master Medical and Master Health Plus plans.

A guest attending said that asking employees to pay such a high increase in co-pays and adding a deductible is a lot to handle.

Skip Finnell said that the rates will be affected and may be lower than they have been or would have been without the changes. He said the employees would benefit from the rate reduction as well as from the mitigation proposal.

Carol Cormier said that medical inflation is still around 10% so for the Legacy plans the saving from making plan design features will probably be greater than the 10%; however, she said that would not be the case with the Rate Saver plans where the savings are smaller because the Rate Saver co-pays are closer to those of the GIC benchmark plan. She said an unknown is how much fund balance the CCMHG will vote to use to help fund next year's expenses and thereby reduce the rates.

*The Segal Company proposal-* Carol Cormier said that The Segal Company is familiar with municipalities and that they submitted a proposal to complete an actuarial study on 10 plan design change scenarios at a fee of \$7,500 or \$750 per plan.

Segal Co.'s fee was subsequently reduced by 5%

Gerry Panuczak said that it will help to have a report from an independent actuary when the employers prepare the mitigation proposals.

Noreen Mavro-Flanders made a motion to authorize Carol Cormier to engage The Segal Company to complete the study at a fee not to exceed \$7,500.

Motion

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

Suzanne Donahue said that the Master Health Plus PCP and Specialist visit co-pays cannot be split on an indemnity plan and said that they would both have to be \$20. Ms. Donahue said that she gave incorrect information at the last meeting. She said that BCBS can make the plan design features of the Master Medical plan look somewhat like those of the GIC benchmark plan.

Mark Zielinski asked why the plans could not be eliminated due to the low enrollments.

Carol Cormier said that the law does not allow elimination of the plans, only modification to the GIC benchmark plan.

Gerry Panuczak made a motion to recommend the proposed Master Health Plus plan design for both the Master Medical and Master Health Plus plans to the Board.

Motion
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Maggie Downey seconded the motion. The motion passed by a majority vote, five in favor and one against the motion.

Maggie Downey asked what services would require the deductible.

Carol Cormier said that the deductible information was in the last meeting packet. She said that the deductible applies to services such as inpatient hospital, outpatient surgery, high tech imaging, and labs..

Bill Hickey said that the deductible does not apply to preventative office visits, but it does apply for treatment of or diagnosis of an illness. He said that the member pays the co-pay first and then the services are ordered and the member is billed for the deductible.

There was a discussion about deductibles and how they work.

Skip Finnell asked Carol Cormier to review the proposed plan design changes that the Committee will be recommending to the Board. He said that the Board took a tentative vote to approve the changes at its last meeting, but said that the Board will take a final vote on October 5, 2011.

Carol Cormier reviewed the proposal for the PPO plan design changes for July 1, 2012. Ms. Cormier said that claims represent about 93% of what is paid out of the trust fund balance. She said that she does not expect to see a dramatic savings difference between the health plan actuaries and The Segal Company's estimates.

In response to a question, Ms. Cormier said that the actuary will provide savings information to CCMHG as a group, not by each unit.

Gerry Panuczak said that if the plans do not make plan design changes that compare to the GIC benchmark plan, that the state will require the units to report on what the savings would have been if they did make the changes.

In response to a question about why CCMHG is not modifying only the Rate Saver plans and keeping the Legacy plans as an option, Skip Finnell said that CCMHG is an organization of 52 municipalities. He said that based on a vote taken at the last meeting, a majority of the municipalities, by a vote of 18 in favor and 4 against, wants to move in the direction of the proposed benefits discussed today.

Ms. Cormier said that there are a lot of other benefits of belonging to CCMHG, such as the myMedicationAdvisor® program through which employees are able to obtain prescriptions at a \$0 co-pays, wellness programs including the Diabetes Program where diabetic employees that comply can get their supplies and medications at no cost, COBRA administration and legal advice to name a few.

Skip Finnell said that in order to move to the GIC a unit must demonstrate a savings of 5% or more over the savings that would be realized by making plan design changes on its own. He said that any unit considering this will need to complete the same analysis as units making changes through CCMHG will have to complete..

Judy Jardin said that the GIC does not offer any BCBS plans.

Carol Cormier noted that the hospitals and facilities on Cape Cod and the Islands are on the highest co-pay tier on the GIC plans and their inpatient co-pay is \$700, not \$500 as being proposed by the Steering Committee.

Carol Cormier said that GBS and the CCMHG Treasurer are working on creating a spreadsheet that each unit can use to plug in their enrollment counts and calculate the unit's expected savings. She said if the Board votes to go with one menu of plans, it will be easier to determine the savings. Ms. Cormier said if there are multiple plan designs, it will be difficult to predict the migration, and the proposal may be contestable.

Bill Hickey said that there is an Out-of-Pocket maximum of \$2,000 Individual and \$4,000 Family on the plans and said that once an individual reaches the maximum, all services are at no cost.

Noreen Mavro-Flanders asked for a show of hands of the employers that are in favor of the changes as proposed and those that are not in favor of the changes. All but one employer indicated being in favor of making the proposed changes.

Medicare Carve-out Plan- Carol Cormier said that there are eight very elderly members enrolled in the Medicare Carve-out plan and said that the Committee discussed keeping the plan as is.

Gerry Panuczak made a motion to recommend to the Board to keep the plan design of the Medicare Carve-out plan as it is currently.

Motion

Debra Blanchette seconded the motion. The motion passed by unanimous vote.

**Health Plan Reports:**

Tufts Health Plan - Fred Winer said that the Federal Health Care Reform is allowing carriers to take advantage of the 50% discount on prescriptions if members reach the coverage gap. He said that Tufts is passing some of the savings onto their accounts and lower senior plan premiums will be the result. He said that he will bring a presentation for the Board to review.

Blue Cross Blue Shield -

Bill Rowbottom said that BCBS is piloting a smoking cessation program on Martha's Vineyard, requested by Noreen Mavro-Flanders. He said that wellness posters are available. Mr. Rowbottom said that BCBS is in negotiations with Walgreens and said that if they cannot come to terms, they may not be contracting with BCBS effective January 1, 2012.

Harvard Pilgrim Health Care-

Bill Hickey said that HPHC has contracted with CVS Pharmacy to administer flu shots.

**Other Business:**

There was no other business.

Marie Buckner made a motion to adjourn.

Motion

Maggie Downey seconded the motion.

Skip Finnell adjourned the meeting at 12:30 p.m.

*Prepared by Karen Carpenter  
Group Benefits Strategies*