

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

STEERING COMMITTEE

Wednesday, October 15, 2008, 10:00 AM
Sandwich Municipal Office Building
16 Jan Sebastian Drive, Sandwich, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, October 15, 2008 at 10:00 AM at the Sandwich Municipal Office Building, 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
Margaret Downey	Barnstable 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:

Teresa Mandarini	Davis Vision
Janet Farrell	EyeMed Vision Care
Michael Alvinsky	EyeMed Vision Care
David Ettipio	Vision Services Plan (VSP)
Robert Lizanich	Vision Services Plan (VSP)
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
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 10:10 a.m.

Interviews with Vision Service Plan Providers:

Davis Vision – Teresa Mandarini, VP of Marketing, distributed the vision care proposal booklet to the Steering Committee and gave a brief overview of the Davis Vision company. She said their plan is available in all 50 states and currently serves approximately 55 million people. She said that Davis contracts with doctors and have removed the doctors from the eyeglass business. She said the Davis line of glasses are produced in five labs nationwide. She said turnaround time for glasses is 3 to 5 business days.

Ms. Mandarini showed frame samples from the Davis Eyewear Collection and said the collections are furnished to all of their participating providers. She said members can either choose from their collections or receive a retail frame allowance towards any frame available on the market.

Ms. Mandarini said the Davis Vision network consists of private practitioners, Cambridge Eye and other Davis Vision Care Centers. She said her company has a website link available that could be linked to the CCMHG

website. Ms. Mandarini said Davis Vision would prefer enrollments to be submitted electronically and that eligibility updates could be made on-line.

Teresa Mandarini said Davis would hold the rates to July 1, 2009 to allow for the time necessary to communicate the plan to the employees and for a smooth implementation process. She noted that the rates were guaranteed for three years.

The Committee asked questions of Ms. Mandarini.

Ms. Mandarini thanked the Committee and left the meeting.

EyeMed Vision Care – Janet Farrell, Regional Sales Manager, distributed the EyeMed proposal folder to the Steering Committee and introduced Michael Alvinsky, Vice President. Ms. Farrell said EyeMed is based in Mason, Ohio and said they own LensCrafters and were purchased by Luxottica. She said 80% of the provider network is in private practice but that the plan also has major retail chains including LensCrafters, Pearle Vision, Sears, and Target. She said members would have access to vision care services seven days a week, evenings and weekends.

Ms. Farrell said EyeMed providers are contracted to perform very comprehensive eye exams to include dilation. Ms. Farrell said EyeMed also provides Disease Awareness and Care Management services to their clients at no additional cost.

Ms. Farrell said their physicians are required to enter complete diagnosis codes for each member before they will be paid for services. She said this is used to identify high-risk health conditions and reports on eight ocular and general health conditions. Ms. Farrell said diagnosis code summary reports are available on a monthly basis.

Janet Farrell said that EyeMed provides many member communications including initial membership cards and enrollment information, posters for worksites and disease awareness materials. She said they also can add links to the CCMHG website.

Ms. Farrell said there are no mandated frames and that members may select any eyeglass frame. She said that there is a set allowance with an overage discount that a member can use towards a product of their choice. Ms. Farrell said there is an unlimited 40% discount after using the funded benefits.

In response to Ms. Cormier's question, Ms. Farrell said that EyeMed would hold its rates till July 1, 2009 to allow time to educate members and to properly implement the program. She said that the rates would be held at proposed levels for four years. She also said that EyeMed would add a rate cap guarantee for the 5th year.

The Committee questioned Ms. Farrell and Mr. Alvinsky.

Ms. Farrell and Mr. Alvinsky thanked the Committee and left the meeting at this time.

Vision Services Plan (VSP) – David Ettipio, Account Executive distributed the VSP proposal booklets to the Steering Committee and introduced Robert Lizanich, Regional Vice President.

Mr. Lizanich said that VSP is a not-for-profit PPO with a focus on eye health, not retail sales. He gave a brief overview of the history of the company and said that one in six people in the US are covered by VSP. Mr. Lizanich said that VSP guarantees satisfaction and provides exceptional customer service, easy administration, reasonable pricing and a wide product range.

Mr. Lizanich said that there are approximately 36K providers in the VSP network and said they all are private practice physicians who are full service providers. He said that 70% of the VSP providers are not in the Davis

Vision network and that 80% of the providers are not part of the EyeMed network. Mr. Lizanich said all of their providers will take new patients.

Mr. Lizanich explained the VSP wholesale frame advantage program and how it can save the member money.

Mr. Lizanich said that through VSP's Eye Health Management Program, they are able to provide exceptional patient care, member awareness and to partner and share data with the member's physician regarding diabetes, diabetic retinopathy, hypertension and other eye health related disease.

Mr. Lizanich said they would guarantee pricing to July 1, 2009 to allow for time to educate members and to implement the program. He also said the rates are guaranteed for four years.

Approval of the minutes of the September 10, 2008 Steering Committee meeting:

Noreen Mavro-Flanders motioned to approve the minutes of the meeting of September 10, 2008.

Motion

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

The Committee asked questions of Mr. Lizanich and Mr. Ettipio.

Mr. Lizanich and Mr. Ettipio left the meeting at this time.

Chair Bob Whritenour said that he would move through the agenda and then the Committee would discuss the three vision service proposals.

Treasurer's Report:

Richard Bienvenue, CPA was unable to attend the meeting.

Carol Cormier distributed the Treasurer's financial statements of July 31, 2008 that Mr. Bienvenue had left for the Committee to review. She said Mr. Bienvenue said he would have the August 31st statements next week for the Board meeting.

Investment Committee Report:

Skip Finnell said that the Investment Committee met prior to today's Steering Committee meeting to discuss the status of investments in this time of economic crisis. Mr. Finnell reported that the investment balance was approximately \$10M at the end of December 2007, and he said that at the end of September 2008, the balance had dropped to \$9.44M. Mr. Finnell said that the original investment was \$8M and as of October 13th, the balance is \$8.77M. Mr. Finnell said that Rockland Trust would continue to re-balance the funds.

"Rate Saver" Plans:

Carol Cormier said that the proposed Rate Saver comparisons and ten percent rate reduction examples that were reviewed at the September 10th Steering Committee meeting were included in the meeting packet.

There was a discussion about the flexibility that would be afforded to the employers in offering these plans.

Bob Whritenour said that a motion to present the Rate Saver information to the Board for a final vote at the October 22, 2008 meeting was approved at the September 10th Steering Committee meeting.

Wellness Committee Proposal for FY09 Programming:

Maggie Downey said that Allied Health of Cape Cod was going to hold a Family Health & Fitness Expo at the Cape Cod Mall. Ms. Downey said she wanted to know if there would be any objections by the Steering Committee if she sent the flyer out to all of the CCMHG units since the Expo was not a CCMHG sponsored event.

The Steering Committee agreed that there was no reason that the flyer could be distributed to let the units know about the event.

Maggie Downey asked Carol Cormier to distribute the flyer to the CCMHG Benefit Managers and Administrators.

Ms. Downey distributed the Wellness Budget Comparison of FY08 and FY09 and reviewed the FY08 actual wellness expenses with the FY09 budget. She said that the FY09 Wellness Program budget does not list a separate line for the Consultant fees. Ms. Downey said those costs were now included in the total of each individual wellness program.

Non-Prescription Enteral Formulas Benefit:

Carol Cormier explained that the State legislature has enacted Chapter 214 of the Acts of 2008 increasing the coverage benefit of nonprescription enteral formulas (low protein foods) from \$2,500 to \$5,000 effective October 28, 2008. She explained that self-funded groups under Chapter 32B are not required to follow this state mandate.

Bill Hickey said that Harvard Pilgrim Health Care will increase the amount unless there is a verbal request given by CCMHG to keep the benefit at \$2,500. Bill Hickey said that there are very few people that would use this benefit and the cost impact would be negligible.

Suzanne Donahue said that Blue Cross Blue Shield will require a written request from CCMHG to keep the benefit at \$2,500.

Noreen Mavro-Flanders made a motion to recommend to the CCMHG Board to keep the Enteral Formulas benefit at the current \$2,500 and not adopt Chapter 214 of the Acts of 2008.

Motion

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

Senior Plan Rates FY09:

Carol Cormier reviewed the senior rate proposals for the Harvard Pilgrim First Seniority Freedom Plan and the BCBS Medicare HMO Blue and Blue Medicare PFFS plans.

Dave Withrow made a motion to accept the HPHC First Seniority Freedom Plan rate of \$212, the BCBS Medicare HMO Blue rate of \$223.50 and the BCBS Blue Medicare PFFS rate of \$181.80.

Motion

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

Informational Meetings for Medicare eligible retirees & the Special Open Enrollment January 1, 2009:

The Steering Committee clarified that the Special Open Enrollment on January 1, 2009 is for those retirees that would like to either enroll in or switch out of the Private Fee for Service plans only. Those retirees that are not currently enrolled in a health plan are not eligible to enroll until the normal open enrollment period in July.

Suzanne Donahue of BCBS and Bill Hickey of HPHC are planning regional retiree meetings to explain the plans to the senior members.

High Cost Claim Audit update:

Suzanne Donahue said that the final NIIS questions asked of BCBS have been answered.

Carol Cormier said that Adria Garneau is working on the audit result report.

Other Business;

Request for extra-contractual services for BCBS member:

Carol Cormier said that the BCBS member that Suzanne Donahue requested extra-contractual services in behalf of had contacted GBS by phone and had also sent an email to the town through which they are covered. She said the member wanted BCBS to provide additional home health aid care.

Suzanne Donahue said that the member's condition at this time is custodial and a home health aid is not provided for under the policy. She said the member is receiving skilled nursing visits but was not certain of the number of monthly visits to the home. Ms. Donahue said that the only insurance that would cover custodial care would be a Long Term Care policy.

Carol Cormier said a letter needs to be sent to the member to explain and clarify that BCBS is following the health plan contract which does not provide for custodial care.

Carol Cormier said that BCBS acts in a fiduciary capacity for the CCMHG. She said she did not know why BCBS had come to the Committee for its opinion. She asked the Committee if it would like to give instructions to BCBS on this topic.

The Committee agreed that it does not want to discuss member's care and wants BCBS to administer the policies as written.

Carol Cormier said that HPHC is not the fiduciary for its plans and said she recommends that the CCMHG entertain a proposal from HPHC to be the fiduciary. She said that there would be a fee in the case of HPHC.

The committee expressed interest in seeing a proposal from HPHC.

Mr. Hickey said that he had already asked for quotes and would get back to the Committee with the proposed fees and services.

Vision Service Proposals:

Bob Whritenour asked the Committee members to discuss their thoughts on the three proposals.

Marie Buckner said she would prefer EyeMed because of the option of going to a retail chain where there would be flexibility to go on Saturdays and nights.

Prior to leaving the meeting, Maggie Downey said she also favored EyeMed because of the ease of going to a large chain available on weekends.

Gerry Panuczak originally said he preferred the VSP proposal since there were more providers located near Chatham but later learned that the EyeMed network also had several locations there as well. He said he would vote with the majority.

The Steering Committee members agreed that they were not interested in the proposal from Davis Vision.

Bill Hickey asked how the benefits would be coordinated with the health plan vision benefits.

Bob Whritenour asked Carol Cormier to contact EyeMed and ask for a reduction in plan rates since the health plans also offer eye exams for the same co-pay as the vision plan. He also asked her to see if EyeMed would provide rates that would include progressive lenses in the benefits. Mr. Whritenour also asked if the GBS administrative fee could be lowered to \$0.50 per subscriber per month.

The Steering Committee asked Carol Cormier to invite Janet Farrell to the October 22nd Board meeting to present the EyeMed vision plan to the Board members.

There was a discussion.

Gerry Panuczak made a motion to recommend to the Board that EyeMed be selected as the vision plan provider.

Motion

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

Carol Cormier recommended starting the plan July 1, 2009 to give ample time for communication and education of employees. She said having the time will also enable GBS to do the programming to do the electronic transmission of enrollment data since EyeMed will only accept enrollments electronically.

There was no other business.

Bob Whritenour adjourned the meeting at 2:43 p.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*