

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

STEERING COMMITTEE

Friday, October 21, 2011, 9:00 AM
Centerville Osterville Marstons Mills Fire District Bldg., Osterville, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Friday, October 21, 2011 at the Centerville Osterville Marstons Mills (COMM) Fire District Bldg., Osterville, 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
Erin Orcutt	Cape Cod Regional Technical High School

Guests Present:

John Kelly	Town of Orleans
Lisa Vitale	Town of Brewster
Judy Sprague	COMM Fire District
Susan Stoltz	Barnstable Fire District
Karen Walden	Mashpee Water District
Renie Dumont	Nauset Regional School District
Susan Wallen	Nauset Regional School District
Judie Jardin	Town of Aquinnah
Suzanne Donahue	Blue Cross Blue Shield of MA
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Carol Cormier	Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 9:10 a.m.

Approval of the Minutes of the October 5, 2011 meeting:

Skip Finnell said that the minutes were not yet ready for review and tabled the vote on the minutes till the next meeting.

Municipal Health Reform and plan design changes:

Master Medical Medicare Carveout A plan – Carol Cormier said that there are now just 4 very elderly people on this plan, three through Cape Cod Technical High School and one through Town of Provincetown. She said that BCBS has taken the position that it will not administer the Medicare Carve-out A plan for CCMHG because they believe it to be a violation of Ch.32B, Section 18A. Ms. Cormier said that they are probably right about this.

Suzanne Donahue said that BCBS might be willing to administer the plan if CCMHG gives BCBS a signed letter holding it harmless. She said BCBS would want to write the letter.

Suzanne Donahue suggested that these people might be able to be moved to the traditional indemnity plan or to the PPO.

There was a discussion.

Noreen Mavro-Flanders moved to recommend to the Board that effective July 1, 2012 Master Medical Medicare Carveout A plan will no longer be offered.

Gerry Panuczak seconded the motion. The vote approving the motion was unanimous.

Motion

Segal Company Estimates of Claims Savings – Carol Cormier reviewed the letter from The Segal Company providing its revised estimates of savings that might result from plan design changes to the Master Health Plus and Master Medical plans. She said that the estimates are now closer to those of BCBS but that there's still a significant difference in estimates for Master Health Plus. Ms. Cormier explained why the Segal estimates were originally a little higher than the revised estimates.

PPO Out-of-Network Benefits – Carol Cormier said that in previous comparison documents she had not included the PPO out-of-network (OON) benefit. She said that less than 3% of PPO plan costs result from OON services. She reviewed the proposed changes to OON benefits explaining that the only changes were to the OON deductible and to the OON out-of-pocket (OOP) maximum. She said she suggested making these the same as those of the GIC benchmark plan, i.e. \$400/\$800 for the OON deductible and \$3,000 per member for the OON OOP maximum. She said these features would be based on a plan year.

Suzanne Donahue explained OON services for the BCBS PPO, Blue Care Elect Preferred. She said that In-Network and OON deductibles are separate as are In-Network and Out-of-Network OOPs. She said that BCBS would issue draft summaries of each plan shortly.

Skip Finnell said it was important that there be a clear understanding of the terms, specifically the deductible, co-pay, and out-of-pocket maximum.

It was agreed that the health plan Account Executives would present all the information about these plans design features at the Benefits Administrators meeting on Nov. 17th.

It was agreed that the plan summary drafts would be sent to Carol Cormier for review and distribution to the Steering Committee.

Susan Stoltz, Barnstable Fire District, asked if there was going to be a written explanation of the changes and the process and said she hoped that something would be issued soon.

Judy Sprague said she is concerned about misinformation that is being disseminated. She said she is getting phone calls from concerned employees.

Carol Cormier said that she was waiting for the finalization of the plan design changes before sending a communication out but could do a letter now if the Committee wishes.

Gerry Panuczak made a motion to recommend to the Board that the BCBS and HPHC PPO Out-of-Network (OON) plan designs be changed to an OON plan year deductible of \$400 Individual/not to exceed \$800 per Family and that the OON Out-of-Pocket (OOP) maximum be set at \$3,000 per member and that the OON pharmacy co-pays be the same as the in-network pharmacy co-pays.

Motion

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

Skip Finnell said that this item would be taken up at the January 18th Board meeting.

Erin Orcutt said she was concerned about the open enrollment process and volume of paperwork.

Suzanne Donohue talked briefly about the open enrollment process and what BCBS could do regarding making changes electronically.

There was a discussion about the terms “benefits” and “plan design features”.

Karen Walden asked if there would be any changes to the Senior plans.

Carol Cormier said that the senior plans over which CCMHG has control of benefits and plan design features are BCBS Medex and HPHC Medicare Enhance. She said no changes are planned for these health plans for FY13.

John Kelly asked if retirees on active employee plans participate in the mitigation plan.

Carol Cormier said that they do and that retirees, low income employees, and high health care utilizers are named targets for the mitigation proposals in the Regulations.

BCBS:

Options for Durable Medical Equipment (DME) benefit -

Suzanne Donahue said that the CCMHG plans currently have a DME benefit that is covered in full up to a \$1500 calendar year maximum. She said that the BCBS standard DME benefit is to cover DME at 80% with no limit. She said that the 20% that the member pays would count towards the Out-of-Pocket maximum. Ms. Donahue said that the CCMHG has the option to make the change but doesn't have to change. She said that there would be no projected cost impact associated with making the change to the standard DME benefit.

Skip Finnell asked how the GIC benchmark plan handled the DME benefit.

Bill Hickey said he thought that it was a 80%/20% coinsurance arrangement.

Gerry Panuczak said he's concerned that this would appear to be a benefit change.

Bill Hickey said that federal law does not permit maximums on DME for fully insured plans.

Skip Finnell suggested tabling the DME issue until the next meeting when there is clarification on what the GIC benchmark plan's DME benefit is.

Gerry Panuczak moved to table the DME item.

Deb Blanchette seconded the motion. The vote on the motion to table was unanimous.

BCBS payments to non-participating providers –

Suzanne Donahue said that only about 2% of PPO utilization is out of network. She said that for July 1, 2012 the CCMHG has some options as to how it wants non-participating providers to be paid by BCBS. She presented several options and said that the standard BCBS payment arrangement would be to pay non-participating providers the standard Usual & Customary (U&C) allowance based on the indemnity plan fee schedule. She said that this would be paid at 100% of U&C in MA and 150% of U&C out of state for all provider types. She said out-of-state U&C charges are generally lower than MA U&C. She said that this will result in some savings but could potentially result in some balance billing to members.

There was a discussion.

Deb Blanchette moved to make the change to the BCBS new standard payment arrangement for non-participating providers effective July 1, 2012.

Motion

Gerry Panuczak seconded the motion. The vote on the motion was unanimous.

Monomoy Regional School District Request for Membership effective July 1, 2012:

Skip Finnell said that Monomoy RSD is a new regional school district that will be made up of Towns of Chatham and Harwich. He said it will become operational July 1, 2012. He said that most of the employees are already CCMHG members and the Group has been covering their claims all along.

Gerry Panuczak moved to recommend to the Board that it accept Monomoy RSD's request for membership in CCMHG effective 7/1/12.

Marie Buckner seconded the motion. The motion passed by unanimous vote.

Other Business:

Future Meeting Dates -

Skip Finnell asked if the Committee thought it still needed to have the November 2nd meeting. There was a discussion and it was concluded to hold the Nov. 2 meeting at 9 AM at Sandwich Municipal Office Bldg., 16 Jan Sebastian Drive, Sandwich as planned.

The following Steering Committee meeting dates were also confirmed: Dec. 7 at 9 AM in Sandwich and January 11 at 9 AM in Sandwich.

The Committee also confirmed meetings on January 18th at COMM Fire District Bldg in Osterville: (1) Steering Committee meeting at 8:30 AM and (2) Board meeting at 9:30 AM.

Mr. Finnell said that he would like the Treasurer to present the September financial statements at the Nov. 2nd meeting and asked Ms. Cormier to confirm this with Mr. Bienvenue.

There was no other business.

Motion

Deb Blanchette moved to adjourn.

Erin Orcutt seconded the motion. The motion passed by unanimous vote.

Skip Finnell adjourned the meeting at 11:59 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*