

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

**Board Meeting**

Wednesday, October 25, 2006, 9:30 a.m.  
Barnstable Town Hall, Hyannis, MA

**MEETING MINUTES**

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, October 25, 2006 at the Barnstable Town Hall, Hyannis, MA. The following people attended the meeting:

**Board Members and Alternates Present:**

Noreen Mavro-Flanders, Board Chair	Dukes County
Bob Whritenour, Steering Committee Chair	Town of Falmouth
Marcia Templeton	Nauset Regional School District
Christine Ezersky	Nauset Regional School District
Paula Ainsworth	Cape Cod Regional Transit Authority
Peter Bettencourt	Town of Edgartown/Dukes County
Marie Buckner	Town of Sandwich
Walfred Lundstrom	Town of Yarmouth
Bob Canevazzi	Town of Dennis
Margaret Downey	Barnstable County
Linda O’Brien	Town of Provincetown
Pam Nolan	Town of Truro
Beth Fletcher	Town of Chatham
Agnes Murray	Cotuit Fire District
Laura Scroggins	Town of Barnstable
Dawn Rickman	Town of Wellfleet
Joan Plante	Town of Eastham
Beverly Haley	Dennis-Yarmouth RSD
James Weiss	Martha’s Vineyard Public Schools/Dukes County
Barbara Meehan	Upper Cape Cod Regional Technical School
Robert Sanborn	Cape Cod Regional Technical School
Robert Howard	Bourne Recreation Authority
Verna LaFleur	Hyannis Fire District
Dave Withrow	Town of Orleans
Roland “Bud” Breault	Town of Barnstable

**Guests Present:**

Richard Bienvenue, CPA	CCMHG Treasurer
Pam Hudson	Town of Provincetown
Leanne Gray	Mashpee Water District
Lisa Vitale	Town of Brewster
Mary McIsaac	Barnstable Fire District
Brian Heaslip	Town of Yarmouth
Suzanne Donahue	Blue Cross Blue Shield of MA
Bill Rowbottom	Blue Cross Blue Shield of MA
William Hickey	Harvard Pilgrim Health Care
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

Chair, Noreen Mavro-Flanders called the meeting to order at 9:40 a.m.

**Election of Officers for 2007:**

Noreen Mavro-Flanders introduced Dr. Jim Weiss as the alternate Board member for Dukes County. She said Skip Finnell informed the Steering Committee that he would be retiring at the end of the school year in 2007. Ms. Mavro-Flanders said a list of the current officers and Steering Committee members is enclosed in the packet for review.

Bob Whritenour motioned to accept the nominations as slated: Noreen Mavro-Flanders, Chair, Robert Canevazzi, Vice-Chair and for the Steering Committee Noreen Mavro-Flanders, Robert Canevazzi, Robert Whritenour, Skip Finnell, Margaret Downey, Marie Buckner, David Withrow, Bud Breault, and Sheryl McMahon.

Bob Canevazzi seconded the motion.

Motion

Noreen Mavro-Flanders asked if there were any other nominations.

Bud Breault motioned to close the nominations.

Motion

Bob Whritenour seconded the motion. The motion was passed by unanimous vote. The motion to accept the nominations as slated was approved by unanimous vote.

Noreen Mavro-Flanders said since Skip Finnell would be retiring in the spring, there would be a vote in the Spring for someone to fill his vacancy on the Steering Committee.

**Minutes of the Board meeting of July 26, 2006, 2006:**

Bob Canevazzi moved to accept the minutes of the July 26, 2006 meeting as written.

Dave Withrow seconded the motion. The motion passed by unanimous vote.

Motion

**Treasurer's Report:**

Rich Bienvenue, Treasurer, reviewed the financial statements of September 30, 2006 (unaudited figures). He said the Board had voted to use \$6M of the Fund balance to fund rates for the FY07 policy period, and he said that as of September 30, 2006, this plan seemed to be working well with the assumption that claims would increase throughout the year. He reported a fund balance of \$26,957,545.

Mr. Bienvenue stated that the Investment income for the first quarter was \$539K and that BCBS and HPHC both owed CCMHG for the claims settle-up as of September 30, 2006.

Noreen Mavro-Flanders asked the status of the FY06 independent financial audit.

Rich Bienvenue said the final audit report should be ready for the December Steering Committee meeting and could be distributed at the January Board meeting. He said the auditor, Bill Fraher, CPA, would be finalizing the report within the next day or two.

**Rockland Trust Investment Report:**

Jeff Smith, Rockland Trust, introduced the team from Rockland Trust and said David Smith would be presenting the portfolio.

David Smith reviewed the Targeted Portfolio Structure of the original portfolio, Fund 1 - Moderate Growth, and the new Fund 2 - Balanced Growth, which began in April.

Mr. Smith stated that the performance year-to-date for Fund 1 was 5.27%, exceeding the composite benchmark and that since inception the performance was up 6.80%, which also exceeds the composite benchmark of 5.75%. Mr. Smith said the Fund 2 portfolio performance since inception date of 4/1/06 is 3.79% but that the Group performance is 2.50% since inception. He said the most important way for CCMHG to grow is with a modern fund strategy. He said Fund 2 is balanced and more aggressive.

**Steering Committee Report:**

Bob Whritenour recognized the Investment Committee members, Sheryl McMahon and Wally Lundstrom. He said they have been reviewing the Investment Policy and have the final draft for the Steering Committee to review and then present at the next Board meeting.

Mr. Whritenour said the Steering Committee meeting held on Martha's Vineyard in September went very well. He said the Steering Committee would like to hold more than one meeting on the Vineyard in the coming year. He said the CCMHG has engaged a Wellness Coordinator for the Vineyard.

Mr. Whritenour said the Steering Committee is working with *myMedicationAdvisor*® and implementation of the Alternative Generic Savings program. He said the Committee is optimistic and will be following the program's progress closely.

Bob Whritenour said M.G.L. Chapter 32B, Section 18 is being discussed and reviewed. He said there was a Coalition of Joint Purchase Groups meeting on October 13<sup>th</sup>, thanks to Carol Cormier and GBS. He said Maggie Downey gave a great presentation on Wellness. He said plan design issues post Dennis Decision were discussed.

Mr. Whritenour said there would be a vacancy on the Steering Committee in late Spring 2007.

**Wellness Committee Report:**

Maggie Downey, Wellness Committee Chair, said the Wellness Committee was given a report from BCBS with regard to impact of certain health risk behaviors on claims costs. She said out of \$49.8M in claims approximately \$9.6M could have been prevented (20% of claims). She said Wellness does impact the rates and claims costs.

Ms. Downey said the committee would be working on fitness for the coming year, as well as smoking cessation. She said they would also be looking to try a pilot program to use employer time for a CHIP Program. She said screenings for the next CHIP program will be held in December and she has been working with Judie Jardin, the new Martha's Vineyard Wellness Coordinator, to schedule a CHIP program to be held on Martha's Vineyard.

Ms. Downey said there would be two Family Wellness days coming up; one in January in Hyannis and the other in April with a tentative location of Truro. She said the "Go Walking" program is scheduled to begin in the spring with monthly drawings and prizes.

Maggie Downey said there would be a Manager's conference held on Friday, February 23, 2007 at Hyannis Middle School. She said the goal is to get the unions, managers, and school officials there to educate them about the long-term effects of Wellness.

Maggie Downey said the Wellness Committee has been working with the American Cancer Society and should be hearing back from Deanna Desroches soon on possible programs.

Noreen Mavro-Flanders said she is very supportive of the Wellness Programs and that the top issues of concern were heart disease and diabetes. She said the Wellness Programs are very important and incentives should continue to be offered because they are well worth it. She acknowledged that it is not clearly measured because of the long-term nature of the effects. She thanked Maggie Downey and the Wellness Committee for their efforts.

Ms. Downey said they would be offering the CHIP financial incentive for members that participate again this year.

There was a discussion about mis-use of the Emergency Rooms.

Carol Cormier said that BCBS has a nurse care 24-hour line for members to call and that the nurse would let the member know if he/she should go to the emergency room.

There was a discussion with regard to the BCBS nurse line and informing employees of it.

**GBS Reports:**

*Funding Rate Analysis by Plan* - Carol Cormier reviewed the Funding Rate Analysis by Plan as of September 30, 2006 and said the expense-to-funding ratio was 93.4%. She said the Dental contributory expense-to-funding ratio was 92.9%. Ms. Cormier said all plans were running well.

*HPHC Level Monthly Deposit* – Ms. Cormier said as of September 30, 2006, CCMHG had a credit balance of \$208K with Harvard Pilgrim Health Care.

*BCBS Level Monthly Deposit* – Ms. Cormier said as of September 30, 2006, CCMHG had a credit balance of over \$2.2M with Blue Cross Blue Shield. She said this might be an indication that the Level Monthly Deposit was set too high.

Ms. Cormier explained the necessities of establishing and following eligibility policies. She said there are a few eligibility issues with regard to reinsurance because of the absence of such policies.

*Stop Loss Reports* – Lisa Trombly reviewed the Stop Loss Report for FY05. She said there were 15 claimants who had claims that exceeded the policy year deductible of \$150K with claims totaling over \$3.2M. She said the Aggregating Specific Deductible had been met and there remained approximately \$179K in outstanding reimbursements. She said there were 3 eligibility issues currently being worked with the reinsurance carrier.

Ms. Trombly reviewed the Stop Loss Report for FY06. She said there were 14 claimants who had claims that exceeded the policy year deductible of \$150K with claims totaling over \$3.4M. She said the Group was still owed approximately \$257K. She said there were 73 claimants appearing on the 50% report with claims totaling over \$7M.

Ms. Trombly reviewed the Stop Loss 50% report for FY07. She said there were 2 claimants already appearing on the report with claims totaling \$218K.

Carol Cormier said the Stop Loss Deductible should be increased next year.

*MyMedicationAdvisor Program*® – Carol Cormier reviewed the Actuals vs. Budget report with figures through August 2006. She said the program was still not running as projected but that with the implementation of the Alternative Generic Savings program the financials may show some improvement.

Noreen Mavro-Flanders said that on Martha's Vineyard she is finding that the Benefit Administrators are not fully understanding the program and therefore not promoting it. She said she will be speaking with the employers on the Vineyard to remind them of the contractual agreement with the CCMHG and that they are obligated to help out.

Bob Whritenour said both the Wellness Programs and the Prescription programs are of great benefit to the employees and the towns. He said employers need to support and promote them for the sake of the budget.

**CCMHG Website:**

Noreen Mavro-Flanders gave an introduction to the new Cape Cod Municipal Health Group website and said this would be a great tool for the public, the employers, and employees. She said it might be beneficial to release a flyer to announce the site.

Lisa Trombly gave a brief online overview of the website and asked that the Wellness Committee submit material they would like to see on the site.

**M.G.L. 32B Section 18:**

Noreen Mavro-Flanders gave an overview of the Steering Committee discussion about Section 18. She said it is important to do some cost shifting from the employers to the federal government if the retiree is Medicare eligible. She said each unit should be attempting to adopt Section 18.

Carol Cormier reviewed a Question and Answer piece drafted by the Town of Wellesley. She said that the Q&A was designed to inform Town Meeting members about Section 18 and why it would be good for the Town to adopt it. She explained if Section 18 were adopted, Medicare eligible retirees would be required to enroll in Medicare Part B and transfer to a senior plan. She said the retiree would be required to have Part A and Part B of Medicare. She said Part B covers the physician services. Ms. Cormier said Massachusetts is the only state that allows municipal retirees who are Medicare eligible to stay on active employee plans. She said Towns adopt Section 18 through a Town Meeting vote or School Committee vote in the case of regional school districts. Ms. Cormier said adopting Section 18 should be the next big wave for the CCMHG.

Maggie Downey asked what could be done to get employers to move to adopting Section 18. She asked if incentives could be offered or penalties assessed.

Carol Cormier said the employer would see the reductions in cost that should be its own reward. She said all but 3 employers of the WSHG have now adopted Section 18.

Beth Fletcher said the topic has been discussed among officials in Town of Chatham and does not go anywhere. She asked Carol Cormier if she were willing to speak on the subject.

Ms. Cormier said she would. She said employers should try to do an analysis of the cost impact of adoption of Section 18.

A discussion followed.

Ms. Cormier asked the health plans if they could do an analysis on what the costs would be if the over 65 population were not on active plans. She said she realizes it would be a rough estimate type of report but would be helpful nonetheless.

Suzanne Donahue and Bill Hickey said they would check into this.

Noreen Mavro-Flanders asked the employers to keep the Board informed and update GBS with Section 18 adoptions.

**Health Plan Reports:**

*Blue Cross Blue Shield* - Suzanne Donahue began by thanking the Wellness Committee members for their efforts. She said BCBS may have the tools to assist in their efforts, and she said she may have some items that would be helpful on the website.

*Harvard Pilgrim Health Care* – Bill Hickey said there was nothing specific to CCMHG. He said HPHC continues to grow stronger and they are working on product development.

**Other Business:**

Noreen Mavro-Flanders said she and Wally Lundstrom were at a recent seminar regarding Healthcare Reform and statewide Insurance Programs. She said for some cities and towns, it could be a pretty good deal to move to the GIC if the proposed GIC option were to be approved by the legislature. She said because of the Dennis Decision a question came up on how often the GIC can change benefits and the answer was yearly. She said if anyone is considering this option they should keep that in mind because that would mean that co-pays could also change annually.

Maggie Downey asked how the process of switching to the GIC would work.

Carol Cormier said that the route into the GIC is through adoption of MGL Chapter 32B, Section 19. She said that this is the coalition bargaining section. She said that municipal employers can transfer its health insurance to the GIC now but that they would have to pay at the GIC contribution level and that they would not be put in the favorable risk pool with state employees. She said that the proposed changes would allow employers to contribute at levels of their choosing subject to collective bargaining and would require that the municipal employees and retirees be covered in the advantageous risk pool in which state employees are covered. She said the GIC would also require a 3-year commitment and would require the town or district to adopt Section 18. Ms. Cormier said the GIC does not offer BCBS products. She said that Section 19 can be problematic in that the employer would bargain with a Public Employee Committee which would include a retiree. She said unions would have a weighted vote on the Committee based on the number of employees represented by the union. She said that in most employer groups this would give the teachers the controlling vote. Ms. Cormier said that getting out of Section 19 can also be problematic and that management must bargain to agreement. She said the main problem is that in a coalition bargaining situation the employer does not have trade-offs to bargain against health insurance as it does on a union-by-union basis.

There was a discussion.

Noreen Mavro-Flanders said the issue of plans offered should be discussed. She said the Benefit Administrator's may not be offering or may be steering employees away from a particular plan because it is too much work to deal with multiple plans. She said employers should not be offering just the indemnity plans but should be offering multiple options.

A discussion followed.

Carol Cormier said this topic should be discussed at the Steering Committee meeting.

Noreen Mavro-Flanders said the next Board meeting would be held on January 31, 2007 at COMM Fire District if it is available.

Noreen Mavro-Flanders adjourned the meeting at 11:35 a.m.

*Prepared by Lisa Trombly  
Group Benefits Strategies*