

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

**Board Meeting**

Wednesday, October 27, 2010, 9:30 AM  
COMM Fire District, Centerville, MA

**MEETING MINUTES**

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, October 27, 2010 at 9:30 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

**Board Members Present:**

Dave Withrow, Vice-Chair	Town of Orleans
Bob Whritenour, Steering Committee Chair	Town of Falmouth
Margaret Downey	Barnstable County
Debra Blanchette	Town of Barnstable
Gerry Panuczak	Town of Chatham
A. Francis (“Skip”) Finnell	Dennis-Yarmouth RSD
Marie Buckner	Town of Sandwich
Erin Orcutt	Cape Cod Regional Technical High School
Joan Plante	Town of Eastham
Susan Milne	Town of Yarmouth
Irene Wright	Town of Yarmouth
Laura Scroggins	Town of Barnstable
Susan Stolz	Barnstable Fire District
Craig Mayen	Town of Sandwich
Karen Walden	Mashpee Water District
Lisa Vitale	Town of Brewster
Pam Hudson	Town of Provincetown
Renie Dumont	Nauset Regional School District
Dawn Rickman	Town of Wellfleet
Robert Cecil	Barnstable Fire District
Robert Howard	Bourne Recreational Authority
Karen Scichilone	Cape Cod Lighthouse Charter School
James Weiss	Dukes County/Martha’s Vineyard RSD

**Guests Present:**

Richard Bienvenue, CPA	Treasurer, CCMHG
Deborah Heemsoth	Town of Dennis
Susan Wallen	Nauset RSD
Nancy Ward	Bourne Water District
Jacki Rivero	Town of Yarmouth
Margaret Phillips	CCMHG Policyholder
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan, Retiree products
Jason Lily	Rockland Trust
Carol Cormier	Group Benefits Strategies (GBS)
Ginger Hastings	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

David Withrow, Board Vice Chair, called the meeting to order at 9:20 a.m.

**Election of Officers and Steering Committee for CY2011:**

David Withrow said that the current officers and Steering Committee members are as follows:

Board Chair – Noreen Mavro-Flanders, County of Dukes County;

Board Vice Chair – Dave Withrow, Town of Orleans;

Steering Committee:

- Chair – Robert Whritenour, Town of Falmouth,
- Noreen Mavro-Flanders, County of Dukes County,
- Margaret Downey, Barnstable County,
- Debra Blanchette, Town of Barnstable,
- Francis “Skip” Finnell, Dennis Yarmouth RSD,
- David Withrow, Town of Orleans,
- Marie Buckner, Town of Sandwich,
- Gerry Panuczak, Town of Chatham,
- Sue Milne, Town of Yarmouth.

David Withrow said that the Board Vice Chair position will be vacant at the close of the meeting.

Mr. Withrow said there is also a Steering Committee vacancy. He said that Erin Orcutt and Hans Baumhauer have expressed their interest.

Karen Walden moved to nominate the current slate of officers and current Steering Committee members.

Motion

James Weiss seconded the motion. The motion passed by unanimous vote.

David Withrow asked Erin Orcutt if she would like to address the Board and explain why she is interested in becoming a Steering Committee member.

Erin Orcutt said that she would like to represent Cape Cod Regional Technical School district and to have a more influential role in the decisions that are made for the CCMHG employees and taxpayers.

Hans Baumhauer was not present.

Motion

Marie Buckner nominated Erin Orcutt for the position of Steering Committee member.

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

Noreen Mavro-Flanders said that Marie Buckner spoke to her and expressed interest in the Board Vice-Chair position. Ms. Flanders nominated Marie Buckner to fill the position to take effect at the conclusion of today’s meeting.

Motion

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

There were no other nominations.

Robert Whritenour said that Mr. Withrow’s decision to step down as Board Vice Chair and Committee member is to allow him more time to focus on special projects as the Finance Director for the Town of Orleans. Mr. Whritenour said that Mr. Withrow has displayed tremendous leadership skills in his role as CCMHG Board Vice Chair has also been a vital member of and key contributor to the Steering Committee.

David Withrow said that working as Vice-Chair and as a member of the CCMHG Steering Committee has been very rewarding. He said that he would remain as Board Delegate for the Town of Orleans.

Robert Whritenour moved to close nominations.

Motion

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

**Approval of the minutes of the July 21, 2010 Board meeting:**

Skip Finnell made a motion to approve the minutes of the July 21, 2010 Board meeting as written.

Motion

James Weiss seconded the motion. The motion passed by unanimous vote.

**Investment Manager's Report:**

Jason Lily from Rockland Trust distributed and reviewed the report on investments with third quarter data ending 10/30/10 and said it was a very good quarter. He said that Portfolio #1 (conservative with 70% in fixed income/30% in stocks) had a 12-month 9.55% return and Portfolio #2 (balanced/aggressive with a 50/50 balance of fixed income and equities) had a 12-month return of 10.71%. He said both funds outperformed their benchmarks.

The Board asked Mr. Lily to consolidate the peer and benchmark pages onto one page. It was suggested to drop the column showing the spread.

Skip Finnell thanked Mr. Lily for attending both the CCMHG Investment Committee and Board meetings.

Mr. Lily left the meeting.

**Treasurer's Report:**

Treasurer, Rich Bienvenue, CPA reviewed the financial statements through August 31, 2010 (unaudited figures). He said that the total operating cash was \$10.2M which was down almost \$1M from last year. He noted that one member payment was past due. He said that the Health Trust Fund Balance was \$23.76M at the end of August 31. He reported assets at \$34.6M and liabilities of \$10.90M. Mr. Bienvenue said that the IBNR adjustment brought the calculation down to approximately 0.8 of an estimated average month of claims.

Mr. Bienvenue left the meeting.

**Wellness Committee Report:**

Maggie Downey said that the Wellness Committee kicked off the FY11 Worksite Wellness Programs and said that three additional units have signed up to participate this year. Ms. Downey said that the participation letters for the FY11 Unit Grants were sent to unit heads and managers and a copy to the benefit administrators in July. She said if anyone is interested and needs the grant or program information to contact either Marie Buckner or herself. She said that some towns/units used the grants for supplementing on-site Weight Watchers® meetings, raffles and Biggest Loser competitions.

Ms. Downey congratulated the Towns of Falmouth, Mashpee, Orleans and Dennis on their successful Kick Butts smoking programs. Ms. Downey said that the Town of Barnstable started its Kick Butts smoking program on October 5<sup>th</sup>.

Ms. Downey said that the Diabetes Rewards Program is continuing for FY11. She said that of the 1,193 members that are eligible for the program, 217 or 18% of those have registered to participate. She said that participants of the program will get their diabetic supplies and medications free if they complete the five requirements of the program. Ms. Downey said that the requirements are all considered routine care appointments by physicians for their diabetic patients. Ms. Downey said that the program is completely confidential and employers do not have access to any medical information. She said that The Abacus Group

identifies the potential participants by their medications. Ms. Downey said that the program is funded by the myMedicationAdvisor® alternative drug program savings.

Ms. Downey said that Deb Heemsoth from the Town of Dennis has volunteered to join the Wellness Committee.

Skip Finnell commended the Wellness Committee for its work and new ideas and incentives to keep the wellness programs recharged.

Dawn Rickman said that the members are very happy to have the programs and said that the Diabetes Rewards Program has been very well received.

**Steering Committee Report:**

Steering Committee Chair Bob Whritenour said that the Steering Committee has Wellness on every agenda and said that the Committee works closely with the Wellness Committee.

Mr. Whritenour said that the September Committee meeting was held on Martha’s Vineyard and said that the Committee meets there annually. He said that the Committee recognizes the efforts of the Vineyard representatives that attend the meetings on the mainland.

Mr. Whritenour said that the federal government passed the Affordable Care Act (PPACA) and said that the Committee has been working with Group Benefits Strategies and the health plans to stay on top of all of the requirements. He said that the Committee studies new legislation and mandates such as the Mental Health Parity and PPACA to be sure that the CCMHG is in compliance and to see how they will affect the CCMHG. He said that Committee then reports the information to the Board for a decision.

Mr. Whritenour thanked Group Benefits Strategies for its consulting work and knowledge regarding the Early Retiree Reinsurance Program (ERRP). He said that ERRP will be discussed later in the meeting.

Mr. Whritenour said that the Committee approved extending the current Website Maintenance Contract for another year. He said that the Committee wants to work towards updating the appearance and utility of the website.

**GBS Reports:**

Carol Cormier said that an abbreviated GBS report to include the stop loss reports for FY10 and FY11 are in the packets. Ms. Cormier said that one HPHC claim paid in September totaled \$650K and said that one member had claims exceeding \$1M in FY10.

Ms. Cormier reviewed the myMedicationAdvisor® (MMA) report and said that the MMA representatives are available to meet with the employees should any unit want to organize a meeting to explain and promote the programs.

**Request from Martha’s Vineyard Public Schools for Special Open Enrollment:**

James Weiss, MV Superintendent of Schools, said contract negotiations with the teachers have concluded and he said that they are providing incentives to the staff to move out of the indemnity plans. Mr. Weiss said that the indemnity plans will be eliminated completely effective July 1, 2011. Mr. Weiss asked the Board to approve a special open enrollment with an effective date of January 1, 2011 for approximately 300 teachers and non-union employees.

Bob Whritenour said that the Board supports this effort and made a motion to approve a special open enrollment for the Martha’s Vineyard teachers and non-union employees effective January 1, 2011.

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

Motion
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**Federal Mental Health Parity Act:**

David Withrow said that the Board asked the Steering Committee to gather and analyze the data and then come back to the Board with a recommendation on how to proceed with bringing the Master Health plan into compliance with the Mental Health Parity. Mr. Withrow asked Suzanne Donahue, Account Executive for BCBS to explain.

Suzanne Donahue, Account Executive for BCBS said that after conducting actuarial testing of the Master Health Plus (MHP) plan, BCBS is recommending removing all out-patient mental health service co-pays which, she said would put the plan into compliance with the law. Ms. Donahue said that the services include any out-patient setting where mental health services are rendered, including Hospital Out-Patient. Ms. Donahue said that a report showing costs for a one-year time period is included in the packet. She said that the impact is minimal. Ms. Donahue said that the Board needs to determine whether to retroactively implement the change for July 1, 2010 or to implement going forward.

Bob Whritenour made a motion to approve the eliminating co-pays on all out-patient mental health services for the BCBS Master Health Plus plan effective November 1, 2010.

Motion

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

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

*Adult Child Eligibility* – David Withrow said that the Board has already voted to wait until it is required by law to implement the Adult Child Eligibility law, which for CCMHG is July 1, 2011. He said that currently the CCMHG health plans cover dependents until age 19, and if they are attending school full-time, they will be covered until age 25. Mr. Withrow said that effective on the first anniversary of the plan following September 23, 2010 the Affordable Care Act requires that plans cover adult children on the Family plan up to age 26.

James Weiss made a motion asking the Board to reconsider its previous vote because of the number of Martha’s Vineyard members that are against the vote. He said that he originally voted in favor of implementing the law on July 1, 2011.

Motion

David Withrow seconded the motion to give the Board an opportunity to discuss and/or reconsider the previous vote.

A vote was taken on the motion, and it failed to pass by a majority vote.

Margaret Phillips, a CCMHG policyholder said that she sent a letter to the Board and asked that it be included in the meeting packet. She explained how the Board’s decision will affect her personally as well as other members.

Carol Cormier said that the Steering Committee and the Board have seriously considered and reviewed this issue before voting to implement the law on July 1, 2011, when required to do so. She said that the health plans adopted part of the law for their insured business. Ms. Cormier said that in July, the Board voted unanimously in favor of the July 1, 2011 implementation date mostly to avoid claims costs for which the Group had not budgeted. She said that most of the Joint Purchase Groups have decided to follow the date required by law.

Margaret Phillips left the meeting at this time.

*Early Retiree Reinsurance Program (ERRP) update-* Ms. Cormier said that \$5 billion is being set aside by the federal government to fund the temporary Early Retiree Reinsurance Program (ERRP). Ms. Cormier said that employers could be reimbursed for 80% of health claims between \$15K and \$90K for early retirees and their dependents. Ms. Cormier said the federal government requires that the reimbursement be used to reduce the

rates or to reduce co-pays, for example. She said that GBS is working on getting information from the health plans to be able to submit claims information.

David Withrow said that the ERRP cover letter sent out by GBS for employers to use to send to its members was updated to clarify that the program is not an early retirement incentive program.

*Grandfather status-* Bob Whritenour said that the Steering Committee reviewed the information about “Grandfathering” the CCMHG health plans and concluded that it was not in the best interest of the Group to Grandfather its plans. He said that there are too many restrictions that will cause the Group to lose the grandfather status and he said that in the year 2014, the Grandfather status will be eliminated all together by the government.

Bob Whritenour made a motion to not Grandfather the CCMHG health plans.

Motion

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

**Health Plan Reports:**

*Tufts Health Plan-* Fred Winer, Account Executive for the Tufts Senior Plans, said that one routine physical and smoking cessation visits will be provided by Medicare in 2011. He said that Tufts will provide new enrollment packages for both of the retiree plans.

*Harvard Pilgrim Health Care (HPHC)-* Bill Hickey, Account Executive for HPHC, said that their focus has been on the federal mandates and making sure that the plans comply.

David Withrow asked Mr. Hickey to invite the new HP CEO to meet with the Steering Committee.

*Blue Cross Blue Shield (BCBS)-* Suzanne Donahue, Account Executive for BCBS said that BCBS has a new CEO and said that she would invite him to meet with the Steering Committee as well.

**Other Business:**

David Withrow thanked Carol Cormier and Karen Carpenter for providing Rich Bienvenue the information necessary to complete the CCMHG FY10 financial audit.

Carol Cormier said that March is usually the month when the rates are set and said that she may have some numbers for the February Steering Committee meeting. She said that the medical trend is about 10%.

The next Board meeting was scheduled for January 26, 2011 at 9:30 a.m. to be held at COMM Fire District, if available.

The next Steering Committee meetings were scheduled for November 17 and December 15, 2010.

There was no other business.

Bob Whritenour moved to adjourn the meeting.

Motion

Skip Finnell seconded the motion.

Vice-Chair David Withrow adjourned the meeting at 11:00 AM.

Subsequent that COMM available and moved to B Hall.