

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

**STEERING COMMITTEE**

Wednesday, November 14, 2007, 9:00 AM  
Town of 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, November 14, 2007, 9:00 AM. at Town of Sandwich Municipal Office Building, Sandwich, MA. The following people attended the meeting:

**Committee Members Present:**

Bob Whritenour, Chair	Town of Falmouth
Noreen Mavro-Flanders, Board Chair	Dukes County
Francis “Skip” Finnell	Dennis-Yarmouth RSD
Maggie Downey	Barnstable County
Marie Buckner	Town of Sandwich
Gerry Panuczak	Town of Chatham
Roland “Bud” Breault	Town of Barnstable
David Withrow	Town of Orleans

**Guests Present:**

Rich Bienvenue	CCMHG Treasurer
Jim Merriam	Town of Harwich
Craig Mayen	Town of Sandwich
Debra Blanchette	Town of Barnstable
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Carol Cormier	Group Benefits Strategies (GBS)
Jenna Roginsky	Group Benefits Strategies (GBS)

Noreen Mavro-Flanders called the meeting to order at 9:02 a.m. since Mr. Whritenour had not yet arrived.

**Approval of the minutes of October 17, 2007:**

Skip Finnell motioned to approve the minutes of the meeting of October 17, 2007.

Motion
--------

Bud Breault seconded the motion. The motion was unanimously approved.

**Wellness Committee report:**

Maggie Downey said that the employees of the Town of Eastham recently participated in a screening program. She said that twenty-seven people participated. She said that the next screening was scheduled for the Town of Falmouth and seventy people had already registered. Ms. Downey said that it would be better to have someone registering and coordinating employees, and she said she had already spoken about it with Deanna Desroches, Cape Cod Municipal Group’s (CCMHG’s) Wellness Coordinator for the mainland.

9:07 A.M. Bob Whritenour, Chair arrived at this time.

Maggie Downey reviewed the Vineyard Nursing Association, Inc. Wellness Screenings proposal to CCMHG.

She noted that the rates were a bit high. She said that in order to calculate the cost, she would look at the aggregate rather than each town separately.

A discussion followed.

Ms. Downey said that there would not be a Health Improvement Program (HIP) in the Fall 2007 due to the lack of participants. She said that she would meet with the Wellness Committee to discuss ideas on how to get more employee involvement/participation. She said that myMedicationAdvisor® (MMA) suggested a targeted mailing to high risk individuals and using the CCMHG's MMA escrow fund for incentives.

Maggie Downey said a key to success with wellness programs is to have them heavily endorsed by employers.

Dave Withrow said that the need for employer support of the wellness programs should be brought up again at the Town Managers' meetings.

Skip Finnell said he would get the word out to the school Superintendents.

Bob Whritenour said that Town of Falmouth would be offering incentives in its labor agreements related to participation in the wellness programs including the Health Improvement Program (HIP).

Skip Finnell asked the health plan Account Executives if the health plans could identify high risk people for targeted mailings about CCMHG wellness programs.

Suzanne Donahue said that Blue Cross Blue Shield (BCBS) could through the Disease Management programs but that BCBS could not send targeted mailings to high risk members regarding CCMHG wellness programs.

Bill Hickey said that the same was true for Harvard Pilgrim Health Care (HPHC).

There was a discussion about lowering or removing prescription drug copays for people who are at risk and who participate in the wellness programs.

Carol Cormier mentioned that quite a few maintenance medications are available at zero copay through the alternative Rx purchasing program. Ms. Cormier said that any targeted mailing should come from myMedicationAdvisor® and not from the employer or CCMHG because of privacy concerns and HIPAA compliance.

**Treasurers Report:**

Rich Bienvenue, Treasurer, reviewed the financial statements of September 30, 2007 (unaudited figures). He reported a fund balance of \$20.5M. He said he projects that the Premium Holiday will take a portion of the fund balance as planned. Mr. Bienvenue said that going from payment by check to Delta Dental to wiring payment reduced the lag in CCMHG payments vs. claims payment by Delta by one month. He said that he thinks that there is a problem with the Delta deposit and that he is working to resolve this. He said that there was a \$3.1M increase in cash flow from the beginning of the year, and that the Group was still on target with its goals for the year.

**Town of Harwich interest in membership:**

Jim Merriam, the Town Manager from the Town of Harwich spoke briefly about the Town's current situation with regard to collective bargaining over health benefits. He said that the contracts for all of the unions expired in June 2007 and he was negotiating new contracts. He said that he would like to eliminate the Master Medical plan, and he said that all of the municipal units agreed to that change. He said that there are some benefits in the CCMHG BCBS plans that differ from those of the Town's plans and that those changes must be bargained. Mr. Merriam said that the Town of Harwich has not adopted Chapter 32B, Section 18 and that the unions are resistant to the adoption. He said that the Selectmen support joining the CCMHG, and he hoped that with favorable contract negotiations the Town could join CCMHG in July 2008.

David Withrow asked if the Town of Harwich was looking into the GIC option.

Jim Merriam said that he had explored Massachusetts Interlocal Insurance Association (MIIA), and would like to offer more health plans than what was available with MIIA.

Carol Cormier reviewed the Town of Harwich data included in the packet. She said that the rates offered by CCMHG are lower than the Town's rates. She said that the Town of Harwich offers two coverage options, single and family, and the Group also has a Single Parent/Single Child rating tier, which could provide additional savings to some employees and the Town. Ms. Cormier reviewed the claims experience report with the data from January 1, 2006 though December 31, 2006 and said that there was only one claimant from the Town who would have exceeded the CCMHG stop loss deductible of \$150K.

Susanne Donahue, BCBS, said that she would more current reports run on CCMHG and Harwich claims.

Carol Cormier said that the Town of Harwich's Network Blue plan offers chiropractic coverage and has a different prescription drug copays than the Network Blue plan offered by CCMHG. She said that she went to the Town of Harwich employee meeting on November 7, 2007 and provided CCMHG's benefit comparison.

Skip Finnell asked if all the involved parties needed to agree on a deadline for the Town of Harwich.

Jim Merriam said that he would like to have a deadline.

Carol Cormier said that it would be helpful for setting new rates. She said that she believes the Joint Purchase Agreement requires a 2/3 vote of the full Board of in order to bring Town of Harwich in as a member.

A discussion followed.

The Committee determined and informed Mr. Merriam that it would need to receive written confirmation from Town of Harwich by January 15, 2008 that it either would or would not pursue membership in CCMHG for July 1, 2008.

Jim Merriam thanked the Committee and said he would let the CCMHG know by January 15<sup>th</sup> of the Town's intentions.

**Town of Bourne interest in membership:**

Carol Cormier reviewed the Town of Bourne data included in the packet and said that the rates were higher than those of CCMHG. She said that the Town offers Master Health Plus plan, and that the incurred and paid claims cost for FY08 was high across all plans compared to CCMHG claims costs for the same period.

Skip Finnell asked what the cause could have been.

Susanne Donahue said that the group is very small and just one very large claim could offset the entire group's claim experience. She said that the Town of Bourne also had a very low stop loss deductible level of \$75K.

Carol Cormier said that she thinks it will be difficult to get reinsurance quotes for an FY09 policy with the same deductible that the CCMHG has now. She said that CCMHG would need to reconsider its stop loss deductible. She said that based on claims per member for the periods reviewed, the Town of Harwich is a more favorable candidate than the Town of Bourne.

A discussion followed.

The Steering Committee agreed that Carol Cormier would draft a letter to be sent to Town of Bourne and send it to Bob Whritenour for review and signature. The letter would inform the Town Administrator that CCMHG is not be able to recommend membership in the Group at the rates paid by the current CCMHG employers; however, if the Town is still interested in membership, the Committee would be willing to consider recommending to the Board that the Town be brought into the Group with higher rates. The letter would also say that after several years of

participation, the CCMHG would review risk levels to determine if the surcharges to rates should continue to be applied or if the surcharge should be dropped. The Town would be given a January 15<sup>th</sup> deadline to let CCMHG know if it is still interested in membership.

**Medicare Part D reimbursements:**

Treasurer Rich Bienvenue said he wanted to let the Committee know that Medicare Part D reimbursements are not Federal awards, but that this could change in the future. He said that for now, the reimbursements would not be subject to the Federal Award Single Audit requirement, which is good news since these audits are expensive.

11 A.M. Mr. Bienvenue left the meeting at this time.

**Exploring additional health plan designs:**

Carol Cormier said that the Group would need to determine whether or not to offer additional health plans. She reviewed the comparison between CCMHG's HPHC EPO plan and West Suburban Health Group's (WSHG's) HPHC EPO *Rate Saver* plan as well as CCMHG's Network Blue EPO plan and WSHG's Tiered Network "Network Blue NE options" *Rate Saver* plan.

Carol Cormier went over the Berkshire Health Group's (BHG) approach to moving to updated benefit packages. She said that the BHG adopted a second menu of plans on July 1, 2007 that are called the BCBS Value Plus plans. She said the BHG voted to drop its current menu of benefit plans on October 1, 2009 and offer only the Value Plus plans at that time. She said that participating employers were instructed that they needed to bargain with their unions over the new benefit plans. She said that both menus of health plans, Standard and Value Plus, are available for employers now. She briefly discussed unfair labor practice complaints brought against most of the employers in BHG by the teachers unions. She said that a Labor Relations Commission decision on whether or not to dismiss the complaints is not expected until mid to late January. Ms. Cormier said that the BHG's position is that the Group has no bargaining obligations but that each employer in the Group must fulfill its bargaining obligations before changing to the new plans.

Debra Blanchette asked if bargaining was required when a unit is adding a benefit.

Carol Cormier said that if a unit adds a benefit, it must notify the union presidents in writing and give them the opportunity to bargain over the added benefit. She is practical terms the unions will not want to bargain over an added benefit since they expect that they would be expected to give something up in return for the additional benefit. She said if an employer, or in this case the CCMHG, wants to stop offering that benefit, it would have to bargain in order to make that change.

There was a discussion.

Carol Cormier said that she would like to meet with the health plan actuarial representatives and a few member of the CCMHG Steering Committee to discuss current issues regarding changing benefit designs. She said that she could send a fact sheet and a questionnaire for the actuarial representatives to review before the meeting.

The health plan Account Executives said that they could arrange such a meeting.

**Other Business:**

*GIC option:*

Carol Cormier said that the deadline for opting into the GIC for July 1, 2008 was extended by one month to the end of October. She said that the health plan organizations had until November 28, 2007 to send proposals in response to the GIC request for proposals.

Susanne Donahue said that Blue Cross Blue Shield of MA (BCBS of MA) is working on submitting a bid to the GIC.

*MA Health Reform:*

Carol Cormier said that according to the MA Health Reform, everyone has to have insurance coverage as of January 1, 2008. She said that it does not qualify as a Qualifying Event for a special open enrollment and that those employees that do not have medical coverage would have to wait until the next CCMHG open enrollment for a July 1, 2008. She said that the employees would not be eligible for Connector plans because they are eligible for benefits through their employer.

There was no other business,

Bob Whritenour adjourned the meeting at 11:35 a.m.

*Prepared by Jenna Roginsky  
Group Benefits Strategies*