

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

**STEERING COMMITTEE**

Wednesday, November 29, 2006  
Town of Sandwich Municipal Office Building  
16 Jan Sebastian Dr., Sandwich, MA

**MEETING MINUTES**

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, November 29, 2006, at the 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
David Withrow	Town of Orleans
Marie Buckner	Town of Sandwich
Robert Canevazzi	Town of Dennis
Roland “Bud” Breault	Town of Barnstable
Sheryl McMahon	Dennis Water District
Francis “Skip” Finnell	Dennis Yarmouth RSD

**Guests Present:**

Rich Bienvenue, CPA	CCMHG Treasurer
Craig Mayen	Town of Sandwich
William Hickey	Harvard Pilgrim Health Care (HPHC)
Suzanne Donahue	Blue Cross Blue Shield
Anne Boisvert	Delta Dental of MA
Carol Cormier	Group Benefits Strategies (GBS)
Lisa Trombly	Group Benefits Strategies (GBS)

Board Chair, Noreen Mavro-Flanders called the meeting to order at 9:07 a.m. She said Steering Committee Chair Bob Whritenour may not be able to attend or would arrive late to the meeting.

**Approval of the Minutes of the Steering Committee meeting of September 7, 2006:**

Dave Withrow moved to approve the minutes of the September 7, 2006 meeting as written.

Motion
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Bud Breault seconded the motion. The motion passed by unanimous vote.

**Treasurer’s Report:**

Treasurer Rich Bienvenue reviewed the financial statements of October 31, 2006 (unaudited figures), which he said were unremarkable. Mr. Bienvenue said the fund balance, as of October 31, 2006, was \$21,230,411. Mr. Bienvenue said the Level Monthly Deposits with Harvard Pilgrim Health Care and Blue Cross Blue Shield are now set where they should be. He said the estimated Medicare Part D retiree drug subsidy of \$483,725 is listed under receivables and the total assets are \$35M.

There was a brief discussion with regard to the fund balance.

Rich Bienvenue reviewed the Income Statement as of October 31, 2006. He said the CCMHG has received about \$800K in Investment Income and is projecting a surplus month to month. He said by the end of June, he is projecting a \$3M increase in cash and investments.

Skip Finnell asked if a rate projection of 9% was reasonable to expect.

Carol Cormier said the health plans have indicated the claims trends are running closer to 14-15%.

Dave Withrow said he felt it was worth seriously reviewing in order to get a better idea of what rates could be in order to set the budgets.

There was a brief discussion.

Skip Finnell said it makes sense to communicate to the Town Administrators and the Board representatives of the sense of what rates will be and the likelihood of the indemnity plan rates increasing more than the other plans.

Marie Buckner suggested communicating through a newsletter-type notification.

Carol Cormier suggested that there should be a letter sent directly to the managers but that the employees could be notified *via* a newsletter.

Suzanne Donahue explained the two options BCBS has come up with to inform employees. She said one way would be in the form of an informational CD and the other is by the Microsoft Meeting software program, which explains the programs, and helps educate members to get them off the indemnity plans.

There was a discussion.

Skip Finnell motioned to communicate to Town Administrators and Board representatives about what is going on with the rates, plans, national trends, and experience to date this year and to explain that the Indemnity plan will not be subsidized.

Motion

Dave Withrow seconded the motion.

Sheryl McMahon questioned artificially inflating the indemnity plan and then attaching a notification to announce it. She said it appears problematic.

Noreen Mavro-Flanders said it would not be artificially inflating the rates.

Dave Withrow said it would be choosing not to subsidize rather than inflating. He said the motion should be amended to say the CCMHG will no longer subsidize the indemnity plan.

Skip Finnell said the letter should not be specific in those terms. He said it should say the rate situation is not the same for the indemnity and PPO plans.

After discussion, the original motion was approved by majority vote.

Bob Canevazzi opposed the motion. He said the Steering Committee is acting hastily. He said the Committee's focus is on Master Health Plus, and he's not sure why.

Skip Finnell said the primary focus of the letter is to tell managers that they probably will not have a double-digit percentage increase.

Noreen Mavro-Flanders suggested reviewing the letter once it is drafted. She said it will be ready for the December 20, 2006 meeting and can be decided upon at that time.

The meeting was returned to the Treasurer's Report.

Noreen Mavro-Flanders asked Rich Bienvenue about the year-end independent financial audit.

Rich Bienvenue said it is coming along and should be completed within the next week or two. He said that the auditor, Bill Fraher, is waiting for information that he will be supplying.

Skip Finnell asked Rich Bienvenue to send the report to the Steering Committee prior to the meeting of December 20, 2006.

**Investment Committee Update:**

Sheryl McMahon said she didn't realize that the draft of the Investment Policy had not been reviewed by the Steering Committee. She said she received an email from Wally Lundstrom with some comments about the policy.

Carol Cormier confirmed that the Steering Committee had not yet reviewed the draft of the Investment Policy.

Sheryl McMahon said she would incorporate the changes listed in the email and then send it to GBS for distribution to the Steering Committee.

**Wellness Committee Report:**

Marie Buckner said that Beverly Haley, Maggie Downey, and Ms. Buckner had met with Deanna Desroches and Judie Jardin to work on the FY08 plans, which included a CHIP program to begin in January and the \$200 incentive.

Noreen Mavro-Flanders asked why *MDFitness* is listed as one of the sponsors to the CHIP program on promotional materials and what *MDFitness* is.

Marie Buckner said *MDFitness* is Dr. Flaherty's company.

Carol Cormier said that *MDFitness* is not a sponsor of CHIP and should not be listed on promotional materials as such. She said he is being paid for his services to the program.

Skip Finnell agreed.

Marie Buckner said the Wellness Committee is considering changing the CHIP name to HIP (Health Improvement Program). She said they are also looking to have a fall program on the Vineyard. She said Judie Jardin will put the program together for review by the Steering Committee on December 20, 2006. Ms. Buckner said the Wellness Committee is looking for new ideas for the Smoking Cessation program. She said the Committee is currently checking into various programs and looking at Cape Cod Healthcare for ideas or as a resource.

Noreen Mavro-Flanders asked why the Wellness Committee would be looking for new ideas if the Cape Cod Healthcare already has a program that is working and it only costs \$40 per individual. She suggested just doing it with Cape Cod Healthcare.

Carol Cormier asked if Cape Cod Healthcare would be willing to go to each individual location.

Marie Buckner said they were willing as long as there were at least three people to participate. She said it includes patch therapy and the patches are not included in the cost of the program.

Suzanne Donahue said BCBS covers the cost of the patches.

Marie Buckner said she would advise the Wellness Committee of that. She said there is a Wellness Conference being held on February 23, 2007 and asked the Steering Committee to spread the word.

**GBS Reports:**

*Funding Rate Analysis Report* – Carol Cormier said the plans are running well and that the expense-to-funding ratio through September was 93%.

*Level Monthly Deposits* - Carol Cormier said there is currently a credit balance with both BCBS and HPHC. She said BCBS owes the CCMHG just over \$1M and HPHC owes the CCMHG \$208,096.

*Stop Loss Reports* – Carol Cormier said the stop loss reports for FY05, FY06 and the current policy period of FY07 are included in the packet.

**Request for Special Open Enrollment – Town of Yarmouth:**

Noreen Mavro-Flanders said Carol Cormier received an email from Wally Lundstrom, Town of Yarmouth, asking to extend the special open enrollment until February 1, 2007. She said that this was so that Master Health Plus members could select from among the other plan options.

Skip Finnell motioned to extend the special open enrollment to have an effective date of February 1, 2007.

Motion

Marie Buckner seconded the motion.

The motion was unanimously approved.

**Dependent eligibility – MA Health Care Reform Legislation:**

Carol Cormier explained that Chapter 58 of the Acts of 2006 (MA Health Care Reform legislation) requires health plan providers (insurers) and the Group Insurance Commission to expand dependent eligibility effective January 1, 2007. She explained that this is not mandated for self-insured employers and that the Division of Insurance has confirmed that Mass. Governmental employer groups that self-fund are not subject to the eligibility mandate. Ms. Cormier stated that the new law requires insurers to cover a dependent until the day before the 26<sup>th</sup> birthday or until 2 years after the loss of federal tax dependency status, which ever comes first. She said since the CCMHG is self-funded, it is not required to adopt this new eligibility rule. Ms. Cormier said she recommends the CCMHG choose not to adopt it at this time.

Bill Hickey, HPHC and Suzanne Donahue, BCBS both agreed and said there may be additional technical amendments in the future.

Carol Cormier said the Group needs to decide by December 1, 2006 for dental coverage and by December 15, 2006 for medical coverage.

Skip Finnell motioned to NOT adopt the new dependent eligibility guideline.

Motion

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

Carol Cormier said she would draft a letter to be signed by Noreen Mavro-Flanders and sent to BCBS. She said HPHC does not require a letter if the client is making no changes.

**BCBS member issues:**

Suzanne Donahue gave an overview of an issue where a member had paid approximately \$23K out of pocket for a rehabilitation stay that would have been partially covered by BCBS. She stated that BCBS has reviewed the facts of the case and has decided to pay \$6,000 of the cost of treatment and bill the CCMHG \$8,000. Ms. Donahue explained that 4 days of treatment would have been considered for payment by BCBS and therefore the responsibility of the Group. Ms. Donahue said the member would be reimbursed from the provider for the full payment initially made by the member. She asked if the Group were in agreement to the BCBS proposal.

Skip Finnell said he thought the Group had decided that it would not get involved in making these types of decisions. He said if what Ms. Donahue explained happens then it happens.

Carol Cormier asked Suzanne Donahue if BCBS would be comfortable administering the payment as proposed without the Group making a vote.

Ms. Donahue said she was okay with this.

Carol Cormier explained another BCBS member issue where an error occurred on the part of Express Scripts (ESI).

Suzanne Donahue said it has all been taken care of now and does not need to be discussed further.

**Website maintenance contract:**

Noreen Mavro-Flanders motioned to accept the website maintenance contract proposed by Lisa Trombly.

Bud Breault seconded the motion. The motion was passed by unanimous vote.

Motion

**myMedicationAdvisor®**

Carol Cormier said the report she received from the Abacus does not appear accurate. She said she would confirm this with Heidi Steinitz and report back. She said the report she received showed a savings for the generics program but no expenses.

**Adopting M.G.L. Ch. 32B, Section 18:**

Bob Whritenour said he attended a meeting of managers recently, which he found to be very positive with regard to adopting MGL CH. 32B, Section 18. He said he encourages each employer to conduct an analysis of the enrollment data for the purposes of adopting S. 18.

There was a brief discussion.

**Health Plan Reports:**

*Blue Cross Blue Shield* – Suzanne Donahue said that BCBS is on a mission to have all groups sign the agreements they've had with BCBS. She said when reviewing their files they found that the amendment for Government Unit Administrative Services Account Agreement could not be located and would need to be resigned. She said this is the amendment that refers to the out-of-area Blue Card program.

Carol Cormier said even though BCBS cannot locate a signed agreement the terms have been implemented.

Suzanne Donahue confirmed this.

Noreen Mavro-Flanders signed the amendment.

Skip Finnell asked about the BCBS audit report.

Carol Cormier said that BCBS supplies an annual SAS70, Type 2 report, which is acceptable to the auditors.

Suzanne Donahue said she went to the Benefit Administrator's meeting, and said it went very well. She said she is also getting ready to send out the annual postcards regarding the Women's Cancer Act.

Carol Cormier asked the status of the Express Scripts (ESI) and Retiree Drug Subsidy (RDS) situation. She said ESI has not uploaded any cost report data yet.

Ms. Donahue said BCBS is working with ESI and she is aware that some groups are already getting some money back. She said she thought any issues had been resolved.

Ms. Cormier said ESI was supposed to load the claims data and asked Ms. Donahue to check into this.

*Harvard Pilgrim Health Care* – Bill Hickey said any issues with HPHC had been resolved and there was nothing new to report.

*Delta Dental* – Anne Boisvert said she has a new assistant, Sarah Foley. She said Katie Hundt has been promoted. Ms. Boisvert said she plans to bring Ms. Foley to the next meeting for introductions. She said Delta Dental has some new things coming up for next year.

**Schedule of future meetings:**

Bob Whritenour said the next Steering Committee meeting would be held on December 20, 2006 at 8:30 a.m. in Sandwich. He said there would also be a Steering Committee meeting held on January 24, 2007 at 9:00 a.m. at the Dennis Yarmouth Regional School District. Mr. Whritenour said on January 31, 2007 there would be a Steering Committee meeting at 9:00 a.m. and a Board meeting at 9:30 a.m. at the COMM Fire District.

**Other Business:**

Marie Buckner introduced the new Treasurer of the Town of Sandwich, Craig Mayen.

Craig Mayen asked how many months the first Retiree Drug Subsidy would cover.

Carol Cormier said the first filing was for the first 6 months of 2006.

Mr. Mayen asked what the return would be used for.

Ms. Cormier said it had not yet been determined. She said the group could decide to reduce retiree plan rates or not or return monies to the employers. She said if it were to be returned to the towns it might require the services of an actuary to determine the proper distributions.

Bob Whritenour said there had been some discussion about using it toward the rates.

Dave Withrow asked if the CCMHG had looked into providing disability insurance. He said the town administrator for the Town of Orleans would like to see about getting bids.

Carol Cormier said the West Suburban Health Group tried to do this a few years ago at the joint purchase group level and it did not go well. She said it was a huge effort and they did not get the required number of sign-ups to go forward.

There was a discussion.

Dave Withrow asked about the proposed GIC option.

Bob Whritenour said the proposed legislation fell flat.

Carol Cormier said she could put the item on the agenda for the December 20, 2006 meeting.

Bob Whritenour said it would be a good idea to become educated on the topic and should be on the agenda.

Carol Cormier said the Town of Harwich has inquired about joining the CCMHG.

With no other business, Bob Whritenour adjourned the meeting at 11:20 a.m.

*Prepared by Lisa Trombly  
Group Benefits Strategies*