

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

STEERING COMMITTEE

Friday, December 9, 2011, 9:00 AM
Sandwich Municipal Office Building, Sandwich, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Friday, December 9, 2011 at the Sandwich Municipal Office Building, Sandwich, 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
Heather Harper	Town of Falmouth
Maggie Downey	Barnstable County
Erin Orcutt	Cape Cod Regional Technical High School
Susan Milne	Town of Yarmouth

Guests Present:

Richard Bienvenue, CPA	CCMHG Treasurer
Lisa Vitale	Town of Brewster
Jillian Douglass	Town of Brewster
Renie Dumont	Nauset Regional School District
Susan Wallen	Nauset Regional School District
Craig Mayen	Town of Sandwich
Judy Sprague	COMM Fire District
Susan Stoltz	Barnstable Fire District
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBS)
Paul Lazar	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan (THP)
Nina Conroy	Delta Dental
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 and October 21, 2011 meetings:

Noreen Mavro-Flanders motioned to approve the minutes of the October 5th and November 2, 2011 meetings.

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

Motion

Treasurer’s Report

Treasurer Richard Bienvenue reviewed the financial statements (unaudited figures) as of October 30, 2011. He reported a Total Fund Balance of \$25,353,815. He said the October BCBS claims were very favorable. Mr. Bienvenue reviewed the Cash Flow Projection and said that the net change was just over

\$2M. He said that by the end of the year this will decrease as settlements are paid on the level monthly deposit accounting.

Maggie Downey said that the claims projections for the for Jan. – March should be high because people will utilize services before the plan design changes go into effect on July 1, 2012.

Rich Bienvenue said he expects a \$4M cash flow surplus at year end.

Skip Finnell said that this is \$10M off from the projections done at the time of rate-setting for FY12.

Mr. Bienvenue said that the group expected a \$6M Fund Balance reduction based on rates that were set and a \$1M reduction from the distribution of the FY07 Retiree Drug Subsidy (RDS), but instead the group is likely to see a Fund Balance that's \$10M higher than expected. Mr. Bienvenue said he would have the December statements (unaudited) for the January 18th Board meeting.

Skip Finnell suggested that if there is an unusually high Fund Balance and if the Group doesn't want to drastically reduce rates, it may want to distribute more than one year's worth of the RDS.

Noreen Mavro-Flanders moved to accept the Treasurer's report.

Motion

Maggie Downey seconded the motion. The motion passed by unanimous vote.

Strategic Plan Review:

Skip Finnell said he thought it would be a good idea to revisit the Strategic Plan.

Maggie Downey said that the Group no longer needs to have the goal of driving more people to Rate Saver plans (Goal #4. A.).

Noreen Mavro-Flanders said that Goal #5, promoting/requiring adoption of Ch. 32B, S.18, can also be eliminated.

Skip Finnell asked Carol Cormier to email the Strategic Plan to Maggie Downey and Marie Buckner for their review and comments prior to the January 11th Steering Committee meeting. He said he'd like to circulate it to the Board in January for comment.

State Mandates:

Carol Cormier said she received statements from Harvard Pilgrim, Tufts and Fallon regarding their policies on self-funded municipal employers and state mandates. She said that she and John Coughlin, Vice President, BCBSMA, agreed that she should send these comments on to the Attorney General's office. She said she had not done that yet.

Blue Cross Blue Shield – Tufts Medical Center – NEQCA contract:

Suzanne Donahue, BCBSMA, said that the groups reached agreement on new contract terms. She said the average payment increase is about 3%.

BCBS new initiative pertaining to payments for Medicare services:

Suzanne Donahue said BCBS will send letters to 122 CCMHG members who today are 65 or older and who have not informed BCBS about their Medicare status. She said the letter will ask them to certify their status for Medicare Part A and Part B. She said that if they do not respond, BCBS will pay as if Medicare were primary, meaning that the retiree will get billed for the services that Medicare would cover.

Carol Cormier said Section 18A allows Medicare eligible retirees who have more than one covered dependent to stay on a family plan. She said some employers do not require the Medicare eligible retirees to enroll in Part B until they go onto the Medicare plan, and the town pays the Part B late enrollment penalty. She said in this case, the retiree would be billed for Medicare covered services.

There was a discussion about this and some Committee members concluded that the practice of allowing Medicare eligible retirees to not enroll in Medicare Part B while on the family plan may violate Section 18A since the retiree's dependent(s) could become ineligible for the plan off anniversary and the retiree would not be able to enroll in Part B until Jan. – March and then become eligible for Part B until the following July 1.

Gerry Panuczak said that requiring the Medicare eligible retirees to enroll in Part B while they're on a family plan could be prohibitively expensive for them.

Carol Cormier reminded the Committee that the CCMHG has a single parent/single child enrollment tier.

Skip Finnell said that it was important to get the word out about BCBS's proposed payment practice.

Suzanne Donahue said she would like to explore this a bit further.

Rating for FY13:

Carol Cormier explained that she had recently been through the rating process with Minuteman Nashoba Health Group (June 1 renewal), and discussed the implications of having set the Rate Saver plan rates 5% below the 10% actuarial value difference between Legacy plans and Rate Saver plans.

There was a discussion about use of the Fund Balance above the Fund Balance targeted range.

The Committee asked Carol Cormier to create a funding scenario using \$6 million of fund balance and alternatively using \$8 million.

There was a discussion about returning RDS monies to employers versus rate reduction as a way to reduce the Fund Balance.

Sue Milne said she'd prefer to receive the RDS monies.

Craig Mayen said that if the Group were to reduce FY13 rates to use \$6M of Fund Balance and return two years of RDS money, it would still have more RDS money for current and future years going towards the Fund Balance.

It was noted that if the financial markets go down, that would negatively impact the fund balance.

Wellness Committee Report:

Maggie Downey presented the Wellness Coordinator contracts to Noreen Mavro Flanders for signature.

Maggie Downey said the Wellness Committee will eliminate the reimbursements for sick days for colonoscopy and now will send a post card to members on which the doctor will verify that the member had a colonoscopy or mammogram or other screening. She said that when the member returns the signed postcard, the member will get a gift card and be eligible for a bigger reward. She said BCBS is paying for the mailings to all CCMHG subscribers and needs the HPHC subscriber names and addresses to be provided to the third party vendors.

The Steering Committee authorized GBS to share the data with the third party vendors.

Noreen Mavro-Flanders asked why the mailing was not going to spouses of employees.

Suzanne Donahue said that it had been agreed by the Committee and vendors that in the first year they'd do the subscriber only and see how it goes.

Marie Buckner asked that the Shingles Vaccine access issue be placed on a meeting agenda, perhaps sometime after January.

Health Plan Reports:

Delta Dental - Nina Conroy said Delta has a new website and urged the Committee to check it out.

Harvard Pilgrim – Paul Lazar said that the HPHC will now be doing “cross-over” with billing for Medicare covered services. He said this will make it more like BCBS Medex and the physicians’ offices will have less work.

Blue Cross Blue Shield – Suzanne Donahue said that BCBS is planning for open enrollment and said that she and Bill Rowbottom met with Ruth Lynch and Karen Carpenter at GBS regarding setting up the group numbers and enrollment processing. She said they’ll create a checklist for enrollment protocol. Ms. Donahue said that there will be regional informational meetings before Open Enrollment.

Skip Finnell asked when the next Benefits Administrators meeting will be.

Carol Cormier said it will probably be held on February 1 at COMM Fire District.

Carol Cormier said Gerry Panuczak orchestrated the filming of a video to explain plan design changes for 7/1/12. She said that she, Suzanne Donahue, and Bill Hickey went to Chatham on Nov. 18 to do the filming.

Tufts Senior Plans - Fred Winer said he will discuss the new Medicare Supplement plan with the Committee in January.

Other Business:

Erin Orcutt said that she has now moved all the Medicare Carveout A plan members to other plans.

Craig Mayen said that there will be a Dec. 14th Holiday meeting of the Cape & Islands Collectors & Treasurers Association. He said that the speaker will be Jim Mellon from Cafeteria Plan Advisors speaking on Flexible Spending Accounts (HSAs) & Health Reimbursement Arrangements (HRAs).

There was no other business.

Noreen Mavro-Flanders moved to adjourn. Marie Buckner seconded the motion. The motion passed by unanimous vote.

Motion

Skip Finnell adjourned the meeting at 10:43 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*