

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

**STEERING COMMITTEE**

Wednesday, January 23, 2013 9:00 AM  
Sandwich Municipal Office Bldg., Sandwich, MA

**MEETING MINUTES**

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, January 23, 2013 at the Sandwich Municipal Office Bldg, 16 Jan Sebastian Drive, Sandwich, MA.

The following people attended the meeting:

**Committee Members Present:**

A. Francis (“Skip”) Finnell, Chair	Dennis-Yarmouth RSD
Erin Orcutt	Cape Cod Regional THS
Marie Buckner	Town of Sandwich
Debra Blanchette	Town of Barnstable
Heather Harper	Town of Falmouth
Maggie Downey	Barnstable County

**Guests Present:**

Rich Bienvenue	CCMHG Treasurer
Peter Halliday	Town of Sandwich
Deanna Desroches	CCMHG Wellness Consultant
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan (THP)
Nina Conroy	Delta Dental
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 9:05 a.m.

**Approval of the Minutes of the December 19, 2012 meeting:**

Marie Buckner motioned to approve the minutes of the December 19, 2012 meeting.

Debra Blanchette seconded the motion. The motion passed by a unanimous vote.

Motion
--------

**GBS Reports:**

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through December 2012 and said the expense-to-funding ratio for health plans was 96.4% and for dental was 83.5%. Ms. Cormier noted that the Harvard Pilgrim EPO Deductible plan was underfunded by \$1.3M, but overall funding was \$2.2M over expenses.

BCBS Level Monthly Deposit Reconciliation – Carol Cormier said that the payments to BCBS exceeded expenses by \$3.96M for the second quarter of FY13. Ms. Cormier said that the first quarter deposits exceeded expenses by \$2.8M. She asked Suzanne Donahue to have the BCBS underwriter review the deposit amount for a possible reduction.

HPHC Level Monthly Deposit Reconciliation – Carol Cormier said that the second quarter expenses exceeded the monthly deposit by \$712K.

Stop Loss Reports- Karen Carpenter reviewed the FY12 Stop Loss report with claims paid through December. She said that total reimbursements received were \$525,729 and said that outstanding reimbursements due is \$10,819. Ms. Carpenter reviewed the FY13 Stop Loss report with claims paid through December and said that there are 2 claimants that have exceeded the deductible. She said the total paid claims on these two members is \$1.01M. Ms. Carpenter said that the Aggregating Specific Deductible has not been met. Ms. Carpenter said that there are 9 claimants that have reached 50% of the deductible with claims totaling \$1.8M.

### **Treasurers Report:**

Treasurer, Rich Bienvenue, CPA, reviewed the financial statements through November 30, 2012 (unaudited figures). He said that the total operating cash was \$19.3M which was down \$2M from this time last year. He said that the Unreserved Trust Fund Balance was \$20.6M as of November 30, 2012. He reported assets at \$32.7M and liabilities of \$12M.

There was a discussion about the fund balance and past efforts to lower the surplus.

Mr. Bienvenue spoke about an analysis he worked on for another Joint Purchase Group and said that the Medicare Part D Retiree Drug Subsidy and investment income accounts for almost half of the fund balance. He said that he suspects that this is also the case with the CCMHG fund balance.

Erin Orcutt made a motion to accept the Treasurer's report as presented.

Motion
--------

Debra Blanchette seconded the motion. The motion passed by unanimous vote

Skip Finnell said that the next Steering Committee meeting is scheduled for February 6, 2013 at 9:00 a.m. at the Sandwich Municipal Office Building. He said this meeting will be held to review the proposed FY14 health plan rates.

It was noted that the next CCMHG Board Meeting was scheduled for February 13, 2013 at COMM Fire District.

### **Wellness Committee Report:**

Comparison of FY12 budgeted amounts for wellness programs and actual expenditures and the FY13 budget – Maggie Downey said that in response to the Steering Committee's request, Deanna Desroches developed the budget comparison report and broke out the costs for Martha's Vineyard and Cape Cod. She said that the expense totals were received from Rich Bienvenue.

Deanna Desroches reviewed the report, and there was a discussion about the CCMHG Wellness Incentive Program that awarded gift cards to subscribers who completed one or more of the three recommended preventive screenings, Health Screening; Mammogram and Colonoscopy.

Deanna Desroches said that the budgeted amount for the incentive program was \$10K, while the actual cost of the program was \$38,663. She said that this was a new program approved and implemented in CY12 after the FY2012 wellness budget was approved by the Board.

Maggie Downey said that for 2013, the Wellness Committee is recommending expanding the program by extending it to include the spouses of the subscribers. Ms. Downey said that in addition, the Wellness Committee is asking for approval to prepay LMR Processing Center in the amount of \$11,100. She said LMR is the company that administers the incentive program. She said this would shorten the incentive

turnaround time to the participant. Ms. Downey said that the current process can delay the incentive to the subscriber by up to 2 months.

Maggie Downey made a motion to approve extending the CCMHG Wellness Incentive Program to include CCMHG covered spouses for calendar year 2013 and keeping the raffle portion of the program the same as CY12.

Motion

Heather Harper seconded the motion. The motion passed by unanimous vote.

Maggie Downey made a motion to approve a prepayment to LMR Processing Center in the amount of \$11,100 for the costs associated with processing the CCMHG municipal wellness incentives for 236 mammogram incentives and 104 colonoscopy incentives.

Motion

Heather Harper seconded the motion.

Heather Harper asked if an agreement should be drawn up between CCMHG and LMR.

Carol Cormier said that she will create an invoice for the warrant.

Maggie Downey said that she will update the budget report to include the actual costs of the incentive program.

A vote was taken on the motion and passed unanimously.

Deanna Desroches reviewed the new programs including a Brown Bag Lecture series on stress reduction and a walking program. She said that the January wellness newsletter was distributed. Ms. Desroches said that the Falmouth Health Improvement Program was canceled due to low participation. She said that the wellness committee is discussing ways to revamp the program and may try offering it at a different location next fall.

Ms. Desroches said that Krystle Rose, the new CCMHG Wellness Coordinator for Martha's Vineyard (MV), met with the MV Benefits Administrators and said that they were excited and looking forward to working with Ms. Rose.

Skip Finnell asked how communication and integration between MV and the Cape's wellness efforts are going to be achieved.

Maggie Downey said that both wellness committees are communicating by conference calls for the wellness meetings. Ms. Downey said that it will be the responsibility of the Benefit Administrators at each location to promote the programs that are offered by each coordinator.

Deanna Desroches said that Noreen Mavro-Flanders has agreed to be the contact person for Krystle Rose should she have any questions or need to discuss program ideas.

Skip Finnell thanked Ms. Desroches for reporting on wellness and attending the meetings.

Maggie Downey asked the health plan representatives if they would be able to run a report to show the screening results of the incentive program.

Suzanne Donahue and Bill Hickey said that they were not sure if that type of report is available, but said that they would inquire.

**Communications with Managers and Superintendents – further discussion:**

Carol Cormier said that the Committee discussed meeting with the CCMHG Managers and Superintendents to address the questions regarding risk rating analysis that arose from the opinion article in the *Cape Cod Times* written by Barry Eyre of KTP Advisors. Ms. Cormier said that she, Ms. Mavro-Flanders, and Mr. Finnell sent a response to the CCMHG employers.

Heather Harper said that the next Manager's meeting is scheduled on February 14, 2013 and said that this topic is on the agenda. She asked if others would like to attend.

Skip Finnell, Rich Bienvenue and Carol Cormier said that they would be willing to attend. Skip Finnell said that Noreen Mavro-Flanders may want to attend as well.

Erin Orcutt said that the Managers hold meetings at Cape Cod Tech as well and that she can add the response letter to the meeting packet.

Skip Finnell said that it may be a good idea to let the managers know about the rate setting meetings.

Heather Harper said that she will email the town managers with the dates and times of the meetings.

Erin Orcutt said that she will send an email to the superintendents.

**Blue Care Elect PPO – deductible issues:**

Carol Cormier said that some members on the PPO plan may have paid towards their deductible prior to the plan design changes when the deductible was changed from a calendar year to a fiscal year. She said that it was discussed that those members may have the deductible amount they paid from January to June of 2012 credited to the FY13 policy period.

Suzanne Donahue said that BCBS can adjudicate and reimburse those members as a one-time occurrence.

Suzanne Donahue and Bill Hickey said that they will bring reports of how many were affected and the cost impact to the next meeting.

Affordable Care Act (ACA) - Ms. Cormier said that the ACA includes a Transitional Reinsurance Program and gives the Department of Health and Human Services (HHS) the authority to collect reinsurance "contributions" of \$12 billion in 2014, \$8 billion in 2015 and \$5 billion in 2016. She said these contributions will be used to help stabilize the individual insurance markets across the country and will be allocated to offset the cost of high cost claimants. She said that the reinsurance fee applies to both insured and self-insured health plans, and the 2014 fee is estimated to be \$5.25 per member per month, or \$63 per member per year. Ms. Cormier said that the transitional program is expected to run from 2014 to 2016. She said the fees are supposed to be somewhat lower each year.

The health plan representatives from HPHC and BCBS said that they are not sure how the fees would be administered for self-insured health plans.

Skip Finnell suggested offsetting the cost of the new program with the Retiree Drug Subsidy monies.

**Medicare Employer Group Waiver Plans (EGWPs) possible changes to BCBS Medex and HPHC Medicare Enhance:**

Ms. Cormier reviewed a spreadsheet showing the RDS monies received for Medex and Medicare Enhance over 3 years compared to the expected savings through the rates from changing to a Medex or Medicare Enhance plan with Medicare Part D built in, i.e. an EGWP plan. Ms. Cormier said that the

EGWP plans are governed by CMS and would require a change to a January 1 renewal date. She said that EGWP plans help to lower the OPEB liability.

Bill Hickey said that he has requested an analysis to see why the HPHC RDS monies received by CCMHG are lower than the Medex RDS monies. He noted that the HPHC Medicare Enhance rate is lower than the Medex rate.

Marie Buckner said that the rates would be reduced with the EGWP option, and so the savings would be shared with the retiree through the lower rates rather than the Group receiving an RDS reimbursement.

Ms. Donahue said that CCMHG can choose to continue offering the Medex plan, changing the prescription drug plan design to three co-pay tiers and continue to receive the RDS. She said that the FY14 rate is \$370.90. Ms. Donahue said another option would be to offer the Medex 2 plan with a Medicare Part D Prescription Drug Plan (PDP) or EGWP plan. She said the FY14 rate for this plan is \$349.01. Ms. Donahue said that the current Medex plan rate for FY14 is \$425.10.

Ms. Cormier said that the CCMHG is not charging that rate for Medex. [rate charged is \$409]

Ms. Donahue said that the rate for a fully insured Managed Blue for Seniors w/EGWP plan would be \$316.41, while the current Managed Blue for Seniors rate will be \$394.73.

Ms. Donahue suggested communications to members begin on July 1, 2013 to notify them of the changes that will be effective January 1, 2014. She said that changing to a 3-tier medication structure will require education sessions.

The Steering Committee agreed to make a decision for a recommendation to the Board at the February 6, 2013 Committee meeting.

**GBS Reinsurance Workshop** - Carol Cormier asked for confirmation that the short term strategy of the Steering Committee is to ask for a quote from the incumbent carrier and from Gallagher Insurance Services. She said the long term strategy includes the pooling arrangement. Ms. Cormier said that she has not received the white paper on the existing pooling arrangement.

Since BCBSMA is the current reinsurer, Ms. Cormier asked Suzanne Donahue to provide suggested decrease or increase for FY14 reinsurance to build into the rate projections.

**The Affordable Care Act and MA State Mandates – additional costs:**

Carol Cormier said that there are three new state mandates that are expected to impact the claims cost by 0.05% to 1%.

Bill Hickey said that the new mandates include coverage for hearing aids for children age 21 or younger, expanded coverage for cleft palate and lip treatment and approving nurse practitioners and physician's assistants to fill the role of a PCP.

**Health and Dental Plan Reports:**

*Delta Dental* – Nina Conroy said that she was reviewing the Contributory Plan and saw that it didn't include the Delta National Network. Ms. Conroy said that she worked with management and convinced them to add it to the plan at no additional cost. She said that the Voluntary Plan already has the national network included. Ms. Conroy said that members will receive a new ID card and group number.

Marie Buckner made a motion to approve adding the national network to the contributory plan effective July 1, 2013 because it is an added benefit to members and at no additional cost.

Motion
--------

Debra Blanchette seconded the motion. The motion passed by unanimous vote.

Nina Conroy said that Delta Dental is holding its FY13 administrative cost for FY14 (0% increase). Ms. Conroy said that the new deposit amount for the Voluntary plan is increasing by \$12,500, and the Contributory plan deposit is decreasing by \$18,200. She said that a check for the difference of \$5,700 will be sent to the CCMHG Treasurer, Rich Bienvenue.

*Harvard Pilgrim Health Care* – Bill Hickey said that HPHC is working on the Affordable Care Act requirement to create a Summary of Benefits and Coverage (SBC) that will be consistent across all of the health plans. He said that HPHC will distribute them to the employers, however it is the employer's responsibility to distribute to the members.

*Blue Cross Blue Shield* – Suzanne Donahue noted that the SBCs are not required for the senior plans. Ms. Donahue said that the BCBS health claims trends are improving due to the Alternative Quality Care contracts with providers. She said that the FY14 increases will be minimal compared to the BCBS projected FY13 rates.

*Tufts Health Plan* – Fred Winer said that the Tufts SBCs are all set and said everything is good at Tufts.

**Other Business:**

The next CCMHG Steering Committee meeting was scheduled for February 6, 2013, 9:00 AM at the Sandwich Municipal Office Building, Sandwich, MA.

There was no other business.

Maggie Downey moved to adjourn.

Motion
--------

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

Chair Skip Finnell adjourned the meeting at 11:15 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*