

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

STEERING COMMITTEE

Wednesday, February 13, 2013 9:00 AM
COMM Fire District, Centerville, MA

MEETING MINUTES

A meeting of the Steering Committee of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, February 13, 2013 at the COMM Fire District, Centerville, MA

The following people attended the meeting:

Committee Members Present:

A. Francis (“Skip”) Finnell, Chair	Dennis-Yarmouth RSD
Noreen Mavro Flanders	County of Dukes County
Erin Orcutt	Cape Cod Regional THS
Marie Buckner	Town of Sandwich
Debra Blanchette	Town of Barnstable
Maggie Downey	Barnstable County
Susan Milne	Town of Yarmouth
Gerry Panuczak	Town of Chatham
Heather Harper	Town of Falmouth

Guests Present:

Rich Bienvenue	CCMHG Treasurer
Robert Sanborn	Cape Cod Regional THS
Pam Hudson	Town of Provincetown
Linda O’Brien	Town of Provincetown
Scott Starbard	Town of Falmouth Fire Fighters
Renie Dumont	Nauset RSD
Susan Wallen	Nauset RSD
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan (THP)
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 8:03 a.m.

FY14 Rate Projections – recommendation to the Board:

Carol Cormier reviewed the FY14 projected rates and funding scenarios including the additional scenarios that the Steering Committee requested at the February 6, 2013 meeting.

Scenario A – Health plan projections with a composite funding increase of 16.7% for the health plans and 2.2% composite increase for the dental plans.

Scenario B – GBS projections with a composite increase of 14.6% for the health plans and 4.3% composite increase for the dental plans.

Scenario C – The lower of the GBS and health plan projections, but the GBS projection for the HPHC PPO with a composite increase of 14.2% for the health plans and 2.2% composite increase for the dental plans.

Scenario D – Based on Scenario C with \$4M trust fund balance at risk with composite increase of 10.7% for the health plans.

Scenario E – Based on Scenario C with \$8.1M trust fund balance at risk with composite increase of 6.9% for the health plans, 11.7% increase to the HPHC EPO plan, no subsidy to the indemnity plan and 0% increase for the dental plans.

Scenario F - Based on Scenario C with \$8.1M trust fund balance at risk with composite increase of 6.8% for the health plans, no subsidy to the indemnity plan, 7.6% increase to all other plans and 0% increase for the Medicare and dental plans.

Scenario G - Based on Scenario C with \$8.1M trust fund balance at risk with composite increase of 6.8% for the health plans, no subsidy to the indemnity plan, 7.2% increase to EPO and PPO plans and 3% increase for the Medicare plans and 0% increase dental plans.

Scenario H - Based on Scenario C with \$6.1M trust fund balance at risk with composite increase of 8.4% for the health plans and 0% increase dental plans.

Scenario I - Based on Scenario C with \$6.1M trust fund balance at risk with composite increase of 8.4%, blended EPO and PPO rate increases of 9.4% and 0% increase dental plans.

Scenario J - Based on Scenario C with \$6.1M trust fund balance at risk with composite increase of 8.4%, blended EPO and PPO rates of 9.1%, a 3% increase to the Medicare plans and 0% increase dental plans.

Scenario K - Based on Scenario C with \$10M trust fund balance at risk with composite increase of 5.4%, 12% increase for indemnity plans, EPO and PPO rates of 6%, and a 0% increase to the Medicare and dental plans.

Erin Orcutt made a motion to recommend to the Board to approve level funding the Contributory and Voluntary Delta Dental plans putting \$200K of trust fund balance at risk.

Motion

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

Rich Bienvenue reviewed the CCMHG trust fund balance analysis over the past 10 years and said that the current trust fund balance is \$18.9M (unaudited figure). He said that despite the Board's intent to lower the fund balance surplus by subsidizing the rates over the past several years, he said that the surplus has continued to grow.

Skip Finnell said that based on the Fund Balance Policy, he does not want to risk lowering the fund balance below \$11.6M.

Mr. Bienvenue said that the trust fund balance has been over the high range of the policy band for the past several years.

Noreen Mavro-Flanders said that as of December 31, 2012, the fund balance was \$21.7M which was \$10M over the low end of the policy band of 8%.

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Heather Harper said the fund balance exceeded the high end of the policy of 12% for the past seven years and said she was comfortable putting \$10M at risk with a communication of caution to the units that they will need to prepare for a possible spike in rates for next year's budget.

Skip Finnell said that the Steering Committee has always proceeded with caution when setting the rates to avoid a spike in rates for the following year. He said if \$10M is put at risk this year, there may not be any surplus to put at risk next year.

Carol Cormier said that the full effects of the plan design changes of 7/1/12 are not known at this time.

Rich Bienvenue noted that the investment income is not guaranteed and said that \$7.4M of the surplus is the result of premiums in excess of expenses. He said that investment income and Retiree Drug Subsidy (RDS) account for the remainder of the fund balance.

There was a discussion about putting \$9M at risk instead of \$10M which would result in a composite increase of approximately 6%.

Gerry Panuczak made a motion to recommend Scenario K to the Board, putting \$10M of fund balance at risk, 12% increase to the indemnity plan, 6% increase to the EPO and PPO rates, and a 0% increase to the self-funded Medicare plan rates.

Motion

Marie Buckner seconded the motion.

Skip Finnell said that he would prefer putting less surplus at risk and see how things go. He said the Board can always vote to distribute additional RDS money later in the year.

A vote on Mr. Panuczak's motion was taken and passed by a majority vote. Skip Finnell and Noreen Mavro Flanders were opposed.

Heather Harper asked that a review of the rate setting process be added to a future agenda.

Proposed changes to BCBS Medex– discussion continued:

Ms. Cormier said The Abacus Group gave her the number of members enrolled in the Medicare Enhanced and Medex plans that are utilizing the myMedicationAdvisor® and Diabetes Reward programs and would be impacted by the change to EGWPs. She said that the numbers showed more than 25% of the utilization was from seniors on these plans. She said this was higher than expected. She reviewed the estimated savings of moving the plans to EGWP type plans and said that she is recommending not making the move for July 1. Ms. Cormier recommended changing the Medex plan prescription structure to a 3-tier co-pay arrangement and adding the BCBS closed formulary used on the HMO and PPO plans and continuing with the RDS until the EGWP model can be evaluated again in the near future.

Noreen Mavro-Flanders made a motion to recommend to the Board to change the Medex plan prescription structure to 3 tiers: \$5/\$10/\$25 with double co-pays for a 90-day supply by mail order and add a closed formulary at a monthly funding rate of \$385 effective July 1, 2013.

Motion

Gerry Panuczak seconded the motion. The motion passed by a unanimous vote.

Other Business:

The next CCMHG Steering Committee meeting was scheduled for March 13, 2013, 9:00 AM at Sandwich Municipal Office Bldg, 16 Jan Sebastian Drive.

There was no other business.

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Noreen Mavro Flanders moved to adjourn.

Motion

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

Chair Skip Finnell adjourned the meeting at 9:55 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*