

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

Board Meeting

Wednesday, April 24, 2013, 10:00 AM
COMM Fire District, Centerville, MA

MEETING MINUTES

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, April 24, 2013 at 10:00 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

Board Members Present:

Noreen Mavro-Flanders, Board Chair	County of Dukes County
A. Francis (“Skip”) Finnell, Steering Committee Chair	Dennis-Yarmouth RSD
Marie Buckner	Town of Sandwich
Debra Blanchette	Town of Barnstable
Gerry Panuczak	Town of Chatham
Pam Hudson	Town of Provincetown
Judy Sprague	COMM Fire District
Joan Plante	Town of Eastham
Dawn Rickman	Town of Wellfleet
Lisa Vitale	Town of Brewster
Irene Wright	Town of Yarmouth
Susan Milne	Town of Yarmouth
Renie Dumont	Nauset Regional School District
Susan Wallen	Nauset Regional School District
Kathleen Isernio	Monomoy Regional School District
Nancy Ward	Bourne Water District
Susan Stoltz	Barnstable Fire District
Deborah Heemsoth	Town of Dennis
Beverly Haley	Dennis-Yarmouth RSD
James Weiss	Martha’s Vineyard RSD
Nancy Cushing	Barnstable County
Robert Howard	Bourne Recreation Authority

Guests Present:

Rich Bienvenue	Treasurer, CCMHG
Deanna Desroches	CCMHG Wellness Consultant
Jason Lily	Rockland Trust Investments
Denise Coleman	Town of Falmouth
Scott Starbard	Falmouth Firefighter
Ryan Gavin	Falmouth Firefighter
Ginger Farrell	Town of Harwich
Sarah Gorczyca	Mashpee Water District
Michelle LaCasse	Barnstable County
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Nina Conroy	Delta Dental of MA
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 9:55 a.m.

Ms. Flanders asked if there were any first responders to the City of Boston marathon bombings and thanked them for their help.

Health Plan Reports:

Noreen Mavro-Flanders said Bill Hickey is going to speak first on the agenda because he has another appointment and will need to leave the meeting early.

Bill Hickey distributed an HPHC Affordable Care Act exhibit and said it lists the key provisions of the law in chronological order through 2018. Mr. Hickey said that the Freestyle glucose meters now have a new touch screen to measure glucose levels. He said that HPHC is going to make these available to members as an upgrade free of charge. Mr. Hickey said that HPHC is working on building health plans with smaller networks, tiered networks, and hospital choice networks. He noted that these types of plans would not work on the Cape because of the limited facilities. Mr. Hickey said to contact him for enrollment materials.

Investment Report:

Jason Lily from Rockland Trust said that the economic news and housing market continue to improve. He said that the Dow and S&P have hit all time highs and said that there was a slight gain in the bond market. He said there was a gain on returns of \$911K over the last 9 months. He said that all the asset funds are in compliance with the CCMHG’s Investment Policy.

Jason Lily distributed and reviewed the report on investments with data ending 03/31/13 and said that Portfolio #1 (conservative with 70% in fixed income/30% in equities) had a 12-month return of 6.31% and Portfolio #2 (balanced/aggressive with a 50/50 balance of fixed income and equities) had a 12-month return of 9.05%. He said Portfolio#1 and Portfolio #2 underperformed the benchmark slightly for the year.

Noreen Mavro-Flanders thanked Mr. Lily for hhis report, and Mr. Lily left the meeting.

Approval of the Minutes of the February 13, 2013 meeting:

Jim Weiss motioned to approve the minutes of February 13, 2013 meeting.

Motion

Skip Finnell seconded the motion. The motion passed by unanimous vote.

Treasurer’s Report:

Treasurer, Rich Bienvenue, CPA, reviewed the financial statements through February 28, 2013 (unaudited figures). He said that the Unreserved Fund Balance was \$25.4M as of February 28, 2013 and said the current year increase in the Fund Balance is \$6.5M. Mr. Bienvenue said CCMHG has a \$2M credit from the quarterly settle-up with BCBS and said it would be applied towards the March claims. He said that the BCBS claims are about \$45M this year, down from \$56M last year at this time. He noted that the decrease could be partly due to the plan design changes made and also good claims experience. He said that the premiums have also decreased compared to last year.

Wellness Committee Report:

Deanna Desroches, Wellness Consultant to the mainland, distributed Wellness Incentive program forms to the Board members. She said that if more are needed to contact her. Ms. Desroches said that in FY14 the program will be extended to spouses of employees. Ms. Desroches said that there are 418 participants currently logging in their miles as part of the walking program. She said that each participant has been

assigned a number and will be eligible for a drawing. Ms. Desroches said that the Biometric screenings are coming to a close for the year and said they are gearing up for next year.

Steering Committee Report:

Skip Finnell, Steering Committee Chair, said that the Committee meets monthly and invited all to feel free to attend the meetings.

Reinsurance pooling arrangement – Skip Finnell said that the Committee has been reviewing information about possibly self funding the reinsurance in a pool with other joint purchase groups. He said that Carol Cormier will be discussing this later in the meeting. He said that the Steering Committee will solicit reinsurance quotes for FY14 from Stop Loss Insurance Services (current broker), Stop Loss Insurance Brokers, and Gallagher Benefits Services. He said the Committee is recommending keeping the policy terms the same as the FY13 terms.

Out-of-network (OON) PPO deductible issue – Mr. Finnell said the Committee has been working on the issue of members who had satisfied the OON calendar year deductible prior to the plan design changes that included a change from a calendar year deductible to a plan year deductible. He said that the Committee is recommending taking no action because the health plans informed the Committee that they will not be able to retroactively make adjustments.

Next Steering Committee Meeting – Mr. Finnell said that the next Steering Committee meeting has been scheduled for May 29, 2013 at 9:00 a.m. and will be held at the Sandwich Municipal Office Building. He said this meeting had originally been scheduled for May 21st.

Mr. Finnell said that Sue Milne, Town of Yarmouth, is retiring thus a leaving a vacancy on the Steering Committee. He said anyone interested in serving should contact Carol Cormier. He said the Committee meets once per month, and those interested in serving must be a Board delegate or Board alternate to be considered.

GBS Reports:

Noreen Mavro-Flanders said that the GBS reports were emailed to the Board prior to the meeting.

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through March 2013 and said the expense-to-funding ratio for health plans was 96.8% and for dental was 99.9%. Ms. Cormier noted that the Harvard Pilgrim EPO plan was underfunded by \$1.4M, but overall health plan funding was \$3.06M over expenses.

Oral Chemotherapy state mandate:

Noreen Mavro-Flanders said that there is a new state mandate that requires orally administered anti-cancer medications to be covered on a basis no less favorable than intravenously or injected administered medications. She said that BCBS will automatically add the benefit to its plans, but HPHC gives self-funded plan sponsors the option of adopting the mandate or not. Ms. Flanders said that the Steering Committee is recommending authorizing HPHC to add the benefit to its health plans effective July 1, 2013.

Suzanne Donahue said that this would mean there will be a \$0 co-pay for oral chemotherapy medications.

Bill Hickey said that the actuarial cost of adding the benefit is estimated by HPHC actuaries to be two-tenths of a percent.

Skip Finnell made a motion to approve adding the oral chemotherapy mandate to the HPHC plans effective July 1, 2013 to be consistent with the BCBS coverage.

Motion

Pam Hudson seconded the motion.

The motion passed by unanimous vote.

Federal Mental Health Parity Testing:

Suzanne Donahue said that BCBS completed the Mental Health Parity testing on all of the CCMHG BCBS plans over the past two years. She said that BCBS is offering to test the plans again this year at no charge to the group. She noted that the mandate base changes yearly.

Skip Finnell made a motion to authorize BCBS to test the CCMHG BCBS plans for the Mental Health Parity requirements.

Motion

Pam Hudson seconded the motion. The motion passed by unanimous vote.

A proposed MA Municipal Multi-Level Reinsurance Pooling Arrangement (MLRPA):

Carol Cormier said that due to the declining number of responses from reinsurance carriers to quote on municipal business in recent years, GBS has made an alliance with Gallagher Benefits Insurance Services, a national broker, to come up with solutions to the problem. Ms. Cormier said the Steering Committee has been reviewing information regarding a proposed multi-level reinsurance pooling arrangement (MLRPA) as a possible solution to the lack of responses received.

Skip Finnell said that the Committee reviewed the reinsurance premiums and recoveries over the past several years and found that out of the past 6 years, CCMHG has received more in recoveries for 4 of those years than it paid in premiums. Mr. Finnell said that for this year the Committee recommends that CCMHG obtain quotes for an FY14 policy with the same specifications as the FY13 policy.

Ms. Cormier said that reinsurance carriers have been reluctant to submit quotes for the municipal groups due to the higher age and health risk of the members and the inability to recoup losses. She said that CCMHG received just two quotes for FY13 and said that some other clients received only one quote.

Ms. Cormier said the proposed MLRPA is not unlike what the CCMHG does now with health insurance. She said that at least three Joint Purchase Groups would be needed to form the pool. She said that each JPG could select its own policy terms including the specific deductible level, but said that the groups would each be rated separately based on their claims experience and demographics. Ms. Cormier described the arrangement in greater detail. She said that time is needed to review the proposed documents. She said that the JPGs will be discussing the MLRPA and reviewing documents for July of 2014. She said first year start-up costs would be significant. She said a working capital will be required in addition to paying premiums for the pool and reinsurance coverage above \$750K.

Noreen Mavro-Flanders said that more discussion and materials will be distributed at the October or December 2013 Board meetings.

Skip Finnell said that they are hoping to have all of the agreements and materials ready by December and want to make a recommendation to the Board during the first quarter of 2014. He noted that GBS will not receive any compensation for this arrangement.

Carol Cormier said that GBS was concerned about the lack of bids and wants to insure the success of its clients in covering high cost claims. She said she has more information regarding the MLRPA and said to contact her if anyone wanted copies.

Health Plan Reports:

Delta Dental of MA – Nina Conroy said that the health fairs went well. She reminded the Board that the Contributory Dental plan members will have access to the national provider network effective July 1, 2013 and said all members will be receiving new cards with new group numbers. She noted that the Voluntary Dental plan already has access to the national provider network.

Blue Cross Blue Shield – In response to an earlier question by Ms. Cormier, Suzanne Donahue said the oral chemotherapy cost share will be determined by the particular cancer medication and not by the diagnosis of cancer.

Ms. Donahue said that members are now able to receive certain vaccines at the pharmacy. She said that the shingles vaccine is included along with 11 other vaccines. Ms. Donahue said that there may be restrictions, such as age limits for the shingles vaccine. She recommends calling the pharmacy prior to the visit to be sure that they have the vaccines in stock. She said Stop & Shop and Walgreens and other large chains are among the approved pharmacies. She said a prescription will not be necessary.

Ms. Donahue said that effective July 1, 2013, the Medex prescription benefit will change to 3-tiers and a closed formulary. She said that members impacted by the closed formulary will be contacted and informed of alternative prescriptions available. Ms. Donahue noted that physicians can file an exception for those that cannot take the alternative drug.

Ms. Donahue said that as a follow up to the co-pay issue at Martha's Vineyard hospital where some members were charged the specialist co-pay for a PCP visit, she said that the physicians will be changing the way they bill, so this will no longer be a problem.

Ms. Donahue said that the health fairs went very well and said that Bill Rowbottom did a great job organizing the meetings.

Other Business:

There was a discussion about the Governor's bill to change retiree contributions and other features of Other Post Employment Benefits (OPEB).

Carol Cormier said that all of the Summary of Benefits (SOBs) were distributed to the employers and added to the CCMHG website.

The next Board Meeting was scheduled on July 24, 2013 at 10:00 a.m.

Scott Starbard, a firefighter from the Town of Falmouth said that he wanted the Board to be aware that some health claims resulting from injuries received in the line of duty are being billed through CCMHG, rather than the 111F worker's compensation insurance. He said there has been some difficulty coordinating the claims so they do not affect the group.

Suzanne Donahue said that BCBS has employees devoted to issue and said that if they are made aware of the members' names, they will be able to help.

Mr. Starbard said that physicians require an insurance card at the time of service and will not wait to hear if the member's injury is determined to be caused by something occurring at work.

Carol Cormier said that GBS can get the word out to the units.

Ms. Donahue said that BCBS has already reached out to many of the fire districts and said she is willing to meet with the fire and police departments.

Skip Finnell said he would like a representative from BCBS and HPHC who can address this issue to attend the July 24th Board meeting.

There was no other business.

Skip Finnell made a motion to adjourn.

Motion

Marie Buckner seconded the motion.

Noreen Mavro-Flanders adjourned the meeting at 11:40 a.m.

*Prepared by Karen Carpenter
Group Benefits Strategies*