

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

STEERING COMMITTEE

Wednesday, April 24, 2013 8:30 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, April 24, 2013 at the COMM Fire District, Centerville, MA.

The following people attended the meeting:

Committee Members Present:

A. Francis (“Skip”) Finnell, Chair
Noreen Mavro Flanders
Erin Orcutt
Marie Buckner
Susan Milne
Debra Blanchette
Heather Harper
Gerry Panuczak

Dennis-Yarmouth RSD
County of Dukes County
Cape Cod Regional THS
Town of Sandwich
Town of Yarmouth
Town of Barnstable
Town of Falmouth
Town of Chatham

Guests Present:

Suzanne Donahue
Bill Hickey
Nina Conroy
Carol Cormier
Karen Carpenter

Blue Cross Blue Shield (BCBS)
Harvard Pilgrim Health Care (HPHC)
Delta Dental of MA
Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 8:40 a.m.

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

Marie Buckner motioned to approve the minutes of the March 13, 2013 meeting.

Erin Orcutt seconded the motion. The motion passed by a unanimous vote.

Motion

Wellness Committee Report:

Marie Buckner said that the Wellness Committee met last week with Martha’s Vineyard (MV) Wellness Coordinator Krystle Rose, and the Committee attending by phone. She said that the next meeting is scheduled to be held in May. Ms. Buckner said that the MV Wellness Committee is working on its budget and program proposal which will be presented at the May Wellness Committee meeting. She said that the Committee is reviewing the HIP program in hopes of improving and refreshing the program. She said that Deanna Desroches will be attending the Board meeting and will be presenting the full report.

GBS Reports:

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 89.8%. Ms.

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Cormier noted that the Harvard Pilgrim EPO plan was underfunded by \$1.4M, but overall funding was \$3M over expenses. She said that part of the funding is from \$537K in reinsurance reimbursements.

Noreen Mavro-Flanders joined the meeting.

Susan Milne asked if there would be a savings from switching from the Retiree Drug Subsidy (RDS) to Employee Group Waiver Plans (EGWPs).

Carol Cormier said that the Steering Committee has been discussing the EGWP plans as an option and said that they found that changing the HPHC Medicare Enhance to an EGWP plan will not save as much as would be saved by changing the Medex plan. She said that the estimated savings to the HP Medicare Enhance plan as an EGWP will be even lower than originally presented due to the HPHC RDS filing error.

Noreen Mavro-Flanders noted that the members on the current retiree plans that are utilizing the myMedicationAdvisor® and Diabetes Rewards Program will be unable to use those programs on the EGWP plans.

Carol Cormier said that she will bring revised cost estimate information to the next meeting.

Reinsurance pooling proposal and reinsurance procurement for FY14:

Carol Cormier said that GBS thinks it is unlikely that the reinsurance pooling arrangement proposed will be up and running for July 1, 2013. She said that most of the JPGs are interested in the concept and said that GBS has asked for a legal opinion and received an email from the lawyer with his opinion that JPGs have the authority to do this type of captive arrangement. She said that the attorney will be sending his formal opinion in writing soon. She suggested keeping the item on the agenda.

Skip Finnell said that a target date of December for document review may be necessary to be able to be ready for July 1, 2014.

Noreen Mavro-Flanders asked Ms. Cormier to see if AIG and Gallagher would be available to present the concept to the Board at the October meeting.

Carol Cormier agreed. Regarding reinsurance marketing options for this year, she said CCMHG could use the same process as last year, i.e. requesting multiple quotes from multiple brokers or request quotes from the current broker and also from Gallagher Benefit Services.

After a discussion Deb Blanchette made a motion to recommend to the Board to approve asking the current broker and Gallagher to obtain quotes.

Motion

Heather Harper seconded the motion.

There was a discussion about whether or not to include Stop Loss Insurance Brokers (SLIB) to the list, since they had provided reinsurance to CCMHG in recent years..

Debra Blanchette amended her motion to include SLIB in the RFQ process for FY14 because they have provided reinsurance to CCMHG in the past.

Motion amended

A vote was taken and passed by unanimous vote.

Carol Cormier reviewed the report of reinsurance premiums and recoveries from 2006 to 2012 as prepared by GBS.

BCBS PPO Out-of-Network (OON) payment methodology: Carol Cormier said that there has been a complaint from a PPO plan member who paid towards the Out-of-Network (OON) deductible prior to the plan design changes when the OON deductible was changed from a calendar year to a policy year. She said the Steering Committee has discussed the possibility of crediting the OON deductible payments made for services received between January and June of 2012 to the FY13 policy period. She said that BCBS and HPHC ran reports, and the number of cases was larger than anticipated.

Suzanne Donahue said that both the BCBS and HPHC PPO plans prior to the plan design changes of July 1, 2012 had a deductible only when utilizing out-of-network providers. She said that it was clearly stated at the Board meetings and at the health fair presentations that the deductible would be switched to a plan year deductible rather than a calendar year deductible. She said when the carriers were asked by employees if there would be special deductible carry-over provision made, the carriers said no; however, she said the Board asked to see a report to show the impact of the change. Ms. Donahue said that BCBS has looked into this and determined that it is not able to re-adjudicate the claims and credit the prior year's deductible to the new policy year.

Bill Hickey said that HPHC reviewed this matter and found it is also unable to readjudicate the claims.

Carol Cormier said that she is only aware of two members that have raised the issue, and only one of them has raised it since the changes went into effect.

The Steering Committee took no action.

Carol Cormier noted that as a result of the plan design changes, members had a premium reduction and were offered mitigation funds that could be used to help with any costs associated with the transition.

Oral Chemotherapy Mandate:

Carol Cormier said that there is a state mandate enacted at the very end of CY12 that requires orally administered anti-cancer medications to be covered on a basis no less favorable than intravenously or injected administered medications. Ms. Cormier said that this would mean there will be a \$0 co-pay for oral chemotherapy 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.

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

Noreen Mavro-Flanders made a motion to recommend to the Board to approve adding the oral chemotherapy mandate to the HPHC plans effective July 1, 2013 to be consistent with the BCBS coverage.

Motion

Erin Orcutt seconded the motion. The motion passed by unanimous vote.

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.

Noreen Mavro-Flanders made a motion to authorize BCBS to test the CCMHG BCBS plans for the Mental Health Parity requirements.

Motion

Erin Orcutt seconded the motion. The motion passed by unanimous vote.

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Other Business:

The next CCMHG Steering Committee meeting was changed from May 29, 2013 to May 21, 2013 at 9:00 AM to be held at the Sandwich Municipal Office Bldg.

The meeting was subsequently changed back to May 29 at 9 AM.

Sue Milne said that she would be retiring at the end of August 2013 and said that she would no longer be serving on the Steering Committee.

The Committee members congratulated Ms. Milne and wished her well.

Skip Finnell said that he would announce the vacancy at the Board meeting and ask those who are interested to contact GBS.

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

There was no other business.

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 9:40 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*