

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

Board Meeting

Wednesday, April 30, 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 30, 2014 at 10:00 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

Board Members and Alternates Present:

Noreen Mavro-Flanders, Board Chair	County of Dukes County
A. Francis (“Skip”) Finnell, Steering Committee Chair	Dennis-Yarmouth RSD
Gerry Panuczak, Board Vice Chair	Town of Chatham
Debra Blanchette	Town of Barnstable
Marie Buckner	Town of Sandwich
Marge McGloin	Town of Provincetown
Joan Plante	Town of Eastham
Dawn Rickman	Town of Wellfleet
Susan Wallen	Nauset Regional School District
Deborah Heemsoth	Town of Dennis
Robert Howard	Bourne Recreation Authority
Lisa Vitale	Town of Brewster
Leanne Gray	Mashpee Water District
Judy Sprague	COMM Fire District
Robert Cecil	Barnstable Fire District
Kathleen Isernio	Monomoy RSD
Karen Scichilone	Cape Cod Lighthouse Charter School
James Weiss	County of Dukes County
Irene Wright	Town of Yarmouth

Guests Present:

Rich Bienvenue	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant
Krystle Rose	CCMHG MV Wellness Consultant
Jason Lily	Rockland Trust Investments
Mike Kopp	Rockland Trust Investments
Linda Loiselle	The Abacus Group
Debb Jardin	The Abacus Group
Michelle LaCasse	Barnstable County
Ginger Farrell	Town of Harwich
Nancy Cushing	Barnstable County
Kate Bruster	Monomoy Regional School District
Beth Deck	Cape Cod Collaborative
Scott Starbard	Falmouth Firefighter
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBSMA)
Larry Croes	Blue Cross Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Nina Conroy	Delta Dental Plan of Mass.
Fred Winer	Tufts Health Plan

Carol Cormier
Karen Carpenter

Group Benefits Strategies (GBS)
Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 10:07 a.m.

Presentation by BCBSMA, Larry Croes, Vice President:

Noreen Mavro-Flanders introduced Larry Croes and said that he presented the BCBS 2014 Municipal Blue Innovation Award and \$5,000 to CCMHG at the March 19, 2014 Steering Committee Meeting. She held up a half page newspaper announcement that BCBS put in the Cape Cod Times publicizing the award to the group.

Larry Croes said that the CCMHG customized worksite wellness programs, creating innovative health plan designs and the CCMHG website are among the group's accomplishments. He said that CCMHG has become a model for other groups. He said the implementation of the Colonoscopy Incentive and Diabetes Rewards programs are also making an impact on the health of members and health care costs. Mr. Croes said that the Wellness Coordinators, Deanna Desroches and Krystle Rose organize and run the programs with the help of the CCMHG Wellness Committee members.

Photos were taken.

Noreen Mavro-Flanders thanked Suzanne Donahue for the nomination and recognizing the strides that CCMHG is making towards wellness.

Approval of the Minutes of the April 30, 2014 meeting:

Skip Finnell motioned to approve the minutes of the April 30, 2014 meeting.

Motion

Dawn Rickman seconded the motion. The motion passed by unanimous vote.

Investment Committee and Manager's Report:

Gerry Panuczak, Investment Committee Chair said that the investments increased in the quarter ending March 31, 2014. He said that continuing to diversify the investments has worked well for CCMHG. Mr. Panuczak noted that the investment income adds to the trust fund surplus from which the Board voted to subsidize the FY15 rates.

Jason Lily introduced Mike Kopp, the newest member of Rockland Trust and said that he will be working on the investment management portion of the investments. He distributed and reviewed the CCMHG Investment Report for 3rd quarter of FY14 and the 9-month period ending March 31, 2014. He said that federal and state spending was down and consumer consumption increased above expectations. Mr. Lily said that there was a \$932,740 gain in investments. He said that 2.5% of the gain came from income and the rest was from capital gains.

Mr. Lily said that the returns for Portfolio #1 (conservative with 70% in fixed income/30% in equities) for last 12-month period were 0.92% lower than returns for the Benchmark. He said this was because of the diversification in Portfolio #1. He said that the 12-month return was 5.02%.

Mr. Lily reviewed the performance of Portfolio #2 (balanced/aggressive with a 50/50 balance of fixed income and equities) and said the returns for the last 12 months were 9.76% which was 1.42% lower than the Benchmark. Again he cited portfolio diversification as the reason for the lower performance.

Jason Lily reviewed the manager's performance report.

Ms. Mavro-Flanders said that CCMHG are long term investors and she thanked Mr. Lily for his report. Ms. Mavro-Flanders said that the Investment Committee will be reviewing the Investment Policy and said recommendations will be sent to the Board in advance of the next meeting.

Treasurer's Report:

Treasurer, Rich Bienvenue, CPA, distributed and reviewed the Management Report through February 2014 (unaudited figures). He said the Steering Committee reviews the cash flow projections on a regular basis. Mr. Bienvenue said that the Board expected the fund balance surplus to decrease by \$8M due to subsidizing the FY14 health plan rates. He said that has not materialized yet and projected that the group will break even at year's end. He reported a Total Fund Balance on February 28, 2013 of \$25,970,420. He reported a year-to-date gross profit of \$3,945,018 and net income of \$4,506,145.

Heather Harper joined the meeting.

Mr. Bienvenue discussed employer payment issues and said that he will be following up with some of the units on the balances listed on the aged receivables report.

Skip Finnell said that according to the Joint Purchase Agreement, the member units agreed to pay their invoices as billed. He said the majority of units do pay as billed, but some do not. He said that the adjustments are received in subsequent months.

Rich Finnell said that he is available to help any unit with reconciling the past due amounts and will help set up a payment process.

Gerry Panuczak said that he and Heather Harper met with Mr. Bienvenue and had a tour of his office and reviewed the Treasurer's processes and procedures as well as the ACH and remote deposit capabilities. Mr. Panuczak said that one of the recommendations they propose is that all computer and banking codes and passwords reside with the CCMHG Chairs. He said this would allow access to transfer the accounts if necessary. Mr. Panuczak said he and Ms. Harper appreciate Mr. Bienvenue's attention to detail and the work he does for CCMHG.

Wellness Committee Report:

Mainland Report - Deanna Desroches, Wellness Consultant for the mainland, distributed and reviewed the Wellness program updates. She said that the CCMHG Steering Committee approved the Eastham smoking cessation program even though only 11 people signed up. She said that they all completed the 6 week class and have remained smoke free.

Ms. Desroches said that the Martha's Vineyard (MV) Wellness news has been added to the Wellness Newsletter. She said the April edition has been distributed.

Ms. Desroches said that the two *Healthy Me* programs, held in Barnstable and in Dennis have completed. She said that the participants had an overall weight loss of 8.5% after 8 weeks. She said the biometric screenings are underway and asked that anyone interested in hosting a screening to contact her. Ms. Desroches the new cards for the CCMHG Incentive program are expected to be ready mid-May. She said that incentives will be distributed retroactively back to January 2014. Ms. Desroches said the program will be run on a fiscal year going forward, beginning on July 1, 2014. She said that HPHC and BCBS have offered to pay for the mailing of the cards to the members.

Noreen Mavro-Flanders thanked both Bill Hickey and Suzanne Donahue.

Martha's Vineyard (MV) Report – Krystal Rose, Wellness Consultant for MV introduced herself to the Board and gave a short bio to include her work as an EMT and in the Emergency Room at MV Hospital.

Ms. Rose said that 17 participants out of the 20 who signed up, completed the Maintain don't Gain program. She said that the program included challenges and group emails and she said that the participants asked to bring the program back and lengthen the duration.

Ms. Rose said the biometric screenings were held and said that 30 teachers from each school participated. She said that a nurse will be following up with each participant. Ms. Rose said that the Public Safety/Fitness Program will include nutritional education and 2 personal trainers.

Noreen Mavro-Flanders said that the MV Wellness Committee is working on their wellness budget for the June 2014 meeting.

Jim Weiss said that the MV Wellness Programs were very well received.

Steering Committee Report:

Skip Finnell, Steering Committee (SC) Chair, said that the items on the Board agenda are the items with which the Steering Committee has been dealing. He thanked the Wellness consultants and committee for all their efforts. He said that the SC sub-committee will be reviewing the treasurer's contract arrangement and a recommendation to the Board should be ready by the next meeting. Mr. Finnell said that the next SC meetings are scheduled on June 11th at the Sandwich Town Hall, July and Martha's Vineyard on September 17th. He said the SC and Board meetings scheduled on July 23rd will be held at COMM Fire District. He said if anyone was interested in attending the meeting on Martha's Vineyard, to contact Group Benefits Strategies.

The Abacus Group Report:

Good Health Gateway® Diabetes Rewards program report – Ms. Loiselle reviewed the 2nd quarter report of the fifth year of the program. She said that there are 1,277 CCMHG members diagnosed with diabetes. She said 40% of identified diabetics were enrolled with 50% of those compliant with all care elements of the program. She said that estimated savings for the quarter was \$209,472. She said that it takes a little time for members to become compliant with all care requirements.

Debb Jardin reviewed the quarterly promotional activities for the Diabetes Rewards program including attending health fairs, targeted mailings such as welcome kits and congratulations/regret letters in addition to in and out-bound phone calls.

My Medication Advisor® report - Linda Loiselle reviewed the CY14 My Medication Advisor report through March 31, 2014, comparing budgeted utilization, expenses and savings with actual figures. She said that the projections were lowered due to the anticipation of the elimination of the drug Lipitor. She said Lipitor is still available since it is still sold at a lower cost outside of the U.S. than its generic counterparts. She said that utilization of the Alternative Generic Savings Program is slightly higher than the projection. Ms. Loiselle reported a total net savings from the programs of \$225,792. She said employees saved \$64,650 in waived copays. Ms. Loiselle said that the new medication lists are attached to the financial reports and are also available on the CCMHG website.

Noreen Mavro-Flanders recognized Debb Jardin and thanked her for attended so many of the CCMHG health fairs this open enrollment season.

GBS Reports:

Carol Cormier said that some of the CCMHG units have received letters from the MA Independent Pharmacist Association (MIPA) regarding the international prescription buying program. She said that the letters may

sound intimidating, but said the challenges are based on false information. Ms. Cormier said that a response was sent to MIPA from CCMHG. She asked anyone who receives a letter to let her know.

Funding Rate Analysis with data through March 2014 - Carol Cormier reviewed the report Summary and said that the health plan funding through the rates exceeded claims and administration expenses by \$4.3 million which is an expense-to-funding ratio of 95.7%. She said that the dental plans' expense-to-funding ratio was 92.9%.

Ms. Cormier noted that the Retiree Drug Subsidy information on the GBS reports are the amounts when earned, while the Treasurer's report reflects amounts when the monies are received. She said that the government is reducing the amount of reimbursement by 2%, which is about a \$27K reduction for CCMHG. She said that the SC will be reviewing the possibility of moving to the EGWP (Employer Group Waiver Plan) for the retiree plans in CY15. She said there will be more information at a future Board meeting.

Vote to approve FY15 non-subsidized rates for potential new employers:

Noreen Mavro-Flanders said that as a matter of practice, the Steering Committee is recommending voting on the non-subsidized health plan rates should new entities apply for membership to CCMHG.

Carol Cormier reviewed Scenario E, the current rates and Scenario G, the proposed FY15 non-subsidized rates.

Skip Finnell made a motion to approve the non-subsidized rates as presented on Scenario G for FY15.

Jim Weiss seconded the motion. The motion passed unanimously.

Motion

Vote to ratify Single Parent/Single Child (SP/SC) rating tier for HPHC plans and change in basis of payment for HPHC administrative fees:

Noreen Mavro-Flanders said that there is going to be a change to how HPHC will be billing the administrative fees for the SP/SC rating tier. She said it used to be billed as 2 separate individual plans and it will now be billed as a 2-person tier.

Carol Cormier said that HPHC will be charging a cost per contract free and will be revenue neutral. She noted that BCBS charges the same way for their SP/SC tier. Ms. Cormier said effective July 1, 2014, the administrative fee will be \$65.26.

Bill Hickey said that they have to charge this way to be able to track the child to the parent/employee.

Skip Finnell made a motion to reatify the vote for the SP/SC rating tier and approve the cost per contract administrative fee of \$65.26.

Jim Weiss seconded the motion. The motion passed by a unanimous vote.

Motion

Discussion about possible Retiree Drug Subsidy (RDS) distribution:

Noreen Mavro-Flanders said that the Steering Committee is recommending a distribution of the FY10 RDS reimbursement to the employers. She said the total distribution is \$1,381 million and said that the FY06 through FY09 RDS monies were distributed in previous years. Ms. Mavro-Flanders said that the distribution is based on the January 2010 enrollment count of the retirees on eligible plans. She said that the list is included in the meeting packet.

Skip Finnell made a motion to approve distributing the FY10 RDS monies to the employers.

Motion

Jim Weiss seconded the motion.

Noreen Mavro-Flanders said the checks will be distributed in June unless the Treasurer is notified to hold the distribution until July.

A vote was taken and passed unanimously.

MA Municipal Reinsurance Arrangement (MMRA) :

Noreen Mavro-Flanders said that the CCMHG representatives on the Board of the MMRA are Skip Finnell and Erin Orcutt. She said the next meeting will be held on May 8, 2014.

Carol Cormier said that in addition to the CCMHG, the West Suburban Health Group (WSHG) and Minuteman Nashoba Health Group (MNHG) are participating. She said that the final documents will be reviewed and all the reporting should be the same. Ms. Cormier said that Berkley Life Ins. Co. is the carrier and will reimburse claims for any member with excess claims of \$800K. She said that Gallagher Benefit Ins. Services is pooling risk of the three joint purchase groups and self-funding individual claims between \$300K and \$800K.

Ms. Cormier said that the reinsurance pool, the “captive”, will be managed by Artex Risk Solutions, a wholly owned subsidiary of Arthur J. Gallagher. She said that the money in the pool that is not used to pay high cost claims will be paid to the groups as dividends.

Skip Finnell noted that all the joint purchase groups will pay the same rates and have the same policy terms and said the arrangement is similar to that of the JPG arrangement.

Update on Affordable Care Act:

Carol Cormier said that the CCMHG units are all currently compliant with the Affordable Care Act requirements.

Health Plan Reports:

Blue Cross Blue Shield of MA – Suzanne Donahue said the Colonoscopy Incentive program cards and phone calls to members will happen during the week of May 6, 2014. Ms. Donahue said that the ACA will require prescription drug copays to be counted towards the Out-of-Pocket (OOP) Maximum starting on July 1, 2015. She said the OOP maximum may need to be adjusted.

Tufts Health Plan senior plans – Fred Winer said he had nothing new to report.

Delta Dental Plans – Nina Conroy thanked everyone for a successful open enrollment season and the coordination and consolidation of the health fairs. She said that the reps appreciated everyone's efforts.

Harvard Pilgrim Health Care – Bill Hickey said that the shingles vaccine will be covered with \$0 co-pay for members over the age of 50. He said that the vaccine on the Medicare Part D plans are covered as a Tier 3 prescription copay.

Deanna Desroches asked Mr. Hickey to forward her information on the benefit to consider adding to the wellness newsletter.

Other Business:

There was no other business.

Jim Weiss moved to adjourn the meeting.

Motion

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

Noreen Mavro-Flanders adjourned the meeting at 11:39 AM.

*Prepared by Carol Cormier
Group Benefits Strategies*