

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

**STEERING COMMITTEE**

Wednesday, May 29, 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, May 29, 2013 at the Town of Sandwich Municipal Office Building, Sandwich, 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
Marie Buckner	Town of Sandwich
Susan Milne	Town of Yarmouth
Debra Blanchette	Town of Barnstable
Heather Harper	Town of Falmouth
Gerry Panuczak	Town of Chatham
Maggie Downey	Barnstable County

**Guests Present:**

Richard Bienvenue, CPA	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant
Paula Champagne	Town of Harwich
Beverly Haley	Dennis-Yarmouth RSD
Suzanne Donahue	Blue Cross Blue Shield (BCBS)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Fred Winer	Tufts Health Plan (THP)
Nina Conroy	Delta Dental of MA
Carol Cormier	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Skip Finnell, Chair, called the meeting to order at 9:00 a.m.

**Approval of the Minutes of the April 24, 2013 meeting:**

Noreen Mavro-Flanders motioned to approve the minutes of the April 24, 2013 meeting.

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

Motion
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**GBS Reports:**

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with data through April 2013 and said the expense-to-funding ratio for health plans was 97.3% and for dental was 89.3%. Ms. Cormier noted that the Harvard Pilgrim EPO plan was underfunded by \$1.6M, but overall funding was \$2.82M over expenses.

Maggie Downey joined the meeting.

Stop Loss Reports- Karen Carpenter reviewed the FY12 Stop Loss report with claims paid through April. She said that total reimbursements received were \$526,503. Ms. Carpenter reviewed the FY13 Stop Loss report with claims paid through April and said that there are 8 claimants that have exceeded the deductible. She said the total paid claims on these two members is \$3.33M. Ms. Carpenter said that the Aggregating Specific Deductible has been met. She said that total reimbursements received were \$78,043 and reimbursements due CCMHG total \$358,018. Ms. Carpenter said that there are 19 claimants that have reached 50% of the deductible with claims totaling \$3.9M.

Reinsurance pooling arrangement legal opinion- Carol Cormier said that GBS asked for a legal opinion on the proposed multi-level reinsurance pooling arrangement (MLRPA) and said the lawyer's opinion is that that JPGs have the authority to enter into this type of reinsurance pooling and captive arrangement. She said that the formal opinion is included in the meeting packet.

Diabetes Program Report – Carol Cormier reviewed the diabetes rewards program report prepared by the Abacus Group for September 2012 to February 2013. She said that CCMHG has met the enrollment goal of 40% of those eligible to participate in the program with 507 members enrolled. She said that \$42,160 in member co-payments were waived and the estimated net employer savings is \$154,591. Ms. Cormier noted the program promotions that the Abacus Group conducted and listed on the report.

Maggie Downey said that Linda Loiselle from Abacus is planning to attend the next Wellness Committee meeting.

myMedicationAdvisor® - Carol Cormier reviewed the report through March provided by The Abacus Group and said that the program runs from January to December. She said that the total net savings of \$172,008 for the international prescription buying program beats the projections. She said that the program is on target for the alternative generic savings program purchases.

There was a discussion about the enrollment process of the program.

#### **Treasurer's Report:**

Treasurer, Rich Bienvenue, CPA, reviewed the financial statements through March 31, 2013 (unaudited figures). He said that the total operating cash was \$19M which was down from this time last year. He said that the Unreserved Fund Balance was \$23.6M as of March 31, 2013 and said the current year decrease is just under \$500K.

Sue Milne asked about the July 2012 cash receipts of \$13.7M and said that they do not match the cash receipts analysis.

Mr. Bienvenue said that he will review the report and make any necessary corrections.

Heather Harper motioned to approve the treasurers report as presented.

Motion
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Noreen Mavro-Flanders seconded the motion. The motion passed by a unanimous vote.

Rich Bienvenue noted that he is working on getting the on-line web accounting system up and running. He said that he hopes to do this by July 1, 2013 and said that he will run the system in parallel with the current process for a few months to insure accuracy.

#### **FY14 Reinsurance Procurement and reinsurance pooling proposal updates:**

Carol Cormier said that it is highly unlikely that the reinsurance pooling arrangement proposed will happen for July 1, 2013. She said that she received reinsurance proposals late yesterday afternoon and

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will review them at the next meeting. Ms. Cormier said that the quotes submitted by AIG were high and said that AIG concludes that CCMHG has been under-rated due to the competitive RFQ process.

Ms. Cormier said that she spoke to Tracey May, Gallagher Benefits Insurance Services, and said he communicated to her that AIG does not want to participate in the commodity marketplace. She said that the RFQ process will be business as usual for the FY14 reinsurance procurement. Ms. Cormier said that she would email the spreadsheet of the quotes received to the Steering Committee. She said that the quotes received were from BCBSMA, HM Insurance, and National Union Fire Insurance (an AIG company).

Ms. Cormier asked Suzanne Donahue about the relationship between BCBSMA and HM.

Ms. Donahue said that BCBS of MA does not have a relationship with HRMP. She said BCBS of Pennsylvania has a relationship with HM. She said BCBS has priced the rates correctly over the past several years.

Skip Finnell asked what the other JPGs think about the delay of organizing a pooling arrangement for the reinsurance business.

Carol Cormier said that most are interested in the concept. She said WSHG was disappointed about the delay. She said that there are a lot of details to work through, and she said she expects to receive draft documents from Gallagher in July.

Skip Finnell asked Ms. Cormier to try to obtain the documents for July 1 so that the JPG representatives could meet late July or early August to review them.

Heather Harper suggested working on a strategy to ramp up the budget to cushion the expected increase of the pooling rates and the working capital.

Carol Cormier said that the FY15 rates won't be available until sometime in April of 2014.

There was a discussion about how much of an increase to expect.

**Proposed PBS Contract and BAA:**

Carol Cormier distributed the PBS Contract and said it expired May 14, 2013. She said that the new contract is a three year renewal with no increases. Ms. Cormier said the Business Associate Agreement (BAA) has been updated to conform to the new HIPAA laws.

The Steering Committee discussed the dates of the contract and asked Ms. Cormier to suggest changing the end date of the contract to June 30, 2016 to coincide with the CCMHG fiscal year.

There was a discussion about how the subscriber fees are determined.

**Chapter 41,S. 111F issue update:**

Heather Harper said that during the time it takes for the Town of Falmouth to review Leave of Disability (LOD) claims, the medical claims are paid through CCMHG health plans. Ms. Harper said once the leave is approved, the claims are adjusted and billed to the disability insurance. She said that the fire union monitors these claims closely.

Carol Cormier asked Ms. Harper to speak about this topic at the next CCMHG Board meeting.

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Suzanne Donahue suggested it may be helpful for BCBS to speak to this issue. She said that she has already reached out to several CCMHG communities. She suggested sending a letter with the HPHC and BCBS information to the employers.

The Steering Committee agreed a letter sent to the employers would be helpful.

**Steering Committee Vacancy:**

Skip Finnell said that as announced at the last Steering Committee meeting, Sue Milne is retiring and her service on the Committee will end in August. Mr. Finnell thanked Ms. Milne for her service and wished her well.

Carol Cormier said that there was interest from one person who attends most of the Board meetings and some Steering Committee meetings. She said that the district is going to appoint this person to the Board.

Skip Finnell asked Ms. Cormier to request a short biography and a resume from the interested party(ies) and send them to the Committee.

**Wellness Committee Report:**

Maggie Downey introduced Paula Champagne, Health Director for Town of Harwich and said that she is one of the Wellness Committee members. She said that Deanna Desroches will present the proposed wellness budget and programs for FY14 for the mainland. Ms. Downey said that the Martha's Vineyard wellness committee will submit its budget and program proposal at a later date.

Deanna Desroches reviewed the FY13 approved wellness budget and programs in comparison to the proposed FY14 wellness budget and programs. She noted that 3 additional programs have been proposed for FY14 to include two "Healthy Me Programs", two "Couch to 5K Running Programs" and two "5K Walk It Off" programs. Ms. Desroches said that the FY14 proposed budget is \$181,335 as compared to the FY13 approved budget of \$168,285. She noted that \$30,000 was added to the FY13 budgeted total to reflect the Screening Incentive program that was approved by the Board at a later date. Ms. Desroches reviewed the FY13 budget with the actual dollars spent.

There was a discussion about the increase in administrative duties to include Committee and Board meeting attendance and the Martha's Vineyard Coordinator search.

The Committee agreed to ask a lawyer to review the Wellness Consultant Contract and propose more detailed language..

Skip Finnell asked Carol Cormier to contact Attorney Bill Butler to see if he was available to draft a contract.

Maggie Downey made a motion to approve the FY14 CCMHG Wellness Budget and Programs as presented for a total budget of \$181,355.

Motion
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Noreen Mavro-Flanders said that the MV Wellness Committee will meet with Ms. Desroches to work on a budget proposal for Martha's Vineyard.

Paula Champagne said that some of the wellness programs are systemwide, such as the Incentive Program, Newsletter and Bio screenings.

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

EGWP – BCBS Medex – Carol Cormier reviewed a spreadsheet showing the RDS monies received for Medex and Medicare Enhance over 3 years compared to the expected CY13 savings through the rates

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from changing to a Medex or Medicare Enhance plan with Medicare Part D built in, i.e. an EGWP plan. She said that she distributed a similar exhibit at a prior meeting and said that due to the overfunding of the Medex plan, the savings would be lower than previously presented if one is basing the calculation on claims plus administrative costs rather than rates. Ms. Cormier said that the expected savings per contract from moving to EGWP the BCBS Medex Part D plan is \$34.65 vs. \$43.93 from RDS. She said that the savings for the HPHC Medicare Enhance Part D plan is \$14.44 vs. \$30.80 from RDS. She noted that the OPEB liability is decreased with the Part D plans and that the savings are shared with the retiree; whereas, the RDS money is all Plan Sponsor money.

Fred Winer noted that members would not be eligible to participate in the MMA and Diabetes Rewards Programs if the Board chooses to move to Part D plans.

Gerry Panuczak said that the retirees are paying a higher premium now and would appreciate lower rates.

Maggie Downey said that if a change is made to the Part D plans, it is important to communicate to the retirees about the out-of-pocket expenses that may result.

Noreen Mavro-Flanders asked why CCMHG, as a health group, would consider OPEB as part of the decision making, when it is an issue that the towns are addressing.

Skip Finnell said that it is a decision for the Board to make and said that the Steering Committee will make a recommendation at the July meeting. He asked to add this topic to the July Board Agenda and to the June Steering Committee Agenda to discuss a recommendation.

**Health Plan Reports:**

Delta Dental – Nina Conroy said that the health fairs were successful. She said that some of the units combined their health fairs regionally and suggested looking at the overall scheduling of the CCMHG health fairs for next year. Ms. Conroy said that there were some fairs that were scheduled for the full day and participation was very low.

The health plan account executives agreed with Ms. Conroy.

The Steering Committee members agreed to discuss the process and the possibility of setting up guidelines for the health fair scheduling.

Carol Cormier asked the health plans to send a list of guidelines that they would recommend.

Gerry Panuczak suggested setting up 3 or 4 regional health fairs each year and assign towns based on their location.

Maggie Downey suggested rewarding town managers with rate reductions similar to what MIIA does.

Heather Harper suggested thanking the units for their continued membership in CCMHG and saying this is what we are doing for you.

Nina Conroy thanked the Committee for their support and said she looks forward to improving the process going forward.

Heather Harper left the meeting.

Harvard Pilgrim Health Care (HPHC)- Bill Hickey said that HPHC is making a change in the way that it covers compounding pharmacy prescription medications. Mr. Hickey said that HPHC will require a

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review through an exception process for members age 18 and older, effective August 7, 2013. He said that children under age 18 will not be affected and noted that compounded drugs were typically for remixing of prescriptions to reduce the dosage or to liquify a drug for children. He said that the costs and volume of compounding drugs has escalated due to anti-aging medications and other life-style drugs that are included in the compounding. Mr. Hickey said that this change will impact 33 CCMHG HPHC members. He said that HPHC will contact the members.

*Blue Cross Blue Shield (BCBS) -*

Suzanne Donahue said she will find out if BCBS is planning to make any changes to the way they cover compounded drugs. Ms. Donahue distributed a sample letter that could be used to dovetail with the Diabetes Rewards Program to remind diabetic members of the status of their medications and testings. She said that the diabetes compliance rates are very good across all of the JPGs.

*Tufts Health Plan* – Fred Winer said there was nothing new to report.

**Other Business:**

*Investment Committee vacancy* – Skip Finnell said that there is also a vacancy on the Investment Committee with the retirement of Sue Milne and asked if there was any interest on the part of any of the Steering Committee members.

Debra Blanchette said that she would be happy to serve on the Investment Committee.

There was no other business.

Noreen Mavro-Flanders moved to adjourn.

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

Chair Skip Finnell adjourned the meeting at 11:40 AM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*