

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

STEERING COMMITTEE

Wednesday, June 26, 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, June 26, 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
Gerry Panuczak	Town of Chatham

Guests Present:

Deanna Desroches	CCMHG Wellness Consultant
Joyce Mason	Town of Mashpee
Susan Wallen	Nauset Regional School District
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)

Skip Finnell, Chair, called the meeting to order at 9:08 AM.

Approval of the Minutes of the May 29, 2013 meeting:

Gerry Panuczak motioned to approve the minutes of the May 29, 2013 meeting.

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

Motion

Treasurer’s Report:

Mr. Finnell said that Treasurer Richard Bienvenue was not able to attend the meeting but sent his report with financial data through April (unaudited figures).

Marie Buckner distributed the Treasurer’s report.

Carol Cormier said that Mr. Bienvenue said that there was nothing remarkable to report.

Gerry Panuczak noted that the projections were not included in the report.

GBS Reports:

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis by Plan with health plan data through May 2013. She said that the May data for the dental plans had not been received. Ms. Cormier said the expense-to-funding ratio for health plans was 98.5%, up almost a percent from April. Ms. Cormier noted that the Harvard Pilgrim EPO plan continues to be underfunded, now by \$1.5M. She said overall across all plans funding was \$1.7M over expenses.

Stop Loss Reports- Carol Cormier reviewed the FY13 Stop Loss report with claims paid through May. She said that total reimbursements received were \$405,781 with over \$350K coming in the last month. She said that there 8 claimants on the report and that 3 of them are deceased. Ms. Cormier reviewed the FY12 Stop Loss report with claims paid through May 2013 and said that there are 12 claimants that have exceeded the deductible with 5 now deceased. She said that reimbursements for FY12 were almost \$539K. Ms. Cormier reviewed the reports showing claims between 50% and 100% of the deductible for each policy period.

Deb Blanchette asked about the possibility of distributing additional Retiree Drug Subsidy (RDS) money to the CCMHG participating employers.

It was noted that FY06, FY07 and FY08 RDS monies had previously been distributed.

Skip Finnell asked Ms. Cormier to put distribution of RDS money on the Steering Committee and Board agendas for the July 24th meetings.

Wellness Program report:

Deanna Desroches, CCMHG Wellness Consultant for the mainland, reported on the FY13 programs. She said that 400 employees started the Walking program, and 219 completed it over eight weeks. She said the Wellness Newsletter will be coming out in July. She said the Brown Bag lectures in Barnstable went well with 15 people attending the stress lecture. She said fewer people participated in the family nutrition lecture.

Noreen Mavro-Flanders said that the Vineyard had its annual health fair and employers pooled all of their wellness stipends to provide incentives for employee participation. She said she and the Vineyard wellness committee met with the Vineyard Wellness Consultant, Krystal Rose, three weeks ago. Ms. Mavro-Flanders distributed and reviewed Ms. Rose's program and budget recommendations for the Vineyard for next year. She said that initially Ms. Rose wants to focus on tic-borne diseases.

Skip Finnell suggested getting other health boards and agencies involved and helping with funding.

Ms. Mavro-Flanders discussed additional program recommendations including biometric screenings targeting schools, a "Maintain, Don't Gain" program over the holidays, and a public safety fitness program.

There was a discussion about whether the CCMHG should purchase and own a printer for Ms. Rose. It was decided that as contractors, the Wellness Consultants are responsible for providing any needed basic equipment such as computer and printer, if needed.

Marie Buckner moved to approve the FY14 Vineyard wellness budget of \$36,000 as presented.

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

Motion

Deanna Desroches asked about the status of her contract.

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Carol Cormier said she contacted Attorney Bill Butler about drafting the contract and referred him to Marie Buckner and Maggie Downey for scope of services information.

Skip Finnell said Mr. Butler agreed to draft the contract in his capacity as the attorney for the Barnstable Public Schools, a member of CCMHG.

Noreen Mavro-Flanders moved to re-engage the Wellness Coordinators, Deanna Desroches and Krystal Rose, for FY14 with contract language to follow.

Motion

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

FY14 Reinsurance procurement and reinsurance pooling arrangement:

Carol Cormier reviewed the quotes from three brokers. She said she recommended going with the current broker, Stop Loss Insurance Services, and the current reinsurer, Blue Cross Blue Shield of MA with the policy with a \$2 million annual maximum per claimant and no lifetime maximum and other policy terms the same as current except that the laser has been removed. She said the rate increase is 15.5% and the increase in total liability, taking into account the \$500K Aggregating Specific Deductible, is 11.0%.

Noreen Mavro-Flanders moved to maintain BCBSMA as reinsurance carrier for FY14 through the brokerage of Stop Loss Insurance Services with policy terms same as the FY13 policy but without the laser.

Motion

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

Skip Finnell asked Ms. Cormier to request the outstanding documents on the proposed reinsurance pooling arrangement from Gallagher Benefits Insurance Services by July 1. He said that all documents should be in order by December 1 if there are joint purchase groups interested in doing this for July 2014. He said that he wants sufficient time to consider the details of the proposed arrangement.

Gerry Panuczak said that perhaps the reinsurance market isn't as bad as has been portrayed.

Carol Cormier said that last year GBS was only able to secure one or two reinsurance quotes per client.

Bill Hickey said that Harvard Pilgrim owns a TPA and so gets involved with reinsurance procurement. He said the reinsurance carriers say they are not interested in the public sector market. He said there is no problem with the private sector market but that there is with the public sector market.

Proposed PBS Contract and BAA:

Carol Cormier said PBS made the requested change to the term of contract and she recommended signing the contract and the updated Business Associate Agreement. She noted that the fees for the alternative Rx programs have not increased since the program's inception.

Noreen Mavro-Flanders moved to approve and execute the contract with Prescription Benefits Services as proposed through June 2016 and the BAA.

Motion

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

Steering Committee vacancy:

Skip Finnell said that Sue Milne's retirement will leave a vacancy on the Committee. He thanked Ms. Milne for her service to the CCMHG on the Board and Committee and for her good questions. Mr. Finnell noted that Susan Wallen, Nauset Regional School District, and Joyce Mason of Town of Mashpee

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were in attendance and that both had submitted letters expressing interest in serving on the Committee. He thanked them for their interest and for their participation to date in the CCMHG.

He asked Ms. Mason and Ms. Wallen to speak of their interest and qualifications which they did.

Gerry Panuczak asked each candidate about their commitment to attending meetings, and both applicants said that they would intend to attend every meeting and would block out the time on their schedules.

Joyce Mason said that she had previously applied to fill a vacancy on the Committee but then withdrew to allow Heather Harper to run for the position.

Skip Finnell asked if there was a precedent for having a Steering Committee recommendation to the Board to fill vacancies.

Carol Cormier said that the Committee had made recommendations when there was only one interested party but said that when there were several candidates, there had been a balloting of Board members.

Marie Buckner suggested having an alternate Steering Committee member who could vote in the absence of any member of the Committee.

Carol Cormier said that she thought having an alternate Steering Committee member, i.e. a tenth member, was a good idea but would require an amendment to the Joint Purchase Agreement (JPA).

There was a discussion and the Committee members agreed to the concept of having one alternate committee member. It was agreed that the process of amending the JPA to allow for this should begin at the July meeting. It was also agreed that the vacancy left by Sue Milne would be filled at the July 24th Board meeting by election without recommendation from the Steering Committee.

Employer Group Waiver Plan (EGWP) versus Retiree Drug Subsidy (RDS):

Carol Cormier said she planned to avoid using the term “EGWP” and would use the term “Part D plan” referring to the fact that the plans would incorporate an approved Medicare Part D prescription drug plan. She reviewed the *pros* and *cons* of each option and the updated information on the comparison of savings from offering Medex and Medicare Enhance as Part D plans versus offering them with the Retiree Drug Subsidy (RDS). This information had also been reviewed at the previous meeting. She said when the savings comparison is based on actual costs for this year, i.e. claims plus administrative costs, rather than on the rates, the savings from going to Part D plans is reduced considerably. She said both plans are currently over-funded. Ms. Cormier said that, nevertheless, she thinks moving to Part D plans is the more attractive option because of the reduction to the OPEB liability that will result from the lower Part D plan rates which will be the result of lower prescription drug costs.

After reviewing the materials the Committee discussed the options.

Skip Finnell said he would like to wait till the next meeting to take a vote on the Committee’s recommendation to the Board but asked if there was a consensus among those attending this meeting. He said he would like to hear from a Town Manager on this topic.

Joyce Mason, Mashpee Town Manager, said that the employers are very interested in reducing the OPEB liability and so are likely to support the Part D plan option.

The consensus among the Committee members was to move to Part D plans.

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Mr. Finnell said he hopes there will be full attendance at the July 24th meeting, and the Committee will vote on its recommendation to the Board.

Deb Blanchette said that the Medex and Medicare Enhance members will lose access to the myMedicationAdvisor® (MMA) and the Diabetes Rewards Program®.

Carol Cormier confirmed that because under a Part D plan the prescription drugs will be fully insured rather than self-funded, the members will lose eligibility for the two programs administered by The Abacus Group, i.e. myMedicationAdvisor® plans and Diabetes Rewards Program®. She said she will inform The Abacus Group so that they can prepare the proposed transition plan to terminate or phase out these programs for the Medex and Medicare Enhance members.

Skip Finnell requested that Abacus be invited to the July 24th Board meeting to present a proposal to transition Medex and Medicare Enhance members using the programs they administer out of these programs.

Chapter 41,S. 111F issue update:

Carol Cormier said that she had nothing to present on this topic and that Heather Harper, Town of Falmouth, is the person dealing with this issue with BCBSMA.

Suzanne Donahue explained how BCBSMA was working with Town of Falmouth to make sure the proper payer is covering 111F claims. She said BCBSMA is preparing a memo on this issue that can be shared with the CCMHG employers.

Health and Dental Plan Reports:

Tufts Health Plan – Fred Winer said that Tufts has submitted its proposals for the CY14 senior plans and rates to CMS. He said the Affordable Care Act will add costs to the senior plans so the rates will increase more than Tufts would like.

Delta Dental – Nina Conroy said that as the Committee had requested she and the health plan account executives reviewed the information from the FY13 health fairs and were making proposals for some modifications for next year. She said Bill Rowbottom, BCBS, had done much of the work on this. She distributed data on health fair attendance and reviewed the four major recommendations.

Skip Finnell said the recommendations for health fairs should be presented at the July Board meeting.

Ms. Conroy discussed the transition to the national network for the contributory dental plan.

Harvard Pilgrim Health Plan – Bill Hickey said there was nothing to report and that all was well at HPHC..

Blue Cross Blue Shield of MA – Suzanne Donahue said that BCBS tested all of the CCMHG's plans for mental health parity and all plans passed the tests. Ms. Donahue said that on July 1 the Medex plan will go to a 3-tier prescription drug co-pay arrangement. She said that the members will be used to this arrangement if Medex becomes a Part D plan on January 1, 2014. She said members will like the fact that they'll get a monthly expenditures report.

Other Business:

Skip Finnell said the July 24th meetings are set: 8:30 AM for Steering Committee, 10 AM for the Affordable Care Act seminar presented by Atty. Joseph Bartulis, and 11:30 for the Board meeting, all at

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Centerville Osterville Marstons Mills Fire District. He said he thought there would be no need for a meeting in August. Mr. Finnell set a September meeting for the morning of the 16th on Martha's Vineyard.

Noreen Mavro-Flanders moved to adjourn.

Motion

Deb Blanchette seconded the motion. The motion passed by unanimous vote.

*Prepared by Carol G. Cormier
Group Benefits Strategies*