

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

Wednesday, July 21, 2004 at 9:30 A.M.
Centerville, Osterville, Marstons Mills Fire District
Centerville, MA

A meeting of the Board of the Cape Cod Municipal Health Group (“CCMHG”) was held on Wednesday, July 21, 2004 at 9:30 A.M. at the Centerville, Osterville, Marstons Mills Fire District. In attendance were:

Primary and Alternate Board Members Present:

Noreen Mavro-Flanders, Chair	Dukes County
Robert Whritenour, Steering Comm. Chair	Falmouth, Town of
Margaret Downey	Barnstable County
Robert Cecil	Barnstable Fire District
Robert Howard	Bourne Recreation Authority
Paula Ainsworth	Cape Cod Regional Transit Authority
Beth Fletcher	Chatham, Town of
Pat Perris	Chatham, Town of
Judy Sprague	COMM Fire District
Agnes Murray	Cotuit Fire District
A. Francis (Skip) Finnell	Dennis Yarmouth Regional School District
Judie Jardin	Dukes County
Joan Plante	Eastham, Town of
Peter Bettencourt	Edgartown, Town of
Marcia Templeton	Nauset Regional School District
David Withrow	Orleans, Town of
Marie Buckner	Sandwich, Town of
Walfred Lundstrom	Yarmouth, Town of

Guests Present:

Richard Bienvenue, CPA	Treasurer
Deanna Desroches	Wellness Committee
Mary McIsaac	Barnstable Fire District
Beryl O’Brien	Brewster, Town of
Robert Sanborn	Cape Cod Regional Technical School
Thomas Connolly	Mashpee, Town of
Brian Heaslip	Yarmouth, Town of
Irene Wright	Yarmouth, Town of
Anne Hart-Davies	Blue Cross & Blue Shield of MA (BCBSMA)
Bill Rowbottom	Blue Cross & Blue Shield of MA (BCBSMA)
Bill Hickey	Harvard Pilgrim Health Care (HPHC)
Anne Boisvert	Delta Dental Plan of MA
Carol Cormier	Group Benefits Strategies (GBS)
Joelle Carlberg	Group Benefits Strategies (GBS)

Chair Noreen Mavro-Flanders called the meeting to order at 9:37 a.m.

Approval of the minutes of the Board meeting of March 24, 2004:

Robert Cecil moved approval of the minutes of the March 24th Board meeting.

Judie Jardin seconded the motion. The motion to approve passed by unanimous vote.

Motion

Results of the CHIP program on Martha's Vineyard and Town of Falmouth - Dr. Thomas Sbarra and Amyrose Sager, *Cape Healthy Lifestyles*:

Dr. Thomas Sbarra provided a background on the impact of lifestyle on disease and on the CHIP program. He then gave a detailed presentation on the results from the CHIP programs that were held on Martha's Vineyard and in the Town of Falmouth. He said that *Cape Healthy Lifestyles* has a partnership with CCMHG to help improve lifestyles of employees and their families. He said it is not a healthcare crisis that we are dealing with, but rather a lifestyle crisis. He said the goal of the program is to get people to take better care of themselves and continue a healthy diet.

Dr. Sbarra introduced Amyrose Sager, the nutritionist who teaches the classes and does cooking demonstrations of heart healthy meals.

Bob Whritenour spoke on behalf of the Steering Committee. He said the Committee had searched for a Cape-based program and was pleased to have discovered *Cape Healthy Lifestyles*. He said CCMHG manages its own claims costs and should have a good Wellness outreach program. He said the Group is starting to make major accomplishments with Wellness. He thanked Deanna Desroches for her hard work and dedication as Wellness Coordinator. He said he encouraged feedback from members.

Maggie Downey mentioned that the County program dovetails with the CHIP program. She said the Outer Cape has had low participation.

Deanna Desroches said that the next CHIP program would be held at the Yarmouthport Fire Station starting on September 30th. She said the program following that would be in Eastham. She said she, or Joelle Carlberg, would be sending flyers by email to the entire Group once she has confirmed the introductory sessions with Dr. Sbarra and Ms. Sager.

Noreen Mavro-Flanders thanked Dr. Sbarra and Ms. Sager.

Treasurer's Report:Financial Statements -

Treasurer, Rich Bienvenue, presented the Treasurer's Report for month ended June 30, 2004 (unaudited figures). He said the Group was doing well in comparison to the same time last year. He reported total operating cash of \$23 million as of June 30, 2004.

Mr. Bienvenue reported net income for the trust fund as of June 30, 2004 of \$2,875,856 and \$99,898 for the dental fund. He said the total unreserved fund balance (health and dental) was \$11,414,567.

Mr. Bienvenue reminded the Board members of the Investment Committee's changes in account structure. He said the accounts are earning considerably more interest now.

Mr. Bienvenue reviewed his end-of-the-year projections that he updates each quarter.

Mr. Bienvenue distributed three reports (Member Payment Summary, Billing Summary and Balance Summary).

Status of FY03 Audit -

Rich Bienvenue said the auditor, Bill Fraher, was substantially done with all of the audit procedures. He said there had been some questions about the run-out claims. He said there would be a draft of the analysis on IBNR. Mr. Bienvenue said he was planning to complete the Management, Discussion and Analysis this coming weekend. He said he asked Mr. Fraher to attend the August 26th Steering Committee meeting to present the auditor's report.

Mr. Bienvenue said the FY04 audit was scheduled to start in August.

Noreen Mavro-Flanders said the Group was late with the FY03 audit, which is why the FY04 audit follows shortly after.

Wellness Committee Report:*Eating Essentials Program and Workshops -*

Deanna Desroches said there were eight units that participated in the healthy eating program with only 18 employees completing paperwork for entry into the drawings. She said five prizes were awarded. She called attention to the Prize Winner's List. She said five units took advantage of a healthy eating demonstration provided by the County Nutritionist, Sue Bourque. She said this program was met with very favorable response from participants, and she hoped that through word of mouth, the program would gain some momentum next year.

Update on CHIP program -

Deanna Desroches said Dr. Sbarra had given the formal presentation earlier in the meeting with the results from the successful Martha's Vineyard and Falmouth programs. She said, as stated earlier, the next program would be held at the Yarmouthport Fire Station starting September 30, 2004. She said introductory sessions and screenings would be held prior to the start of the program. She said the feedback from the first program was that the program was very good, but too long and should be shortened.

Update of Barnstable County Wellness Program -

Ms. Desroches said the County nurses did a wonderful job serving 261 employees at the following towns: Barnstable, Brewster, Chatham, Dennis, Eastham, Mashpee, Orleans, Provincetown, Sandwich, Truro, Wellfleet and Yarmouth.

Ms. Desroches said a pilot program with the Dennis-Yarmouth school system would begin this September and the program would allow for the county to be in the schools during the school day to provide services to the teaching staff.

Upcoming Walking Program -

Ms. Desroches said the next *Get Up and Get Going* Walking Program would take place during the month of October. She said participants would be asked to add a little more mileage this year and walk a mile a day or 31 miles minimum for the month. She said she was looking for volunteers to start some walking groups or, at the very least, open up some discussion about the topic.

Upcoming CCMHG Family Wellness Night in Barnstable -

Ms. Desroches said there would be a Family Wellness Night, for all family members to attend, on Friday, August 13, 2004 at the Barnstable High School. She said the Family Night would provide the following: complementary medical providers such as Yoga, Chiropractic, Reiki, Acupuncture, Aromatherapy and massage therapy, screenings for blood pressure, hearing and eyes, county professionals with materials on Lyme Disease and Deer Ticks, Sun Exposure and nutrition and Child Identification Program (which takes a dental impression of the child's teeth). She said the *Cape Cod Hip Hop and Jazz* would be there.

Ms. Desroches said there would be a Wellness Workshop sometime in the fall for Benefit Administrators. She said it would hopefully be held on a Friday in November and there would probably be a CHIP luncheon.

Deanna Desroches, Maggie Downey and Skip Finnell left the meeting at this time.

Noreen Mavro-Flanders thanked Ms. Desroches for her report.

Steering Committee Report:

Bob Whritenour gave a detailed update on what the Steering Committee has covered over the past few months.

Voluntary Dental Plan -

Mr. Whritenour said employees had expressed some unhappiness with the level of benefits that the Voluntary Dental plan provided. He said the Steering Committee sought quotes for Voluntary Dental. He said there were three respondents, each of whom presented their proposals to the Committee. He said

following the presentations, the Committee decided to stay with the current carrier, Delta Dental, and go with Delta's new Enhanced Voluntary product. He said he wanted to give special recognition to Anne Boisvert and to GBS for their work on this project.

Treasurer's Contract -

Mr. Whritenour said the Committee entertained a contract proposal for continued Treasurer's services from Rich Bienvenue. He said Mr. Bienvenue request level funding of his 3-year contract. He said the Committee approved the contract with the proposed funding with the inclusion of \$600 annually for expenses.

Mr. Whritenour said there was also a discussion on the level of Treasurer's bond and exposures and the Committee voted to increase it to \$1 million effective immediately.

FY03 Audit -

Mr. Whritenour said that the Steering Committee met with the new auditor, Bill Fraher, C.P.A. regarding the FY03 audit. He said there was a discussion of the IBNR. He said the IBNR estimate would be reduced in future financial statements. He said that he thought it was good to have a new approach to things.

Reinsurance Request for Quotations (RFQ) -

Mr. Whritenour said the Committee sought quotes for the FY05 reinsurance. He said after a review of the quotes, the Committee voted to accept the proposal from Life Investors Insurance Company of America (LIICA), presented by the current broker, American Stop Loss. He said the quote represents a 9.1% decrease from the current reinsurance rates.

Investment Subcommittee -

Mr. Whritenour said the Committee oversaw the work of the Investment Subcommittee, which issued an RFQ for investment management services. He said the Subcommittee's report would be presented later in the meeting.

Wellness -

Mr. Whritenour said the Committee oversaw the work of Deanna Desroches, the Wellness Coordinator. He said a special wellness meeting was held with a Subcommittee of the Steering Committee and the Wellness Coordinator to discuss programs and priorities. He said Dr. Sbarra and Ms. Sager of *Cape Healthy Lifestyles* attended a separate meeting to discuss future approaches to the CHIP program.

Mr. Whritenour said the Committee updated the Wellness Coordinator contract.

Level Monthly Deposits -

Mr. Whritenour said the Committee negotiated the BCBSMA Level Monthly Deposit. He said the HPHC Level Monthly Deposit would stay the same.

Request from Employers to add plans -

Mr. Whritenour said the Committee approved requests from Oak Bluffs Water District, Town of Oak Bluffs and Cape Cod Regional Transit Authority to add additional plans from the CCMHG menu of sponsored plans.

Same-sex marriage -

Mr. Whritenour stated that the Steering Committee reviewed the issues around same-sex marriage and recommend to the Board that CCMHG approve offering COBRA equivalent coverage to covered spouses of same-sex marriage.

BCBSMA PPO Screening Benefit Option -

Mr. Whritenour said the Steering Committee reviewed the possible benefit change to the BCBSMA PPO plan. He said the Committee's recommendation was to approve this change. He said this was an item on the agenda to be discussed later in the meeting.

Canadian Prescription Drug Purchasing -

Mr. Whritenour said the Committee would be holding meetings with different vendors offering Canadian prescription drug purchasing programs. He said the Committee is still in the gathering data phase on the prescription drug purchasing issue.

Investment Committee Report:

Rich Bienvenue talked about the progress that the Investment Committee has made. He said that the committee members were Jeff Cannon, Wally Lundstrom and himself. He said that the Subcommittee had issued an RFP for Investment Management services and interviewed respondents. He said that they had unanimously agreed that Rockland Trust was the best fit for the CCMHG and that the Steering Committee had approved this selection. He said Jeff Cannon was handling the start-up with Rockland Trust. He said there might be more information to present on this at the next meeting.

Mr. Bienvenue said that the Navigator accounts were at 0.9% interest rate, and the bank has discontinued these. He said that there is now a money market account that is collateralized and earns 1.4%. He said the Rockland Trust account into which he has also deposited money is at 1.75%. He said the change in account structure is earning the Group considerably more interest. He said the initial investment was \$5 million.

Wally Lundstrom said the Investment Committee had received several responses to the RFP. He said Bank North, Merrill Lynch and Rockland Trust made presentations.

Group Benefits Strategies Reports:BCBSMA Level Monthly Deposit - Quarterly Settlement Accounting -

Ms. Cormier said that for the fourth quarter of FY04, actual BCBSMA paid claims totaled \$14,697,116 and the CCMHG had a debit balance at the end of the quarter of approximately \$1.7 million. She said the new BCBSMA Level Monthly Deposit is \$5.2 million.

HPHC Level Monthly Deposit - Quarterly Settlement Accounting -

Ms. Cormier said that for the fourth quarter of FY04, actual HPHC paid claims totaled \$3,595,220 and the CCMHG had a debit balance of approximately \$353,720. She said the HPHC paid claims have been pretty consistent. She said Bill Hickey informed her that HPHC is now requesting an increase in the deposit and said that there would be a discussion about this at the next Steering Committee meeting.

Funding Rate Analysis by Plan for FY04 -

Carol Cormier reviewed the Funding Rate Analysis Report for the Health and Dental plans through June 2004. She said that overall there was a funding surplus for the health plans of approximately \$5,535,254 (paid basis). She said the health plan expenses were 93.1% of the overall funding as of June 30, 2004.

Ms. Cormier said that as of the last month of FY04, the contributory dental plan expenses were 92.6% of the overall funding for the plan resulting in a funding surplus of \$197,037 (paid basis).

Stop Loss ReportsFY04 Policy Period

Joelle Carlberg reviewed the 7/03-6/04 policy report with claims paid through June. She said that there were nine claimants with claims exceeding the specific deductible of \$150K with total claims of \$1.6 million, an increase of over \$50K from the prior month. She said of the nine claimants, two were Carveout A members and the deductible for that plan is \$50K. She said excess claims totaled \$500,321. She said \$442,336 had been reviewed and applied against the aggregating specific deductible, which is \$500K. She said of the \$57,985 outstanding amount, 57,664 would be reviewed and applied against the aggregating specific deductible and the balance of \$321 would be reviewed and reimbursed to the Group. She said that there were 29 claimants with claims between 50-100% of the specific deductible (\$150K) with claims totaling approximately \$2.6 million, an increase of over \$754K from the prior month.

FY04 Policy Period for Medicare Carveout A Plan

Ms. Carlberg reviewed the 50-100% report for the Medicare Carveout A plan (\$50K deductible) for the FY04 policy period. She said there was one claimant with claims between 50-100% of the deductible with claims totaling \$40,188, an increase of \$6,188 from the prior month.

FY03 Policy Period

Joelle Carlberg reviewed the 7/02-6/03 policy report with claims paid through December 2003. She said that there were eight claimants with claims exceeding the specific deductible of \$150K with total claims of \$1.7 million. She said of the eight claimants, one was a COA member and the deductible for that plan is \$50K. She said excess claims totaled \$630K. Ms. Carlberg said that the flexible specific premium had been met. She said total reimbursements were over \$130K and there was a debit balance on this policy of \$141. Ms. Carlberg said that there were 31 claimants with claims between 50-100% of the specific deductible with claims totaling over \$3.3 million.

FY03 Policy Period for Medicare Carveout A Plan

Ms. Carlberg reviewed the 50-100% report for the Medicare Carveout A plan (\$50K deductible) for the FY03 policy period. She said that there was one claimant with claims between 50-100% of the deductible with claims totaling \$30,222.

Administrative Issues regarding Same-Sex Marriage -

Carol Cormier said that COBRA is a federal guideline and therefore, MA employers are not required to extend COBRA rights to same-sex spouses. She said GBS administers the COBRA for CCMHG. She said if CCMHG would like GBS to offer COBRA to same-sex spouses, it must be put in writing. She said the health plans are extending COBRA rights to same-sex spouses for their insured clients, unless directed otherwise by the client. She said the recommendation by the Steering Committee was to extend COBRA equivalent coverage to spouses of same-sex marriages.

There was a discussion.

Ms. Cormier talked about the tax implications relating to same-sex spousal benefits. She said there has been no guideline given by the federal government as of yet. She said she would recommend that each governmental unit set up a policy and adopt at the local level.

There was a discussion.

Marie Buckner moved that CCMHG extend COBRA equivalent coverage to same-sex spouses.

Motion

Judie Jardin seconded the motion. The vote in favor of the motion was unanimous.

Carol Cormier said she would draft a letter authorizing GBS to extend COBRA to same-sex spouses and send it to Noreen Mavro-Flanders for signature.

Blue Care Elect Preferred PPO Screening Benefit Option:

Ms. Noreen Mavro-Flanders said there was an optional benefit change to the Blue Care Elect Preferred PPO plan. She said currently the BCBSMA PPO plan does not cover routine Colonoscopy Screening and Sigmoidoscopy. She said BCBSMA has added a routine benefit to its fully insured plans. She said the coverage would consist of a routine screening sigmoidoscopy or routine barium enema once every three years for a member age 50 or older and a routine screening colonoscopy once every ten years for a member age 50 or older. She said the Steering Committee had a lot of discussion on this because of the "Dennis decision" and the issues involved with collective bargaining. She mentioned that the plan currently includes coverage for these services when related to a medical condition but not for routine screenings.

Ms. Mavro-Flanders said the health issue in this case overrode the cost of the benefit (\$0.40 per member per month is the estimate) and collective bargaining concerns.

Robert Cecil moved to accept the Steering Committee's recommendation to approve the added benefit, as described above, to the Blue Care Elect PPO plan effective July 1, 2004.

Motion

Judie Jardin seconded the motion. The vote in favor of the motion was unanimous.

Increase in state-mandated Early Intervention benefit:

Ms. Noreen Mavro-Flanders said that the caps on the state-mandated Early Intervention benefit have been raised effective July 1, 2004. She said the annual cap has been raised from \$3,200 to \$5,200. She said the lifetime maximum has been raised from \$9,600 to \$15,600. She said all self-funded governmental employers must adopt the state mandates, so the new caps went into place on all CCMHG plans effective July 1, 2004. She said the Steering Committee had a discussion on this and decided to send a letter to the State Auditor requesting a review of the unfunded mandate and reimbursement for costs associated with it.

Health Plan Reports:

BCBSMA -

Anne Hart-Davies said she could see that there were a lot of new members at this meeting. She encouraged new members to make sure to get her business card, as well as Bill Rowbottom's, the Account Service Representative.

Ms. Hart-Davies reminded Board members that when an employee turns 65 years old, is enrolled on the PPO or Indemnity plan and is actively working, the employer must change them to the TEFRA group number. She said if this were not done, BCBSMA would stop paying the claims. She said of course if the employee is retiring, the employer should then encourage them to enroll in one of the senior plan options.

Ms. Hart-Davies said BCBSMA has a new vendor for the Coordination of Benefits (COB) letters. She said the new vendor is "Accent". She said once a year, Accent sends a COB letter to the member on their date of birth. She said it is important that employers are aware of this so that if a member questions the name "Accent", they can be assured that it is related to BCBSMA and can feel comfortable with completing the form.

Ms. Hart-Davies said there were several new items added to the BCBSMA website. She encouraged employers to take a look and also to tell employees about it.

HPHC -

Bill Hickey introduced himself as the new Account Executive for HPHC. He said he had business cards to distribute. He said he looked forward to working with the CCMHG, and he encouraged employers to contact him with questions or concerns at anytime.

Mr. Hickey informed the Group that effective January 1, 2005, HPHC would have a new behavioral health vendor named *PacifiCare Behavioral Health*. He said HPHC's existing agreement with *Value Options* remains in effect until December 31, 2004. He said all parties involved expect that this will be a smooth transition. He said he would have more information to offer in the late summer and fall. He also mentioned that in December, HPHC would get in touch with those members that need transition-of-care plans.

Delta Dental -

Anne Boisvert thanked the Steering Committee and the Group for continuing the Voluntary Dental Plan business with Delta Dental. She said Delta was pleased to be able to offer the new Enhanced Voluntary Product at the time the RFPs were issued. She said she believes that members will be happy with the enhanced plan, which offers 100% coverage for Type I services and a 10% increase in the Table of Allowance.

Other Business:

The next CCMHG Board meeting was scheduled for Wednesday, October 27, 2004 at 9:30 a.m. at the COMM Fire District in Centerville, MA.

There was no other business.

Motion

Robert Cecil moved to adjourn the meeting. Marie Buckner seconded the motion.

The motion to adjourn passed by unanimous vote.

Chairman Noreen Mavro-Flanders adjourned the meeting at 11:32 a.m.

*Prepared by Joelle Carlberg
Group Benefits Strategies*