

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

Board Meeting

Wednesday, July 23, 2014, 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, July 23, 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
Debra Blanchette	Town of Barnstable
Laura Scroggins	Town of Barnstable
Marie Buckner	Town of Sandwich
Susan Wallen	Nauset Regional School District
Renie Dumont	Nauset Regional School District
Deborah Heemsoth	Town of Dennis
Robert Howard	Bourne Recreation Authority
Lisa Vitale	Town of Brewster
Judy Sprague	COMM Fire District
Melanie Becker	County of Dukes County
Denise Coleman	Town of Falmouth
Erin Orcutt	Cape Cod Regional Tech High School
Nancy Ward	Bourne Water District
Mary McIsaac	Town of Harwich
Dave Withrow	Town of Orleans

Guests Present:

Rich Bienvenue	CCMHG Treasurer
Deanna Desroches	CCMHG Wellness Consultant
Krystle Rose	CCMHG MV Wellness Consultant
David Smith	Rockland Trust Investments
Linda Loiselle	The Abacus Group
Debb Jardin	The Abacus Group
Beverly Haley	Dennis Yarmouth RSD
Kate Bruster	Monomoy Regional School District
Sarah Gorozyca	Mashpee Water District
Kristin Nickerson	Town of Falmouth
Suzanne Donahue	Blue Cross Blue Shield of MA (BCBSMA)
William Rowbottom	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	Group Benefits Strategies (GBS)
Karen Carpenter	Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 10:13 a.m.

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

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

Motion

Melanie Becker seconded the motion. The motion passed by unanimous vote.

Investment Committee and Manager's Report:

Debra Blanchette said that the Investment Committee met with Jason Lily, Rockland Trust and said the investments are doing well. She introduced David Smith who is filling in for Jason Lily today.

David Smith said that the initial investment of \$8M has doubled over the past 10 years. He said that the CCMHG investment portfolio is very diversified and said diversity is the core of Rockland Trust's philosophy.

Mr. Smith said that the returns for Portfolio #1 (conservative with 70% in fixed income/30% in equities) for last 12-month period were 0.31% 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 8.66%.

Mr. Smith 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 13.31% which was 1.00% lower than the Benchmark. Again he cited portfolio diversification as the reason for the lower performance.

David Smith reviewed the benchmark and peer review report.

In response to a question asked, Mr. Smith said that there is continual dialogue with the CCMHG Investment Committee. He said that together the portfolio is reviewed frequently.

Skip Finnell said that the Committee meets quarterly to review the policy and said revisions are made as necessary. He said that the Investment Committee reports on a regular basis to the Steering Committee.

Debra Blanchette said that the Investment Committee discussed the possibility of setting up another investment portfolio from which it would be easier to access funds. She said that the Committee is considering the option and will make a recommendation to the Steering Committee after a full review.

Treasurer's Report:

Treasurer, Rich Bienvenue reviewed the Financial Statements through May 2014 and said that the FY14 audit will begin after he enters the accruals into the system. He noted that Noreen Mavro-Flanders signed the Audit Engagement Letter. He said that the total Operating Income YTD was \$1.1M at the end of May. Mr. Bienvenue said that the Net Loss for the month is \$2.58M. He said that when CCMHG set its rates for FY14, it planned on using \$9.9M from the fund balance to pay for FY14 expenses.

Mr. Bienvenue said that the Total Equity was up \$3.5M for the year at \$25.4M. He said that the "Cost of Sales" header represents claims expenses. He noted that \$2M of the total equity was from other income including the Retiree Drug Subsidy reimbursements. Mr. Bienvenue said that he expects the financial position for June to be similar to May.

Mr. Bienvenue said that the Investment Income YTD was \$1.2M and said that the Medicare Part D subsidy received YTD was \$1.12M.

Mr. Bienvenue said that the Steering Committee voted to approve writing off approximately \$23K of Aged Receivables that were over 10 years old.

Wellness Committee Report:

Martha’s Vineyard (MV) Wellness Programs – Krystle Rose distributed the FY15 Wellness Budget for MV and said the increase over the FY14 budget is \$4,000. She said the increase is due to the Fitness Challenge and cost of personal trainers and nutritionists. Ms. Rose said the FY15 walking program and Tick-Borne Disease lecture costs will remain the same as they were in FY14.

Ms. Rose reviewed the FY14 wellness program participation results. She said that there was a total weight loss of 207 lbs. across all participants in the Fitness Challenge. She said that the top loser lost 16.9% of body weight, and gym memberships were extended an additional 1 ½ months. She said that the Fitness Challenge will be offered to the MV teachers in FY14. Ms. Rose said there will be a walking program offered to retirees in FY15.

Skip Finnell made a motion to approve the MV FY15 Wellness Budget of \$40K.

Maggie Downey seconded the motion. The motion passed by a unanimous

Motion

Noreen Mavro-Flanders noted that the MV Wellness Committee, comprised of Melanie Becker, Kathy Logue, Krystle Rose, and herself, meet once per month.

Mainland Wellness Programs- Deanna Desroches reviewed the FY14 wellness programs and participation rates. She said that the Eastham smoking cessation program had a 100% success rate with all 11 participants smoke-free after 3 months. She said that a new class will be offered in the Falmouth area after the first of the year. Ms. Desroches said the newsletter, *Your Health Matters*, is sent out quarterly, the last one distributed in July. She said she implemented a new promotion called “Random Acts of Kindness”. She said if a member catches a co-worker doing something healthy and posts the picture on the CCMHG Facebook page, one of the pictures will be chosen to be published in the October newsletter.

Ms. Desroches said that the Health Improvement Program (HIP) and the Brown Bag Lunch lecture program will not be part of the FY15 programs. She said that Dr. Flaherty’s schedule is full and there was not enough participation in the lecture program to continue with it. She said there is room for 15 Biometric Screening programs and said to contact her to schedule. Ms. Desroches said that the walking, fitness and wellness incentive programs would also continue for FY15.

Skip Finnell said that CCMHG was recognized for the BCBS Innovative Wellness Program Award because of the efforts of all the Wellness Coordinators, Wellness Committee and Wellness Champions.

Mr. Finnell said that the Mainland Wellness Committee members are Marie Buckner, Maggie Downey, Paula Champagne, Beverly Haley, Kristin Nickerson, and Laura Scroggins.

Skip Finnell made a motion to make a recommendation to the Board to approve the Mainland FY15 Wellness Programs and Budget of \$199,565.

Motion

Maggie Downey seconded the motion. The motion passed by a unanimous vote.

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 said that the SC approved a MOU with the Town of Yarmouth

to satisfy the State Ethics Commissions requirements now that Rich Bienvenue, CCMHG Treasurer, is working for the town. Mr. Finnell said that the SC approved writing off approximately \$23K of Aged Receivables. Mr. Finnell said that the SC approved renewing the 3-year GBS contract for Central Benefits Administration and Consulting services. He said that the Town of Bourne had expressed interest in joining CCMHG, but said that the town is exploring several options and have not indicated a strong commitment to CCMHG.. Mr. Finnell said that the SC is considering a move to retiree Employee Group Waiver Plans (EGWP) for January 1, 2015. He said this would impact Medex, Managed Blue for Seniors, and Medicare Enhance. He said a decision will need to be made soon to have time to administer, and he invited the members of the Board to attend the October 1st SC and BD meetings. Mr. Finnell said that the SC approved new HPHC and BCBS monthly deposits. Mr. Finnell said that the SC subcommittee and Treasurer are reviewing adding an investment account to allow for easier liquidation of investment funds. He said that they will be making a recommendation to the SC at a later meeting.

Noreen Mavro-Flanders said that the next SC Meeting is scheduled to take place on Martha's Vineyard on September 17th. She invited the Board members to attend.

Carol Cormier said to let GBS know if anyone would like to attend the Sept. 17th meeting so that travel arrangements can be made. .

The Abacus Group Report:

My Medication Advisor® report - Linda Loiselle reviewed the CY14 My Medication Advisor report through June 30, 2014, comparing budgeted utilization, expenses and savings with actual figures. She said Lipitor is still available since it is still sold at a lower cost outside of the U.S. than the cost of generic counterparts sold in the US. She said that the projections were lowered due to the anticipation of the elimination of Lipitor. 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 \$449,924. She said employees saved \$129,073 in waived copays. She noted that the savings are based on the cost of the medications in the US versus the international program. Ms. Loiselle said that the new medication lists effective August 1 were distributed and are also available on the CCMHG website.

Good Health Gateway® *Diabetes Rewards program report* – Ms. Loiselle reviewed the report through May 31, 2014. She said that there are 1,279 CCMHG members diagnosed with diabetes. She said 42% of identified diabetics were enrolled with 42% of those compliant with all care elements of the program. She said that estimated savings for the quarter was \$320,272. She said that the estimated member co-pays waived was \$80,132 and the total diabetes medication cost was \$794,634 at the end of the 6-month period.

Debb Jardin said that Abacus will continue to contribute to the CCMHG newsletter and said it will provide good exposure for the programs. She 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. Ms. Jardin said that the most recent registration incentive program led to 32 new prospective participants. She said that the compliance incentive raffling off 2 Red Sox tickets was featured in the CCMHG newsletter and was also available on the CCMHG website. She said 7 new participants were enrolled from that campaign.

Linda Loiselle said that she will put together an impact analysis of implementing the EGWP plans. She said that she will bring the analysis and samples of letters to participating members to the September 17th meeting for the SC's review.

GBS Reports:

Carol Cormier said that some of the CCMHG units have received document requests from the MA Independent Pharmacist Association (MIPA) regarding the international prescription buying program. She said the CCMHG also received a request. She said Noreen mavro-Flanders responded.

Funding Rate Analysis with data through March 2014 - Carol Cormier said that the GBS reports were emailed to the Board members. She said that the Board planned to lower the fund balance surplus through the FY14 rate setting process by almost \$10M. She said that did not happen since the claims were favorable. She said the trend has been lower for CCMHG than health plan trend factors provided on renewal. She said that the health plan funding through the rates exceeded claims and administration expenses by \$4.1 million which is an expense-to-funding ratio of 96.8%. She said that the dental plans' expense-to-funding ratio was 94%. Ms. Cormier noted that some of the Retiree Drug Subsidy money has also been distributed to the employer units.

Ms. Cormier said that there are fewer stop loss claimants and the claims are lower than in the prior year.

Rich Bienvenue noted that in 1999, CCMHG had a \$5M deficit and said claims expense cannot be predicted. He said that it took 3 years to recover from the deficit.

Carol Cormier thanked the Board for renewing the GBS contract and said it is a pleasure working with CCMHG.

Noreen Mavro-Flanders noted that there was a contract increase of 2% on the consulting and benefits administration and a 0.02 cent increase to the COBRA administration.

Affordable Care Act Update - Carol Cormier said that CCMHG has paid the PCORI fee due for plan year 2013. She said that the IRS is not reading the regulations correctly and has sent out late notices to other groups. She said that GBS has studied the regulations and consulted with attorneys who agree they were filed and paid correctly. She said CCMHG has not received a letter from the IRS about late payments but other groups have and CCMHG could possibly receive the invoice in the near future.

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 MMRA was up and running as of July 1, 2014.

Carol Cormier said that all of the agreements were reviewed by attorneys, the representatives and GBS. She said that the collateral and first month's premium has been paid. Ms. Cormier noted that the \$500 Aggregating Specific Deductible has been eliminated in the new policy.

Senior Plans for CY2015:

Noreen Mavro-Flanders said that the Steering Committee (SC) is reviewing information regarding moving the Medex, managed Blue for Seniors, and Medicare Enhance senior plans to EGWP plans. She said the SC will make a recommendation at the October 1 Board meeting.

Carol Cormier said that to recap discussions at previous Board meetings, should the Board vote to move to EGWP plans, the prescription drugs would be covered by a government approved Medicare Part D PDP plan which would be fully insured and be governed by CMS. She said the medical claims would continue to be self-funded. Ms. Cormier said that she will put together rate exhibits and will send it out prior to the October 1 meeting. She said that a comparison between the two types of plans is included in the meeting packet. Ms. Cormier noted that the employers and retirees would receive savings through the plan rates rather than the CCMHG receiving a subsidy through the RDS program. She said that the move would lower the employers' OPEB liabilities. Ms. Cormier said that the MMA and Diabetes Rewards® programs would no longer be available to the senior plan members since prescription drugs would no longer be self-funded. She said that Linda Loiselle will provide information on disruption.

Health Plan Reports:

Delta Dental Plans – Nina Conroy said that there is a new Delta Dental mobile application available to members. She said that members with the app will be able to view their claims, order new ID cards, and look up providers.

Harvard Pilgrim Health Care – Bill Hickey said that HPHC is adding acupuncture as a new benefit and said CCMHG may want to consider adding it to its plans. Mr. Hickey said that the DOI has concluded that denying gender reassignment surgery is discriminatory. As a result, he said that HPHC will be adding the benefit to its insured book of business. He said that its self-funded clients have the option of adding it or not. Mr. Hickey said that HPHC will now require pre-authorization for spinal surgeries for pain management. He said that 20% to 29% of the surgeries were found to be unnecessary. He said there will be a charge for self-funded accounts if they wish to eliminate the pre-authorization requirement.

Blue Cross Blue Shield of MA – Suzanne Donahue said that BCBS has a new initiative regarding its PPO plans. She said that BCBS expects to send letters to members in January 2015 asking them to designate a PCP. She said referrals are still not necessary. Ms. Donahue said that she brought copies of the BCBS quarterly newsletter in which CCMHG cited among those that received BCBS Innovation Awards.

Tufts Health Plan senior plans – Fred Winer said that THP is expecting senior plan rates to increase for CY15 due to the increase in drug trends.

Senior Health Fairs, etc.

Bill Rowbottom said that the health fairs went well and were very well attended. He said that if CCMHG votes to offer the EGWP plans, informational sessions for benefit administrators and seniors is important. He suggested a mandatory benefits administrators' meeting.

Maggie Downey said that the announcement could be included in the wellness newsletter that could be sent to the retiree boards.

Other Business:

There was no other business.

Skip Finnell moved to adjourn the meeting.

Motion

Maggie Downey seconded the motion. The motion passed by unanimous vote.

Noreen Mavro-Flanders adjourned the meeting at 11:50 AM.

*Prepared by Karen Carpenter
Group Benefits Strategies*