

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

**Board Meeting**

Wednesday, July 24, 2013, 11:30 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 24, 2013 at 11:30 AM at the COMM Fire District, Centerville, MA. The following people attended the meeting:

**Board Members Present:**

Noreen Mavro-Flanders, Board Chair	County of Dukes County
A. Francis (“Skip”) Finnell, Steering Committee Chair	Dennis-Yarmouth RSD
Marie Buckner	Town of Sandwich
Debra Blanchette	Town of Barnstable
Laura Scroggins	Town of Barnstable
Gerry Panuczak	Town of Chatham
Pam Hudson	Town of Provincetown
Linda O’Brien	Town of Provincetown
Joan Plante	Town of Eastham
Dawn Rickman	Town of Wellfleet
Lisa Vitale	Town of Brewster
Irene Wright	Town of Yarmouth
Susan Milne	Town of Yarmouth
Renie Dumont	Nauset Regional School District
Susan Wallen	Nauset Regional School District
Kathleen Isernio	Monomoy Regional School District
Nancy Ward	Bourne Water District
Susan Stoltz	Barnstable Fire District
Deborah Heemsoth	Town of Dennis
James Weiss	Martha’s Vineyard RSD
Nancy Cushing	Barnstable County
Robert Howard	Bourne Recreation Authority
Joyce Mason	Town of Mashpee
Mary McIssac	Town of Harwich
Erin Orcutt	Cape Cod Regional THS
Teresa Johnson	Sandwich Water District
Cynthia Slade	Town of Truro

**Guests Present:**

Rich Bienvenue	Treasurer, CCMHG
Deanna Desroches	CCMHG Wellness Consultant
Jason Lily	Rockland Trust Investments
Linda Loiselle	The Abacus Group
Debb Jardin	The Abacus Group
Mary Sedgewick	Town of Orleans
Meghan Mahieu	Town of Orleans
Melissa Abrams	COMM Fire District
Denise Coleman	Town of Falmouth

Scott Starbard  
 Ryan Gavin  
 Paul Gavin  
 Michelle LaCasse  
 Victoria Finlay  
 Suzanne Donahue  
 Bill Rowbottom  
 Bill Hickey  
 Fred Winer  
 Carol Cormier  
 Kate Sharry  
 Ginger Hastings  
 Karen Carpenter

Falmouth Firefighter  
 Falmouth Firefighter  
 Provincetown IAC  
 Barnstable County  
 Town of Eastham  
 Blue Cross Blue Shield (BCBS)  
 Blue Cross Blue Shield (BCBS)  
 Harvard Pilgrim Health Care (HPHC)  
 Tufts Health Plan (THP)  
 Group Benefits Strategies (GBS)  
 Group Benefits Strategies (GBS)  
 Group Benefits Strategies (GBS)  
 Group Benefits Strategies (GBS)

Noreen Mavro-Flanders, Chair, called the meeting to order at 11:45 a.m.

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

Jim Weiss motioned to approve the minutes of April 24, 2013 meeting.

Motion
--------

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

**Investment Report:**

Jason Lily from Rockland Trust distributed and reviewed the CCMHG Investment Report for quarter ending June 30, 2013. He said that the quarter had slightly negative returns, but said that the total yearly return was positive. He said there was an investment gain of \$832,607 for year ending June 30, 2013. He said that all the asset funds are in compliance with the CCMHG’s Investment Policy.

Mr. Lily said that Portfolio #1 (conservative with 70% in fixed income/30% in equities) had a 12-month return of 5.48% and Portfolio #2 (balanced/aggressive with a 50/50 balance of fixed income and equities) had a 12-month return of 10.27%. He said Portfolio#1 and Portfolio #2 underperformed the benchmark slightly for the year.

Noreen Mavro-Flanders thanked Mr. Lily for his report, and Mr. Lily left the meeting.

**Treasurer’s Report:**

Treasurer, Rich Bienvenue, CPA, reviewed the financial statements through May 31, 2013 (unaudited figures). He said that the Unreserved Fund Balance was \$22.1M as of May 31, 2013 and said the current year increase in the Fund Balance is \$6.5M. Mr. Bienvenue said it was expected that \$8M of the fund balance would be utilized to supplement the FY13 rates in funding FY13 expenses, but said that it did not happen. Mr. Bienvenue said that the FY14 rates were set this year with the expectation that \$10M will be utilized to supplement the rates. He said that the Steering Committee will be making a recommendation to the Board today regarding a disbursement \$1.6M of the FY09 Retiree Drug Subsidy (RDS). He said based on the trust fund policy, the fund balance should still be in the desired 8% to 12% policy range at year-end even if the RDS is distributed.

Mr. Bienvenue said he has tested the Accounts Payable function of the new accounting program and will be testing the Accounts Receivable function next. He said that the new program will auto-post those functions and will also post the bank statements to the accounts. He said it is important that the employers pay their invoices as billed. Mr. Bienvenue said there are some units with small balances that need to be addressed.

**Proposed amendment to the Joint Purchase Agreement, Article 4:**

Noreen Mavro-Flanders said that a recent vacancy in the Steering Committee prompted a review of Article 4, the Administration section of the Joint Purchase Agreement (JPA). She said that the current agreement states that the Committee will consist of up to 9 members. Ms. Flanders said that the Committee is recommending to the Board to amend the agreement to include the election of one Alternate Steering Committee Member who will be authorized to assume all responsibilities, including voting, should any one Committee member be absent.

Carol Cormier said that the Joint Purchase Agreement requires a reading of a proposed amendment prior to the formal vote so that Board members can review the proposal with their elected Boards.

Skip Finnell made a motion to accept the Steering Committee's recommendation to begin the process to amend Article 4 as presented and to have the Board vote on the proposed amendment at the October Board meeting.

Marie Buckner seconded the motion.

A vote was taken and the motion passed unanimously.

**Election of Steering Committee member:**

Noreen Mavro-Flanders said that Sue Milne is retiring from the Town of Yarmouth and she thanked her for her work as a Steering Committee member. Ms. Flanders said that two Board members, Joyce Mason, Town of Mashpee, and Susan Wallen, Nauset RSD, have expressed an interest in serving on the Committee. She said that their letters of interest were sent to the Board members prior to the meeting and asked each of the candidates to give a brief statement.

Joyce Mason said that she celebrated 30 years with the Town of Mashpee and is employed as the Town Manager. She said that she is responsible for the functions and activities of the administrative branch of the town such as the annual operating budget and negotiating all contracts with its employees. She said that she believes that her experience as a municipal manager and her understanding of the impact of decisions made about health care will benefit the Committee and the CCMHG.

Susan Wallen said that she has worked in non-profit business management positions for almost 30 years and has been employed by Nauset RSD for the past four years. She said that her responsibilities have included most all of the finance and human resource functions, the most recent being the Payroll and Benefits Coordinator at the school district. Ms. Wallen said that she is very interested in serving as a committee member and being a part of implementing the changes that will occur as a result of the Affordable Care Act(ACA). She said that she is interested in either the Steering Committee vacancy or new Alternate position should it be created by the proposed amendment.

Ms. Flanders said that one representative from each town or district and two representatives from Dukes County are eligible to vote. She asked each representative to obtain a ballot from Carol Cormier and vote for the candidate of their choice.

Marie Buckner collected and tallied the ballots.

The Board recessed for lunch.

---

At 12:30 PM, the Board reconvened.

Noreen Mavro-Flanders said that the votes were tallied and that Joyce Mason was voted to be the new Steering Committee member. She thanked Ms. Mason and Ms. Wallen for their interest and willingness to serve.

**Wellness Committee Report:**

Deanna Desroches, Wellness Consultant to the mainland, said that the July wellness newsletter, “Wellness Matters” was distributed and is also available on [www.CCMHG.com](http://www.CCMHG.com). She said that information about the new wellness programs were added to the newsletter. Ms. Desroches said that several employers contacted her about the Couch to \$5K program and said that the Town of Barnstable program is already at its participant maximum. She said that she is seeing a renewed interest in health from the CCMHG members. Ms. Desroches said that the Healthy Me program combines fitness and nutrition components. She said it is an 8-week program that is conducted during lunch hour. She said that the Walking Works Spring Challenge was very well received. She said that 360 participants stuck with it and great prizes were awarded at the end of the program. Ms. Desroches said that there were 250 Biometric screenings completed and said that the program will be offered again this year.

Noreen Mavro-Flanders reminded the Board about the fitness reimbursement programs available through the health plans.

**Steering Committee Report:**

Skip Finnell, Steering Committee Chair, thanked Sue Milne for her work on the Committee and wished her well. Mr. Finnell welcomed Joyce Mason as a new Steering Committee member and said that there are other opportunities to work with various committees within the CCMHG.

FY14 Wellness Budget & Programs – Skip Finnell said that the Steering Committee approved the FY14 Wellness Budget and Programs. He said that the budget approved for the mainland was \$181K and said \$36K was approved for the programs offered in Dukes County. He said that the Committee is working on better defining the wellness consultant contracts with Attorney Bill Butler.

FY14 Reinsurance – Skip Finnell said that the Steering Committee accepted a quote from BCBS to renew the current reinsurance policy and terms. He said that there is a 15.5% composite increase in reinsurance premiums. Mr. Finnell said that there has been a recent reluctance on the part of reinsurance carriers to bid for municipal stop loss policies. He said that GBS has been working on a possible alternative with Gallagher Benefits Services as discussed at a previous Board meeting.

Carol Cormier said that the Committee reviewed information about possibly self-funding the reinsurance up to a certain level in a pool with other joint purchase groups. She said that reinsurance quotes for FY14 were solicited from Stop Loss Insurance Services (current broker), Stop Loss Insurance Brokers, and Gallagher Benefits Services. She said that Gallagher submitted quotes from a National carrier for the reinsurance pooling arrangement and said they were very high. Ms. Cormier said that Gallagher is looking into a new model. She said that GBS received templates of the documents and agreements that will be revised and edited for use by the Joint Purchase Group pooling arrangement.

Skip Finnell said if anyone is interested in joining a sub-committee on the reinsurance pooling arrangement to let GBS know.

COBRA FY14 – Mr. Finnell said the Committee approved renewing the COBRA administration contract with GBS.

Skip Finnell said that the Steering Committee meeting location is changing from the Sandwich Municipal Office Building to the Sandwich Town Hall.

Carol Cormier said that the meeting dates, times and locations are posted on the CCMHG website.

Employer Responsibility regarding Medicare Eligible retirees – Carol Cormier said that the law requires mandatory Medicare plan enrollment for those eligible, but said there are some retirees and employees that have still not applied. She said that the claims of these members are paid by the health plan as if the member is enrolled in a Medicare Part B, thereby leaving a balance of claims to be paid by the member. Ms. Cormier said that the Steering Committee endorses a policy making it the employer’s responsibility to either pay or charge the retiree or employee who is eligible but does not sign up for Medicare Part B for charges for services for which Medicare Part B would have paid. She said that it is very important that the employer track their retirees and those approaching retirement and moving them to retiree plans. She said that certain disabled employees may also be eligible for Medicare.

Fred Winer noted that there is no flexibility with regards to the new law.

**GBS Reports:**

Carol Cormier said that the GBS reports for the complete fiscal year were emailed to the Board prior to the meeting.

Funding Rate Analysis- Carol Cormier reviewed the Funding Rate Analysis with year-end data through June 2013 and said the expense-to-funding ratio for health plans was 97.8% and for dental was 90%. Ms. Cormier noted that the Harvard Pilgrim EPO plan was underfunded by \$1.0M, but overall health plan funding was \$2.8M over expenses. She noted that the BCBS Medex and HP Medicare Enhance retiree plans are over funded.

**Vote on changing Medex and Medicare Enhance to Medicare Part D plans and to move the anniversary date for senior plans to January 1:**

Noreen Mavro-Flanders said that the Steering Committee has been reviewing information regarding changing the Medex and Medicare Enhance plans to Medicare Part D plans and moving all retiree plans to a January 1 renewal date.

Skip Finnell said that the Steering Committee discussed and reviewed the costs and impact on employers and retirees and the OPEB liability of changing the plans to Medicare Part D plans. He said that the Committee is recommending moving all retiree plans to a January 1 renewal date. He said the Committee is not recommending changing the plans to Medicare Part D plans at this time.

Carol Cormier said that some of the retiree plans currently change rates on January 1, while others change on July 1. She said that with a January renewal date for all Medicare plans, the retirees will know that they will have the same rate for 12 months. In addition, she said this will allow for a senior plan open enrollment separate from the active plans and will position the group to move to plans that incorporate Part D in the near future.

Ms. Flanders said that if approved, CCMHG will either hold the current Medex and HPHC Medicare Enhance rates for 18 months or reduce the rates for 2014.

Skip Finnell made a motion to approve the Steering Committee’s recommendation to change the renewal to January 1 for all retiree plans effective January 1, 2014.

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

Motion
--------

**Report on myMedicationadvisor® (MMA) and Diabetes Rewards Program:**

myMedicationadvisor® (MMA)- Linda Loiselle, The Abacus Group reviewed the MMA report through June 30, 2013 and said that the program runs on a calendar year basis. She said that the international RX buying program is exceeding the projections, while the alternative generic savings program is lagging behind projections. Ms. Loiselle said that Abacus will send out additional mailings in an effort to increase participation. She said that the total gross savings to date is \$509,201 and the net savings is \$364,917. She said that a total of \$121,562 in employee co-pays were waived. Ms. Loiselle said that Lipitor is still on the list of approved medications since it is still less expensive to obtain outside of the US than the generic equivalents available in the US.

Diabetes Rewards Program -Linda Loiselle reviewed the Diabetes Rewards Program interim report and said that the prescription and cost information as well as the estimated savings totals are reported through May 31, 2013. She said that the remainder of the report is through July 19, 2013. Ms. Loiselle said that since May 31<sup>st</sup> the enrollments have increased from 46 to 483 and program compliance has increased from 198 to 220. Ms. Loiselle said that the Abacus presence at the Health Fairs seems to have had a positive effect on increasing enrollments. She said that a new compliance incentive began in May where all of the compliant program participants' names are entered into a drawing to receive a \$25 bonus check. She said that those that are not compliant are sent a "loss regret" message letting them know that they missed out on the drawing. Ms. Loiselle said that people seem to feel worse if they are told that they missed out on a reward, which may motivate them to become compliant. She said she will report on the impact of that program at the end of the summer.

Ms. Loiselle said that she heard from some of the wellness champions that some members may not be participating in the program due to the deductible. She said that a new flyer has been created to let members know that they will see a savings even if the deductible applies to some of the services required.

Noreen Mavro-Flanders thanked the health plan and Abacus representatives for their work and for attending all of the health fair meetings.

**Steering Committee recommendation about distribution of RDS money:**

Skip Finnell said that the Steering Committee is recommending to the Board to approve a distribution of the FY09 Retiree Drug Subsidy (RDS).

Skip Finnell made a motion to approve distribution of the FY09 RDS money to the employers to be distributed based on the January FY09 RDS- eligible members in each unit.

Motion

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

Carol Cormier said that the Town of Harwich was eligible to receive distributions beginning with January 2009.

**Ch. 41, Section 111F – claims processing update:** Carol Cormier said that a Falmouth Firefighter brought an issue to the Board at the last meeting regarding claims paid by the CCMHG that were incurred by firefighters and police as a result of injuries received while on duty and which should have been paid by the employer's 111F third party administrator.

Denise Coleman, Town of Falmouth, said that the town is working on a new process to help eliminate this problem. She said that the Town has committed to better educate its Firefighters & Police Officers to ensure that when they are injured on duty (referred to as an Injured on Duty or 111F claim), they must be sure to inform the health care provider that the services should be charged to the town's 111F third party administrator

and not their health insurance. She said otherwise, the provider will bill the service to the personal health insurance thereby raising CCMHG claims experience. Ms. Coleman said that the Town's 3<sup>rd</sup> party administrator has created an Injured on Duty (IOD) Info Card which will be issued to each firefighter & police officer. She said the Info Card explains where to bill IOD claims,.

Noreen Mavro-Flanders thanked the firefighter for bringing this issue to the Board.

Carol Cormier suggested adding this topic to the Benefits Administrator's Meeting.

### **Health Plan Reports:**

Health Fair Recommendations – Nina Conroy said that the health fairs went well and most were fairly well attended. Ms. Conroy said that in an effort to best utilize resources, she and the health plan representatives would like to make some recommendations to consider when planning future health fairs. She said that holding regionalized health fairs or combining some of the districts with smaller enrollments would be ideal. She said that there were some health fairs that were scheduled for several hours that received only a handful of attendees. Ms. Conroy said that several towns and school districts have agreed to hold joint health fairs in the spring of 2014. She said that the length of time allotted for a fair should be no longer than 4 hours, suggesting 10:00 a.m. to 2:00 p.m. for towns and afternoon for schools. She said for towns and schools that combine their fairs, they recommend back to back times from 11:00 a.m. to 5:00 p.m.

Ms. Conroy suggested offering health screenings at the fairs to encourage attendance at the fairs. She said that some towns use their wellness grants to provide healthy snacks and screenings at their fairs.

Bill Rowbottom recommended situating the health plan providers and representatives from the Abacus Group next to each other so that they can better serve and answer employee's questions.

Carol Cormier asked the health plans to send their recommendations to GBS prior to the fairs and GBS will email a reminder to the benefit coordinators.

Blue Cross Blue Shield – Suzanne Donahue distributed information regarding BCBS Specialty Pharmacies and said that they provide added value services at the retail level, with overnite service if necessary. She said that the specialty medications are typically injectable and can be administered by a patient or family member. Ms. Donahue said that the members have access to nurses and pharmacists 24 hours per day, 7 days per week. She said that the second page of the handout is a list of the specialty pharmacies.

Ms. Donahue said that she included a list of Urgent Care centers that can be utilized to save the cost of emergency room co-pay as well as the cost of services billed to the CCMHG.

Bill Rowbottom said that some of the health fairs were well attended, while others were not. He said that there were not many questions asked about last year's plan design changes which may be a sign that members have a better understanding of the deductible plans. Mr. Rowbottom said to contact him with health fair dates.

Carol Cormier suggested holding 4 to 5 regional senior plan health fairs this fall including one on Martha's Vineyard. She asked for volunteers to provide a location and send their information to Bill Rowbottom.

Harvard Pilgrim Health Care – Bill Hickey distributed the 2012 HPHC Annual Report describing the steps that HPHC is taking to lower costs, provide higher quality services and better member experience. He said that HP is working on creating better relationships between members and their physicians. Mr. Hickey said that they are also making a change to compounded medications. He said that compounded drugs are mixed by hand and said only one drug in the mix is required to be FDA approved. He said that after the drugs are mixed, they are not FDA approved. Mr. Hickey said that while these compounds were originally made to change a dosage or change a medication from pill to liquid form, more recently they have been used for

cosmetic reasons and are very costly. He said that effective August 7, 2013, HPHC will no longer cover compounded medications for members over the age of 18 unless the physician submits for an exception and it is approved. He said all impacted members have been notified.

Tufts Health Plan— Fred Winer said that members enrolled in the Tufts Medicare Supplement Plan can get a \$150 allowance for eyewear purchased at any provider. He said that members on the Tufts Medicare HMO Plan receive up to \$150 reimbursement when utilizing an EyeMed provider.

**Other Business:**

Marie Buckner made a motion to hold the Medex and HPHC Medicare Enhance plan rates through January 1, 2015 or reduce them.

Motion

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

Skip Finnell said the following meeting dates have been scheduled:

- Steering Committee, Sept. 16 at 10 AM on Martha's Vineyard (location TBD);
- Steering Committee, Oct. 9 at 8:30 AM at COMM Fire District Bldg.;
- Board meeting, Oct. 9 at 10 AM at COMM Fire District Bldg.;
- Steering Committee, Nov. 20 at 9:00 AM at Sandwich Town Hall; and
- Steering Committee, Dec. 18 at 9:00 AM at Sandwich Town Hall.

There was no other business.

Marie Buckner motioned to adjourn the meeting.

Motion

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

Noreen Mavro-Flanders adjourned the meeting at 1:48 PM.

*Prepared by Karen Carpenter  
Group Benefits Strategies*